

POWERGRID

ANNUAL
REPORT | 2016-17

**Team Spirit leads to Innovation
and Innovation leads to Growth**



India's Best Companies
To Work For 2017
A STUDY BY
THE ECONOMIC TIMES



Vision

“World Class, Integrated, Global Transmission Company with Dominant Leadership in Emerging Power Markets Ensuring Reliability, Safety and Economy”

Mission

“We will become a Global Transmission Company with Dominant Leadership in Emerging Power Markets with World Class Capabilities by:

- World Class: Setting superior standards in capital project management and operations for the industry and ourselves
- Global: Leveraging capabilities to consistently generate maximum value for all stakeholders in India and in emerging and growing economies
- Inspiring, nurturing and empowering the next generation of professionals
- Achieving continuous improvements through innovation and state-of-the-art technology
- Committing to highest standards in health, safety, security and environment”

Values

- Zeal to excel and zest for change
- Integrity and fairness in all matters
- Respect for dignity and potential of individuals
- Strict adherence to commitments
- Ensure speed of response
- Foster learning, creativity and team-work
- Loyalty and pride in POWERGRID

Objectives

The Corporation has set following objectives in line with its Vision, Mission and its status as “Central Transmission Utility” to:

- Undertake transmission of electric power through Inter-state Transmission System.
- Discharge all functions of planning and coordination relating to Inter-State Transmission System with-
 - i. State Transmission Utilities;
 - ii. Central Government;
 - iii. State Governments;
 - iv. Generating Companies;
 - v. Regional Power Committees;
 - vi. Authority;
 - vii. Licensees;
 - viii. Any other person notified by the Central Government in this behalf.
- To ensure development of an efficient, co-ordinated and economical system of Inter-State Transmission Lines for smooth flow of electricity from generating stations to the load centres.
- Efficient Operation and Maintenance of Transmission Systems.
- Restoring power in quickest possible time in the event of any natural disasters like super-cyclone, flood etc. through deployment of Emergency Restoration Systems.
- Provide consultancy services at national and international level in transmission sector based on the in-house expertise developed by the organization.
- Participate in long distance telecommunication business ventures.
- Ensure principles of Reliability, Security and Economy matched with the rising / desirable expectation of cleaner, safer, healthier Environment of people, both affected and benefited by its activities.



Diversified into telecommunication to utilize available resources in establishing & operating National Grid. Established Broadband Telecom Network of about 42,000 kms connecting over 650 POPs on extensively spread Transmission Infrastructure.

- Only utility in the country having pan India overhead optic fibre on its Extra High Voltage Transmission Network.
- POWERGRID Fibre Telecom Network
 - Sturdy & Secure
 - Free from rodent menace and vandalism
- Network has self resilient rings for redundancy in backbone as well as intra-city access networks.
- Offering total solutions and to meet specific needs of the customers
- Reliability of Telecom Network 99.95%
- Bandwidth capacity available on all the metros & major cities.
- Extensive telecom network to serve uneconomic and backward areas for the benefit of the common man.
- Plan to extend network to neighboring countries for terrestrial SAARC Telecom Grid. Network to Bangladesh, Bhutan and Nepal already established.
- Possesses Unified License having authorization for NLD Services and ISP (Category – A) Services in the Country. Also possesses IP-I License to provide infrastructure services.
- One of the executing agency for major prestigious projects of Govt. of India, like - National Knowledge Network (NKN), National Optical Fibre Network (NOFN) etc.
- Enterprise Business offerings - Virtual Local Area Network (VLANs), Multi Protocol Label Switching (MPLS) based Virtual Private Network (VPN).
- Introducing other Value Added Services:
 - Tower Infrastructure
 - Wi-fi Services
 - Data Centre Services

Power Grid Corporation of India Limited

(A Government of India Enterprise)

CIN: L40101DL1989GOI038121

Regd. Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016.

Phone No.: 011-26560112, Fax: 011-26601081

Corp. Off.: "Saudamini", Plot No. 2, Sector-29, Gurgaon-122 001 (Haryana)

Phone No.: 0124-2571700-719, Fax: 0124-2571762

Website: www.powergridindia.com, Email ID: powergrid@powergrid.co.in

NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the Members of Power Grid Corporation of India Limited will be held on **Tuesday, the 19th September, 2017 at 11.00 a.m. at 'Manekshaw Centre', Parade Road, Delhi Cantt., New Delhi - 110 010** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2017, the Reports of the Board of Directors and Auditors thereon.
2. To note the payment of interim dividend and declare final dividend for the Financial Year 2016-17.
3. To appoint a Director in place of Shri Ravi P. Singh (DIN 05240974), who retires by rotation and being eligible, offers himself for re-appointment.
4. To fix the remuneration of the Statutory Auditors for the Financial Year 2017-18.

SPECIAL BUSINESS:**5. To appoint Shri K. Sreekant (DIN 06615674) as a Director liable to retire by rotation**

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri K. Sreekant (DIN 06615674), who was appointed as Director (Finance), by the President of India vide Ministry of Power Office Order No. 11/18/2015-PG dated 16th August, 2016 and subsequently appointed as an Additional Director by the Board of Directors with effect from 16th September, 2016 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director (Finance), liable to retire by rotation."

6. To appoint Shri Prabhakar Singh (DIN 01391766) as a Director liable to retire by rotation

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Prabhakar Singh (DIN 01391766), who was appointed as Director (Projects), by the President of India vide Ministry of Power Office Order No. 11/24/2015-PG dated 7th February, 2017 and subsequently appointed as an Additional Director by the Board of Directors with effect from 8th February, 2017 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director (Projects), liable to retire by rotation."

7. To approve appointment of Shri Tse Ten Dorji (DIN: 03469466) as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Tse Ten Dorji (DIN 03469466), who was appointed as an Independent Director of the Company by the President of India vide Ministry of Power Office Order No. 12/13/2015-PG dated 16th February, 2017 and subsequently appointed as an Additional Director by the Board of Directors with effect from 16th February, 2017 and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company with effect from 16th February, 2017 for a period of three years. Shri Tse Ten Dorji shall not be liable to retire by rotation."

**8. To approve appointment of Ms. Jyotika Kalra (DIN: 07179640) as an Independent Director for the period - 16th February, 2017 to 6th April, 2017**

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

"RESOLVED THAT in pursuance of the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of Ms. Jyotika Kalra (DIN: 07179640), as an Independent Director for the period - 16th February, 2017 to 6th April, 2017 be and is hereby approved."

9. Ratification of remuneration of the Cost Auditors for the Financial Year 2017-18

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

"RESOLVED THAT pursuant to Section 148 and any other applicable provisions of the Companies Act, 2013 the remuneration of M/s. Chandra Wadhwa & Co., Cost Accountants and M/s. R.M. Bansal & Co., Cost Accountants as the joint Cost Auditors of the Company (for Transmission and Telecom business) as approved by the Board for the Financial Year 2017-18 at ₹2,50,000/- (Rupees Two Lakh Fifty Thousand only) to be shared equally by both the firms; Taxes as applicable to be paid extra, travelling and out of pocket expenses to be reimbursed as per policy of the Company and M/s. Chandra Wadhwa & Co., Cost Accountants, the Lead Cost Auditor to be also paid for the work of consolidation and filing of Consolidated Cost Audit reports for the Financial Year 2017-18 for the Company as a whole, an additional fee of ₹12,500/- (Rupees Twelve Thousand Five Hundred only) Taxes as applicable to be paid extra, be and is hereby ratified."

10. Enhancement of Borrowing Limits from ₹1,50,000 crore to ₹1,80,000 crore

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

- (i) "RESOLVED THAT in supersession of Resolution passed for enhancing the borrowing powers to ₹1,50,000 crore, approval for which was obtained from the Shareholders of the Company in the 26th Annual General Meeting held on 15th September 2015, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors, under section 180(1)(c) of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, of the Act and the Articles of Association of the Company for borrowings, whether by way of Term Loan/Equipment Finance/Cash Credit Facilities or the like from time to time any sum or sums of money at its discretion from National/International Financial Institutions/Banks or from Public/Bodies Corporate or from Government Body/ Corporation or Government of India or by way of issue of Bonds/Rupee Linked Bonds / other securities from Domestic/International/ Overseas sources, on such terms and conditions and with or without security as the Board of Directors may think fit, which together with moneys already borrowed by the Company (apart from the temporary loans obtained from the Bankers of the Company in the ordinary course of business) shall not exceed in aggregate at any time ₹1,80,000 crore (Rupees One Lakh Eighty Thousand crore Only) irrespective of the fact that such aggregate amount of borrowings outstanding at any one time may exceed the aggregate for the time being of the Paid Up Capital of the Company and its Free Reserves.
- (ii) RESOLVED FURTHER THAT pursuant to the provisions of Section 180(1)(a) of the Act, and other applicable provisions, if any, of the Act, consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors of the Company, to mortgage and/or create charge on all or any one or more of the movable/immovable properties or such other assets of the Company, whosoever situated, both present and future, on such terms and conditions and at such time or times and in such form or manner as it may deem fit, to or in favor of National/International Financial Institutions/Banks/Multilateral, Bilateral Institutions etc. hereinafter referred as "the Lenders" and Trustees to the Lenders & Bondholders to secure any Term Loans/Cash Credit Facilities/Debentures/Bonds/Rupee Linked Bonds/other securities or the like, obtained/to be obtained from any of the aforesaid lenders together with interest thereon at the respective agreed rate(s), compound interest, additional interest, liquidated damage(s), commitment charge(s), premia on prepayment or on redemption, cost(s), charge(s), expenses and all other monies payable by the Company to such Lender(s) under the respective loan/other agreement(s) entered/to be entered into between the Company and the Lender(s) in respect of said borrowing(s), such security to rank in such manner as may be agreed to between the concerned parties and as may be thought expedient by the Board.
- (iii) RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized and it shall always be deemed to have been so authorized to finalise and execute with the Lenders/Trustees the requisite agreement, documents, deeds and writing for borrowing and/or for creating the aforesaid mortgage(s) and/or charge(s) and to do all such other acts, deeds and things as may be necessary to give effect to the above resolutions.
- (iv) RESOLVED FURTHER THAT Director (Finance)/Company Secretary be and is hereby authorized to carry out minor modifications, if any, and to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution(s)."

11. To raise funds up to ₹20,000 crore, from domestic market through issue of secured / unsecured, non-convertible, non-cumulative/cumulative, redeemable, taxable / tax-free Debentures/Bonds under Private Placement during the Financial year 2018-19 in up to twenty tranches/offers.

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

- (i) "RESOLVED THAT pursuant to Sections 23(1)(b), 42 and 71 of Companies Act, 2013 read with Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 as amended, Securities and Exchange Board of India (SEBI) rules and regulations, including the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended, or provisions of any other applicable law, and the Memorandum and Articles of Association of the Company, approval be and is hereby granted to raise up to ₹20,000 crore in domestic market during the Financial Year 2018-19 for financing of capital expenditure, providing Inter Corporate Loan(s) to wholly owned subsidiaries and for general corporate purposes, in one or more tranches but not exceeding twenty tranches / offers through issue of secured / unsecured, non-convertible, cumulative/non-cumulative, redeemable, taxable / tax-free debentures ("Bonds") under Private Placement.
- (ii) RESOLVED FURTHER THAT the Board of Directors / Committee of Directors for Bonds / such official(s) as may be authorized by Board of Directors / Committee of Directors for Bonds, be and are hereby authorized and it shall always be deemed to have been so authorized to finalize detailed terms and conditions of each issue / tranche of Bonds, Issue programme of Bonds, deposit / pay fees, execute and deliver / file such offer letter, document(s), deed(s) and writing(s), etc. as may be required and to do all such other acts, deeds and things as may be necessary for raising funds up to ₹20,000 crore during the Financial Year 2018-19 from domestic sources through Private Placement of secured / unsecured, non-convertible, cumulative/non-cumulative, redeemable, taxable / tax-free Bonds in one or more tranches but not exceeding twenty tranches / offers.
- (iii) RESOLVED FURTHER THAT Director (Finance)/Company Secretary be and is hereby authorized to carry out minor modifications, if any, and to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution(s)."

12. To alter the Objects Clause of the Memorandum of Association of the Company in line with the provisions of Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Rules framed thereunder, as amended from time to time, and subject to such other approvals as may be necessary, consent of the members of the Company be and is hereby accorded for the following modification in the Objects Clause of the Memorandum of Association of the Company:

Clause III B: Objects incidental or ancillary to the attainment of the main objects:-

- (i) In Clause 7 (To borrow money), for the words 'Sections 58A, 292 and 293', the word 'provisions' shall be substituted.
- (ii) In Clauses 14 (To improve money, property etc.) & 18 (To sell property), for the words 'Section 292 and 293', the words 'the provisions' shall be substituted.

RESOLVED FURTHER THAT Chairman and Managing Director, Director (Finance) and the Company Secretary of the Company, be and are hereby severally authorized to file, sign, verify and execute all such e-forms, papers or documents, as may be required and do all such acts, deeds, matters and things as may be necessary and incidental for giving effect to this Resolution, including agreeing to any change to the aforesaid changes in the Memorandum of Association of the Company, as may be required by the Registrar of Companies and/or any Statutory/Regulatory Authority."

13. To alter the Articles of Association of the Company in line with the provisions of Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), and subject to such other approvals as may be necessary, some Articles of the existing Articles of Association of the Company be and are hereby altered by substituting reference to the Sections of the Companies Act, 1956 with corresponding Sections of Companies Act, 2013 / by aligning them with the provisions of the Companies Act, 2013 as under:

Sl. No.	Existing Article No.	Proposed Modification
1.	Article 1 Interpretation Clause	In the definition of 'the Act or the said Act', for the words 'Companies Act, 1956', the words 'Companies Act, 2013' shall be substituted.
2.	Article 2 Table A not to apply	-The heading of Article 'Table A not to apply' shall be substituted with 'Table F not to apply' -the words 'Table A' and 'First Schedule' shall be substituted with 'Table F' and 'Schedule I', respectively.
3.	Article 5A(i) Allotment of Shares	-the words 'Section 81', 'Section 77A' and 'Section 79A' shall be substituted with the words 'Section 62', 'Section 68', 'Section 54', respectively. -the words 'or (subject to the compliance with the provisions of Section 79 of the Act) at a discount' shall be deleted.
4.	Article 5A(iv) Calls paid in advance	the words 'Section 92', shall be substituted with 'Section 50'
5.	Article 5B(i) Payment of Commission	the words 'Section 76', shall be substituted with 'Section 40(6)'
6.	Article 6 Rights of Members or Debenture holders to certificates	the words 'three months', shall be substituted with 'two months for shares / six months for debentures'
7.	Article 7H Company may buy back its own securities	for the words 'Sections 77A, 77AA and 77B', the words 'Sections 68, 69 and 70' shall be substituted.
8.	Article 7J Register and Index of Members/ Debenture holders	for the words 'Sections 150 and 151', the words 'Section 88' shall be substituted.
9.	Article 11A(iii) Securities in depository to be in fungible form	for the words 'Section(s) 153, 372A', the words 'Section 186' shall be substituted.
10.	Article 11A(vi) Securities in depository to be in fungible form	for the words 'Section 108', the word 'provisions' shall be substituted.
11.	Article 13A (1) Further issue of shares	the words 'after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier' shall be deleted.
12.	Article 16 Reduction of Capital	for the words 'Section 100-104', the words 'Section 66' shall be substituted.
13.	Article 17 Sub-division and consolidation of shares	for the words 'Section 94', the word 'Section 61' shall be substituted.
14.	Article 18 Powers to borrow	for the words 'Section 58A, 292 and 293' the word 'Sections 73, 74, 179 and 180' shall be substituted.
15.	Article 19 Issue at Discount, etc or with special privileges	for the words 'Section 79 and 117' the word 'provisions' shall be substituted.
16.	Article 22 Quorum	For Article 22, following article shall be substituted viz: 'The quorum for a general meeting shall be as provided in the Act & rules made thereunder.'

Sl. No.	Existing Article No.	Proposed Modification
17.	Article 25(ii) Postal Ballot	After the words 'may in respect of any business' and before the word 'but shall in respect of the businesses' words 'as per Section 110 of the Act' shall be inserted. For the words 'the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 in respect of the matters specified in said Rules', the words 'Rule 22 of the Companies (Management and Administration) Rules, 2014' shall be substituted.
18.	Article 31(i)(c)(i) Appointment of Board of Directors	the words 'of Section 314' shall be deleted.
19.	Article 31(c)(iii)- Second Para Appointment of Board of Directors	for the words 'Section 255', the word 'the provisions' shall be substituted.
20.	Article 31(c)(iii)- Fifth Para Sr no (v) Appointment of Board of Directors	for the words 'the proviso to sub-section (2) of Section 263 is applicable to the case' the word 'Section 162 is applicable to the case' shall be substituted.
21.	Article 31A Additional Directors	for the words 'Section 260', the words 'Section 161(1)' shall be substituted.
22.	Article 33 Delegation of Powers	for the words 'Section 292 and 293', the words 'Sections 179 and 180' shall be substituted.
23.	Article 40A Quorum	for the words 'Section 287', the words 'Section 174' shall be substituted.
24.	Article 41 Board may set up committees	for the words 'Section 292', the words 'Section 179' shall be substituted.
25.	Article 45 (m) Specific powers given to the Board (to appoint officers)	for the words 'Section 292', the words 'Section 179' shall be substituted.
26.	Article 47(ii) Division of profits	for the words 'Section 205', the words 'Section 123' shall be substituted.
27.	Article 47(iv) Division of profits	for the words 'Section 205', the words 'sub-section (5) of Section 123' shall be substituted.
28.	Article 49B(5) Capitalization	for the words 'Section 75', the words 'the provisions' shall be substituted.
29.	Article 52 Appointment of Auditors	for the words 'Section 619', the words 'Section 139(5)' shall be substituted.
30.	Article 59(i) Directors' and others' right to indemnity	for the words 'Section 201(i) of the Companies Act', the words 'of the Act' shall be substituted.
31.	Article 59(ii) Directors' and others' right to indemnity	for the words 'Section 633', the words 'Section 463' shall be substituted.
32.	Article 60 Not responsible for acts of Others	the words 'of Section 201' shall be deleted.



RESOLVED FURTHER THAT Chairman and Managing Director, Director (Finance) and the Company Secretary of the Company, be and are hereby severally authorized to file, sign, verify and execute all such e-forms, papers or documents, as may be required and do all such acts, deeds, matters and things as may be necessary and incidental for giving effect to this Resolution, including agreeing to any change to the aforesaid changes in the Articles of Association of the Company, as may be required by the Registrar of Companies and/or any Statutory/Regulatory Authority."

By order of the Board of Directors

**(Divya Tandon)
General Manager &
Company Secretary**

Regd. Office:

B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi - 110 016.

(CIN: L40101DL1989GOI038121)

Date: 9th August, 2017

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

Proxies, in order to be effective must be lodged with the Company not less than 48 hours before the commencement of the Annual General Meeting, i.e. latest by 11.00 a.m. on Sunday, 17th September, 2017. Blank proxy form is enclosed.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.

2. As required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), 2015, the relevant details of Shri Ravi P. Singh (DIN: 05240974), Director (Personnel), retiring by rotation and seeking re-appointment under aforesaid Item No. 3 and Shri K. Sreekant (DIN: 06615674), Shri Prabhakar Singh (DIN: 01391766), Shri Tse Ten Dorji (DIN: 03469466) and Ms. Jyotika Kalra (DIN: 07179640), Additional Directors seeking appointment under aforesaid Item No. 5, 6, 7 and 8 respectively in accordance with applicable provisions of the Articles of Association of the Company are annexed
3. None of the Directors of the Company is in any way related to each other.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to:-
 - (i) note that copies of Annual Report will not be distributed at the Annual General Meeting.
 - (ii) bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
 - (iii) deliver duly completed and signed Attendance Slip at the entrance of the venue of the meeting as entry to the Hall will be strictly on the basis of the entry slip available at the counter at the venue to be exchanged with the Attendance Slip. Photocopies of Attendance Slip will not be entertained for issuing entry slip for attending Annual General Meeting.
 - (iv) quote their Folio/Client ID & DP ID Nos. in all correspondence.
 - (v) note that due to strict security reasons mobile phones, brief cases, eatables and other belongings will not be allowed inside the Auditorium.
 - (vi) note that no gifts/coupons will be distributed at the Annual General Meeting.
6. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting. Alternatively, such an authority duly certified should be brought by the representative attending on behalf of the corporate body, at the meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 13th September, 2017 to 19th September, 2017 (both days inclusive).
8. The Board of Directors, in their meeting held on 9th February, 2017, had declared an Interim Dividend of ₹1 per share (i.e. @ 10%) on the paid-up equity share capital of the Company (i.e. ₹1 per share) which was paid on 02nd March, 2017. Members who have not received or not encashed their dividend warrants may approach Karvy Computershare Private Limited, Registrar and Share Transfer Agent of the Company, for revalidating the warrant or for obtaining duplicate warrant. The Board had further recommended a Final Dividend of ₹3.35 per share i.e. @ 33.50% on the paid-up equity share capital of the Company in its meeting held on 29th May, 2017. The dividend, if declared at the Annual General Meeting will be paid on 4th October, 2017 to those Members, whose names appear on the Register of Members of the Company as on 19th September, 2017 in respect of physical shares. However, in respect of shares held in dematerialized form, the Dividend will be payable to those persons whose names appear as beneficial owners as at the closure of the business hours on 12th September, 2017 as per details to be furnished by the depositories.
9. Pursuant to Section 124 read with Section 125 of the Companies Act, 2013, the Dividend amounts which remain unpaid/ unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund of the Central Government. Members are advised to encash their Dividend warrants immediately on receipt. Unclaimed Final Dividend of ₹53,27,876 for the Financial Year 2008-09 and unclaimed Interim Dividend of ₹40,15,794 for the Financial Year 2009-10 have been transferred on 28th October, 2016 and 3rd March, 2017, respectively, to the Investors Education and Protection Fund of the Central Government ('IEPF'), pursuant to the provisions of Section 124 of the Companies Act, 2013.
10. Members are advised to submit their Electronic Clearing System (ECS) mandates to enable the Company to make remittance by means of ECS. Those holding shares in dematerialized form may send the ECS Mandate in the enclosed Form directly to their Depository Participants (DP). Those holding shares in physical form may send the ECS Mandate Form to Karvy Computershare Private Limited, the Registrar & Share Transfer Agent of the Company. Those who have already furnished the ECS Mandate Form to the Company/ Depository Participant/ Registrar & Share Transfer Agent with complete details need not send it again.



The shareholders who hold shares in Physical form and who do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company to enable them to print these details on the dividend warrants.

11. Members holding shares in multiple folios in physical mode are requested to apply for consolidation of shares to the Company or to the Registrar & Share Transfer Agent along with relevant Share Certificates.
12. Pursuant to Section 139 (5) of the Companies Act, 2013 the auditors of the Government company are appointed by the Comptroller & Auditor General of India (C&AG) and in terms of Section 142 of the Companies Act, 2013, the remuneration has to be fixed by the company in the Annual General Meeting or in such manner as the company in General Meeting may determine. The Members of the Company, in 27th Annual General Meeting held on 16th September, 2016, had authorized the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2016-17. Accordingly, the Board of Directors has fixed audit fee of ₹1.92 crore (₹0.90 crore towards audit fee; and ₹1.02 crore towards work done in other capacities) for the Statutory Auditors for the Financial Year 2016-17 in addition to reimbursement of actual travelling and out-of-pocket expenses for visit to accounting units. M/s. S. K. Mittal & Co., M/s. R. G. N. Price & Co., M/s. Kothari & Co. and M/s. Parakh & Co. have been appointed by the C&AG as Statutory Auditors of the Company for the Financial Year 2017-18. The Members may authorize the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the financial year 2017-18.
13. All the documents referred to in this Notice are open for inspection at the Registered Office of the Company on all working days (excluding Saturday and Sunday), between 11.00 AM to 1.00 PM upto Monday, the 18th September, 2017 and at the venue of the meeting.
14. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the Registrar & Share Transfer Agents of the Company the prescribed Form (Form No. SH-13) of the Companies (Share Capital and Debentures) Rules, 2014. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
15. Annual Listing fee for the year 2017-18 has been paid to the Stock Exchanges wherein shares of the Company are listed.
16. Members are requested to send all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other shares related matter and bank account to Company's Registrar and Share Transfer Agent.
17. Members are requested to notify immediately any change in their address:
 - (i) to their Depository Participants (DP) in respect of shares held in dematerialized form, and
 - (ii) to the Company at its Registered Office or its Registrar & Share Transfer Agent, Karvy Computershare Private Limited in respect of their physical shares, if any, quoting their Folio Number.
18. Members desirous of getting any information on any items of business of this meeting are requested to address their queries to the Company Secretary at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.
- 19. Members are required to bring their Attendance slips to the AGM. Duplicate Attendance slips and / or copies of the Report and Accounts will not be provided at the AGM venue.**
20. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and in compliance with the provisions of Regulation 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is offering remote e-voting facility to all the Shareholders of the Company in respect of items to be transacted at this Annual General Meeting and in this regard, the Company has engaged the services of Karvy Computershare Private Limited (KARVY) to provide the facility of electronic voting ('remote e-voting').
21. Instructions and other information relating to remote e-voting are as under:
 - A. The remote e-voting facility will be available during the following voting period:**
 - Commencement of remote e-voting: From 9.00 a.m. (IST) on 16th September, 2017.
 - End of remote e-voting: Up to 5:00 p.m. (IST) on 18th September, 2017.
 - B. In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/ Depository Participant(s)]:**
 - (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - (ii) Enter the login credentials (i.e. User ID and password mentioned at Attendance Slip). Your Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

User-ID	For Members holding shares in Demat Form:- a) For NSDL : 8 Character DP ID followed by 8 Digits Client ID b) For CDSL : 16 digits beneficiary ID For Members holding shares in Physical Form:- Event no. followed by Folio Number registered with the Company.
Password	Your Unique password is printed on the Attendance Slip.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- (iii) After entering these details appropriately, click on "LOGIN".
- (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the E-Voting Event Number for Power Grid Corporation of India Limited.
- (vii) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- (viii) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- (ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- (x) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (xii) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: contact@cssanjaygrover.in. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."
- C. (I)** In case a Member receives physical copy of the Annual General Meeting Notice by Post [for Members whose email IDs are not registered with the Company / Depository Participant(s)]:
- (i) Use 'user ID' and 'initial password' as provided at Attendance Slip.
- (ii) Please follow all steps from Sr.No.(i) to (xii) as mentioned in (B) above, to cast your vote.
- (II)** The remote e-voting period commences on 16th September, 2017 (09.00 AM IST) and ends on 18th September, 2017 (05.00 PM. IST). The remote e-voting module shall be disabled by M/s Karvy Computershare Private Limited for voting thereafter and the facility will be blocked forthwith. During remote e-voting period, shareholders of the company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 12th September, 2017 may cast their vote electronically. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.
- (III)** Any Person who has acquired shares and becomes Member of the Company after the dispatch of the Notice of the AGM but before the cut-off date of 12th September, 2017, may obtain their user ID and password for remote e-voting from Company's Registrar & Transfer Agents, M/s Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032, Phone No: 040 6716 1500, E-mail id: einward.ris@karvy.com, Toll Free No.: 18003454001 and Fax: 040 23420814 and can also request for the physical copy of the Annual Report.



(IV) Members who have cast their vote through remote e-voting facility prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. At the venue of the meeting, members who have not cast their vote through remote voting may cast their vote through ballot paper. The facility for voting by electronic voting system shall not be made available at the venue of the AGM.

(V) Persons whose names are recorded in the Register of Members maintained by Registrar as on cutoff date i.e. 12th September, 2017 shall only avail the facility of remote e-voting or voting through ballot paper at venue of the meeting.

(VI) In case of any query, members are requested to contact:

Name: Shri S V Raju/Shri A. Mohan Kumar
Designation: Deputy General Manager/ Manager
E-mail id: einward.ris@karvy.com
Address: M/s Karvy Computershare Private Limited, Karvy Selenium
Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032.
Contact details:
Phone No. 040 67161569/72
Fax No. 040 23420814
Toll Free No. 18003454001

(VII) In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.

(VIII) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date (i.e. the record date), being **Tuesday, 12th September, 2017**.

(IX) The Board of Directors have appointed Shri Sanjay Grover, Managing Partner, M/s Sanjay Grover & Associates, Company Secretaries, as a Scrutinizer, for conduct of the e-voting process in a fair and transparent manner.

(X) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter, unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and will make, not later than forty eight hours of conclusion of the meeting, a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.

(XI) The Results on resolutions shall be declared at or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.

(XII) The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.powergridindia.com) and on Karvy's website (<https://evoting.karvy.com>) immediately after the result is declared by the Chairman or a person authorized by him in writing and communication of the same to National Stock Exchange of India Limited and BSE Limited.

22. Important Communication to Members:-

As per the provisions of Sections 101 and 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the service of notice/documents including Annual Report can be sent by e-mail to its members. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of dematerialized shares with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the E-Communication Mandate Form and hand over the same along with Attendance Slip at the Registration Counter of venue of Annual General Meeting for registration of Email address for receiving notice/documents including Annual Report in future.

EXPLANATORY STATEMENT

ITEM NO. 5

Appointment of Shri K. Sreekant (DIN 06615674) as a Director liable to retire by rotation

Shri K. Sreekant was appointed as Director (Finance) of the Company by the President of India vide Ministry of Power Office Order No. 11/18/2015-PG dated 16th August, 2016 and assumed charge w.e.f. 01st September, 2016. In terms of Article 31A of the Articles of Association, the Board of Directors are empowered to appoint the Directors appointed by the President of India as an Additional Director under provisions of the Companies Act, 2013 (the Act) and they will be appointed by the Shareholders at the succeeding Annual General Meeting (AGM). Approval of the Board of Directors was obtained for his appointment as an Additional Director w.e.f. 01st September, 2016 as per provisions of section 161 of the Act. As Shri K. Sreekant's office as an Additional Director came to an end on the AGM held on 16th September, 2016 as per provisions of the Act, accordingly, the Board in its meeting held on 16th September, 2016 further co-opted Shri K. Sreekant as an Additional Director. Shri K. Sreekant holds office upto the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Shri K. Sreekant as a Director on the Board of POWERGRID.

The appointment of Shri K. Sreekant as Director (Finance) on the Board of the Company, being liable to retire by rotation in terms of Section 152 of the Act read with Article 31A of the Articles of Association of the Company requires approval of the Members in the General Meeting.

Shri K. Sreekant holds 1029 shares in POWERGRID.

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

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 5 as an Ordinary Resolution.

Brief resume of Shri K. Sreekant is annexed.

ITEM NO. 6

Appointment of Shri Prabhakar Singh (DIN 01391766) as a Director liable to retire by rotation

Shri Prabhakar Singh was appointed as Director (Projects) of the Company by the President of India vide Ministry of Power Office Order No. 11/24/2015-PG dated 7th February, 2017 and assumed charge w.e.f. 8th February, 2017. In terms of Article 31A of the Articles of Association, the Board of Directors are empowered to appoint the Directors appointed by the President of India as an Additional Director under provisions of the Companies Act, 2013 (the Act) and they will be appointed by the Shareholders at the succeeding Annual General Meeting (AGM). Accordingly, the Board, vide resolution by circulation dated 08th February, 2017 co-opted Shri Prabhakar Singh as an Additional Director. Shri Prabhakar Singh holds office upto the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Shri Prabhakar Singh as a Director on the Board of POWERGRID.

The appointment of Shri Prabhakar Singh as Director (Projects) on the Board of the Company, being liable to retire by rotation in terms of Section 152 of the Act read with Article 31A of the Articles of Association of the Company requires approval of the Members in the General Meeting.

Shri Prabhakar Singh holds 2526 shares in POWERGRID.

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

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 6 as an Ordinary Resolution.

Brief resume of Shri Prabhakar Singh is annexed.

ITEM NO. 7

Appointment of Shri Tse Ten Dorji (DIN: 03469466) as an Independent Director

Shri Tse Ten Dorji (DIN 03469466) was appointed as an Independent Director of the Company by the President of India vide Ministry of Power Office Order No.12/13/2015-PG dated 16th February, 2017 to hold the office upto and including 15th February 2020 i.e. for a term not exceeding 3 consecutive years. In terms of Article 31A of the Articles of Association, the Board of Directors are empowered to appoint the Directors appointed by the President of India as an Additional Director under provisions of the Companies Act, 2013 (the Act) and they will be appointed by the Shareholders at the succeeding Annual General Meeting (AGM). Accordingly, the Board, vide resolution by circulation dated 21st February, 2017, co-opted Shri Tse Ten Dorji as an Additional Director. Shri Tse Ten Dorji holds office upto the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act, proposing the appointment of Shri Tse Ten Dorji as a Director on the Board of POWERGRID.



Further, in the opinion of the Central Government, Ministry of Power, Shri Dorji fulfils the conditions specified in the Act and the Rules made thereunder and that Shri Dorji is independent of the Management. It is proposed to appoint him as an Independent Director.

The appointment of Shri Tse Ten Dorji as an Independent Director on the Board of the Company, not being liable to retire by rotation in terms of Sections 149 & 152 of the Act, requires approval of the Members in the General Meeting.

Shri Tse Ten Dorji holds NIL shares in POWERGRID.

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

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 7 as an Ordinary Resolution.

Brief resume of Shri Tse Ten Dorji is annexed.

ITEM NO. 8

Appointment of Smt. Jyotika Kalra (DIN: 07179640) as an Independent Director for the period - 16th February, 2017 to 6th April, 2017

Ms. Jyotika Kalra was appointed as an Independent Director of the Company by the President of India vide Ministry of Power Office Order No.12/13/2015-PG dated 16th February, 2017 to hold the office up to and including 15th February, 2020 i.e. for a term not exceeding 3 consecutive years. In terms of Clause 31A of the Articles of Association, the Board of Directors are empowered to appoint the Directors appointed by the President of India as an Additional Director under provisions of the Companies Act, 2013 (the Act) and they will be appointed by the Shareholders at the succeeding Annual General Meeting (AGM). Accordingly, the Board, vide resolution by circulation dated 21st February, 2017, co-opted Ms. Jyotika Kalra as an Additional Director. Ms. Jyotika Kalra, however, on her appointment as member of the National Human Rights Commission, resigned from the post of Independent Director with effect from 6th April, 2017.

The appointment of Ms. Jyotika Kalra, as Independent Director for the period - 16th February, 2017 to 6th April, 2017 requires approval of the Members in the General Meeting in terms of Sections 149 & 152 of the Act.

Ms. Jyotika Kalra held NIL shares in POWERGRID during the period - 16th February, 2017 to 6th April, 2017.

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

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 8 as an Ordinary Resolution.

Brief resume of Ms. Jyotika Kalra is annexed.

ITEM NO. 9

Ratification of remuneration of the Cost Auditors for the Financial Year 2017-18.

Cost Audit for transmission business of POWERGRID is being conducted since Financial Year 2005-06. For Telecom business, Cost Audit has been made compulsory since Financial Year 2011-12. As per Section 148 (3) of the Companies Act, 2013, the appointment of Cost Auditor shall be made by the Board of Directors on such remuneration as may be determined by the Members.

Accordingly, it was recommended by the Audit Committee and approved by the Board (i) to appoint M/s Chandra Wadhwa & Co., Cost Accountants and M/s R.M. Bansal & Co., Cost Accountants as joint Cost Auditors of the Company for the FY 2017-18 for a fee of ₹2,50,000/- plus applicable taxes to be shared equally by each Auditor. The fees is exclusive of travelling and out of pocket expenses, which shall be reimbursed as per policy of the Company and; (ii) to appoint M/s. Chandra Wadhwa & Co., Cost Accountants, as the Lead Cost Auditor for the work of consolidation and facilitation for filing of consolidated Cost Audit Report of the Company for the financial year 2017-18 at an additional fee of ₹12,500/- (Rupees Twelve Thousand Five Hundred only) excluding taxes.

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

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 9 as an Ordinary Resolution.

ITEM No. 10

Enhancement of Borrowing Limits from ₹1,50,000 crore to ₹1,80,000 crore

The existing borrowing powers of Board of Directors is upto ₹1,50,000 crore. As on 31st March, 2017, total borrowing of the Company is to the tune of ₹1,17,298 crore. The Company has an estimated capital expenditure program of about ₹25,000 crore for each financial year during 2017-18 to 2021-22. To meet the aforesaid capital expenditure, additional debt component is required to be arranged. The total amount of loans drawn and tied up to be drawn along with those to be tied up, will exceed the existing borrowing limit of ₹1,50,000 crore and would be around ₹1,80,000 crore, as detailed below:

LOANS DRAWN/LIKELY TO BE DRAWN/TIED UP	Amount (₹ in Cr.)
Loans Outstanding as on 30.06.2017	122641
Add: Loans committed and undrawn	10660
Add: Projected loan to be raised for CAPEX in next five years	92140
Total projected loans	225441
Less: Loan Repayments in next five years	45450
Projected loans at the end of five years	179991
Borrowing limits required say	180000

In view of above, it is proposed to enhance the borrowing limits to ₹1,80,000 crore. Further, the borrowings made / to be made to raise long term finance for implementation of its existing/new projects or other expansion programs by way of long term loan/equipment finance/issue of any Debentures/Cash Credit facilities or the like from Financial Institutions/Banks or other bodies are required to be secured by creation of charge /mortgage to the extent and in such manner as may be agreed to between the Board of Directors of the Company and the said lenders. Accordingly, it is proposed to have corresponding authorization for creation of charge on assets of the Company in respect of the borrowings.

In pursuance of the provisions of Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013 (the Act) approval of shareholders is required to borrow money in excess of Paid-up Capital of the Company and its Free Reserves and to create security by way of creating mortgage and/or charge on movable/immovable properties of the Company.

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

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 10 as a Special Resolution.

ITEM NO. 11

To raise funds up to ₹20,000 crore from domestic market through issue of secured / unsecured, non-convertible, non-cumulative/cumulative, redeemable, taxable / tax-free Debentures/Bonds under Private Placement during the Financial year 2018-19 in up to twenty tranches/offers

1. POWERGRID Board of Directors, in their 343rd meeting held on 1st August, 2017, approved raising of secured / unsecured, non-convertible, non-cumulative, redeemable, taxable / tax-free, Rupee Linked Bonds/Bonds under private placement from domestic/external/overseas sources up to ₹20,000 crore (Approx) in upto twenty tranches depending upon the requirement of funds during the Financial Year 2018-19 for financing of POWERGRID Capital expenditure requirement, providing inter corporate loans to wholly owned subsidiaries and general corporate purposes.
2. An amount of ₹25,000 crore to ₹30,000 crore is being considered as expected Capital Expenditure (CAPEX) during the Financial Year 2018-19. In order to have a debt equity mix of 70:30 an amount of ₹17,500 crore - ₹21,000 crore is estimated to be mobilized as debt and balance ₹7,500 crore - ₹9,000 crore from internal resources during the Financial Year 2018-19.
3. Presently, POWERGRID domestic Bonds have been rated at highest credit rating (AAA) by various Rating Agencies i.e. CRISIL, ICRA & CARE. The rates of interest are a function of market conditions prevalent at the time of entering the market for a particular offer of bonds on private placement (including offer to Qualified Institutional Buyer/s). At present, borrowing through domestic bonds was being done by the Company at a cost which is comparable to prevailing interest rates applicable to AAA rated corporate bonds. In line with the past practice, the interest yield on the proposed borrowings is also envisaged to be comparable to the interest rates of prevailing interest rates of AAA rated corporate bonds.
4. Proposal under Item No. 10 has already been put to the shareholders for their approval to increase the borrowing limit from ₹1,50,000 crore to ₹1,80,000 crore u/s 180(1)(c) and to create security on the assets u/s 180(1)(a) of the Companies Act, 2013. After considering the increase in proposed borrowing limit from ₹1,50,000 crore to ₹1,80,000 crore by shareholders, the borrowing of ₹20,000 crore will be within the borrowing limits of the Company.

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

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 11 as a Special Resolution.



ITEM NOS. 12 and 13

To alter the Memorandum and Articles of Association of the Company in line with the provisions of Companies Act, 2013

1. The existing Memorandum and Articles of Association (MOA & AOA) of the Company are based on the provisions of the Companies Act, 1956. The Companies Act, 1956 has been replaced by the Companies Act, 2013.
2. In order to bring existing MOA & AOA of the Company in line with the provisions of the new Act, it is proposed that wherever the reference of the Sections of the Companies Act, 1956 is given, the same be deleted / replaced in line with the provisions of the Companies Act, 2013.

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

The Board of Directors of your Company recommends passing of the resolution as set out at Item Nos. 12 and 13 as a Special Resolution.

All the documents referred to in the accompanying Notice and explanatory Statement are open for inspection between 11.00 a.m. to 1.00 p.m. on all working days (excluding Saturday and Sunday) at the Registered Office i.e. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016 up to Monday, 18th September, 2017 and at the venue of the meeting.

By order of the Board of Directors

(Divya Tandon)
General Manager &
Company Secretary

Regd. Office:

B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi - 110 016.

(CIN: L40101DL1989GOI038121)

Date: 9th August, 2017

BRIEF RESUME OF THE DIRECTORS SEEKING RE-ELECTION**Directors seeking re-election at the 28th Annual General Meeting:**

1

Name	Shri Ravi P. Singh
DIN	05240974
Date of Birth and Age	21 January 1960/ 57 Years
Date of Appointment	01 April 2012
Qualification	Mechanical Engineering, NIT Allahabad & PGD in HR from AIMA, New Delhi
Expertise in specific functional area	Shri Ravi P. Singh has over 34 years of work experience in the power sector, handling various multi-disciplinary functions like HR, Telecom, Contracts, Materials, Planning, Monitoring and Transmission System Construction/O&M. Before his elevation as Director (Personnel) he was Executive Director (Eastern Region-II) and Executive Director (Human Resource Management & Corporate Communication) in POWERGRID. Prior to joining POWERGRID in 1991, Shri Singh has worked for 10 years in NTPC.
Directorship held in other Companies (Part-time)	1. PTC India Limited
	2. Power System Operation Corporation Limited
	3. Powergrid NM Transmission Limited
	4. Powergrid Southern Interconnector Transmission System Limited
	5. Powergrid Vizag Transmission Limited
	6. Powergrid Unchahar Transmission Limited
	7. Powergrid Jabalpur Transmission Limited
Membership / Chairmanship of Committees in other Companies	Audit Committee Member – Power System Operation Corporation Limited
No. of Shares held	9016

Directors being appointed at the 28th Annual General Meeting:

1

Name	Shri K. Sreekant
DIN	06615674
Date of Birth and Age	21 December 1963 / 53 Years
Date of Appointment	01 September, 2016
Qualification	B. Com(H), ICMA and PGDM (Finance), MDI
Expertise in specific functional area	Shri K. Sreekant has about thirty one years of experience in the power sector involving all facets of Finance & Accounting function and in particular, Long Term Financial Planning, Investment Appraisals, formulation of Capital Budgets, resource mobilization from domestic and international markets and corporate accounts. Prior to joining POWERGRID in September, 2016, he has worked for 30 years in NTPC in various positions in Finance.
Directorship held in other Companies (Part-time)	NIL
Membership / Chairmanship of Committees in other Companies	NIL
No. of Shares held	1029



2

Name	Shri Prabhakar Singh
DIN	01391766
Date of Birth and Age	01 July 1958 / 59 Years
Date of Appointment	08 February, 2017
Qualification	Electrical Engineer
Expertise in specific functional area	Shri Prabhakar Singh has served more than 38 years in flagship organizations of the Indian power sectors – MPSEB, NTPC Ltd., Power Grid Corporation of India Limited and Jaypee Powergrid Ltd. (A joint venture of JP Power Ventures Limited and POWERGRID) as Director Projects. Prior to his elevation as Director (Projects), he was Executive Director (Northern Region-I), one of the largest regions of POWERGRID wherein he looked after construction of 6,000 MW $\pm$ 800kV HVDC Bipole-Biswanath-Chariali-Agra Line which is the longest HVDC transmission system in the world besides handling execution of some major consultancy projects. He was also looking after O&M of 26,000 ckt-km lines of rating 765/400/220kV AC & 800/500kV DC, Six HVDC, thirty-seven HVAC AIS/GIS & twenty nos FSC stations under operation in Northern-Region.
Directorship held in other Companies (Part-time)	1. Haryana Vidyut Prasaran Nigam Limited 2. Powergrid Medinipur Jeerat Transmission Limited
Membership / Chairmanship of Committees in other Companies	NIL
No. of Shares held	2526

3

Name	Shri Tse Ten Dorji
DIN	03469466
Date of Birth and Age	15 November 1950 / 66 Years
Date of Appointment	16 February, 2017
Qualification	Electrical Engineer
Expertise in specific functional area	Shri Tse Ten Dorji is an I.A.S (Retired). During his career over 40 years, he has held various posts in many Departments / Ministries of Government of India. He has multidisciplinary experience spanning Personnel & General Administration, Finance, Education/Human Resource Development, Animal Husbandry, Planning & Programme Implementation, Land Revenue Management & District Administration, etc.
Directorship held in other Companies (Part-time)	NIL
Membership / Chairmanship of Committees in other Companies	NIL
No. of Shares held	NIL

4

Name	Ms. Jyotika Kalra (for the period - 16 th February, 2017 to 6 th April, 2017)
DIN	07179640
Date of Birth and Age	07 th October 1966/ 50 Years
Date of Appointment	16 February, 2017
Qualification	B. Com, LLB and Masters in Law
Expertise in specific functional area	She was practicing law since 1990 and was an advocate-on-record with Supreme Court of India. She was counsel in Supreme Court of India for Union of India (Panel A), MCD, South, State of Maharashtra and National Commission of Women.
Directorship held in other Companies (Part-time)	NIL
Membership / Chairmanship of Committees in other Companies	NIL
No. of Shares held	NIL



Power Grid Corporation of India Limited

(A Government of India Enterprise)

CIN: L40101DL1989GOI038121

Regd. Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi- 110016. Phone No.: 011-26560112, Fax: 011-26601081
 Corp. Off.: "Saudamini", Plot No. 2, Sector-29, Gurgaon-122001 (Haryana) Phone No.: 0124-2571700-719, Fax: 0124-2571762

Website: www.powergridindia.com, Email ID: powergrid@powergrid.co.in

PROXY FORM

Name of the member(s):

Registered address:

E-mail Id:

Folio no/ Client Id:

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

1. Name of the member(s):

Address:

E-mail Id:

Signature:....., or failing him

2. Name of the member(s):

Address:

E-mail Id:

Signature:....., or failing him

3. Name of the member(s):

Address:

E-mail Id:

Signature:.....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on **Tuesday, the 19th September, 2017 at 11.00 a.m. at 'Manekshaw Centre', Parade Road, Delhi Cantt., New Delhi – 110 010** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resl. No.	Resolutions	For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the Financial Year ended 31 st March, 2017, the Report of the Board of Directors and Auditors thereon.		
2.	To note the payment of Interim Dividend and declare Final Dividend for the Financial Year 2016-17.		
3.	To appoint a Director in place of Shri Ravi P. Singh (DIN: 05240974), who retires by rotation and being eligible, offers herself for re-appointment.		
4.	To fix the remuneration of the Statutory Auditors for the Financial Year 2017-18.		
Special Business			
5.	Appointment of Shri K. Sreekant (DIN: 06615674) as a Director liable to retire by rotation.		
6.	Appointment of Shri Prabhakar Singh (DIN: 01391766) as a Director liable to retire by rotation.		
7.	Appointment of Shri Tse Ten Dorji (DIN: 03469466) as an Independent Director.		
8.	Appointment of Ms. Jyotika Kalra (DIN: 07179640) as an Independent Director for the period - 16 th February, 2017 to 6 th April, 2017.		
9.	Ratification of remuneration of the Cost Auditors for the Financial Year 2017-18.		
10.	Enhancement of borrowings from ₹1,50,000 crore to ₹1,80,000 crore		
11.	To raise funds up to ₹20,000 crore, from domestic market through issue of secured / unsecured, non-convertible, non-cumulative/cumulative, redeemable, taxable / tax-free Debentures/Bonds under Private Placement during the Financial year 2018-19 in upto twenty tranches/offers.		
12.	To alter the object clause of the Memorandum of Association of the Company in line with the provisions of Companies Act, 2013.		
13.	To alter the Articles of Association of the Company in line with the provisions of Companies Act, 2013.		

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

Signature of Shareholder

Signature of Proxyholder(s)

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- For the resolutions, explanatory statements and Notes, please refer to the Notice of 28th Annual General Meeting.
- Please complete all details including details of member(s) in the above box before submission.

Affix Revenue Stamp



Power Grid Corporation of India Limited

(A Government of India Enterprise)

CIN: L40101DL1989GOI038121

Regd. Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi- 110016. Phone No.: 011-26560112, Fax: 011-26601081

Corp. Off.: "Saudamini", Plot No. 2, Sector-29, Gurgaon-122001 (Haryana) Phone No.: 0124-2571700-719, Fax: 0124-2571762

Website: www.powergridindia.com, Email ID: powergrid@powergrid.co.in

E-COMMUNICATION REGISTRATION FORM

Folio No. / DP ID & Client ID :

Name of 1st Registered Holder :

Name of Joint Holder(s) :

Registered Address :

E-mail ID (to be registered) :

I/we shareholder(s) of Power Grid Corporation of India Limited agree to receive communication from the Company in electronic mode. Please register my above e-mail in your records for sending communication through e-mail.

Signature:.....
(First Holder)

Date:

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

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Website: www.powergridindia.com, Email ID: powergrid@powergrid.co.in

ECS MANDATE FORM

[APPLICABLE FOR SHARES HELD IN PHYSICAL FORM ONLY]

To

Karvy Computershare Private Limited

Unit: Power Grid Corporation of India Limited,

Karvy Selenium Tower B, Plot 31-32,

Gachibowli Financial District,

Nanakramguda, Hyderabad – 500 032.

Name of the First/Sole Share holder	
Folio No.	

PAN / Email information

Income Tax Permanent Account Number (PAN) (Please attach a photocopy of PAN Card)	
Email ID	

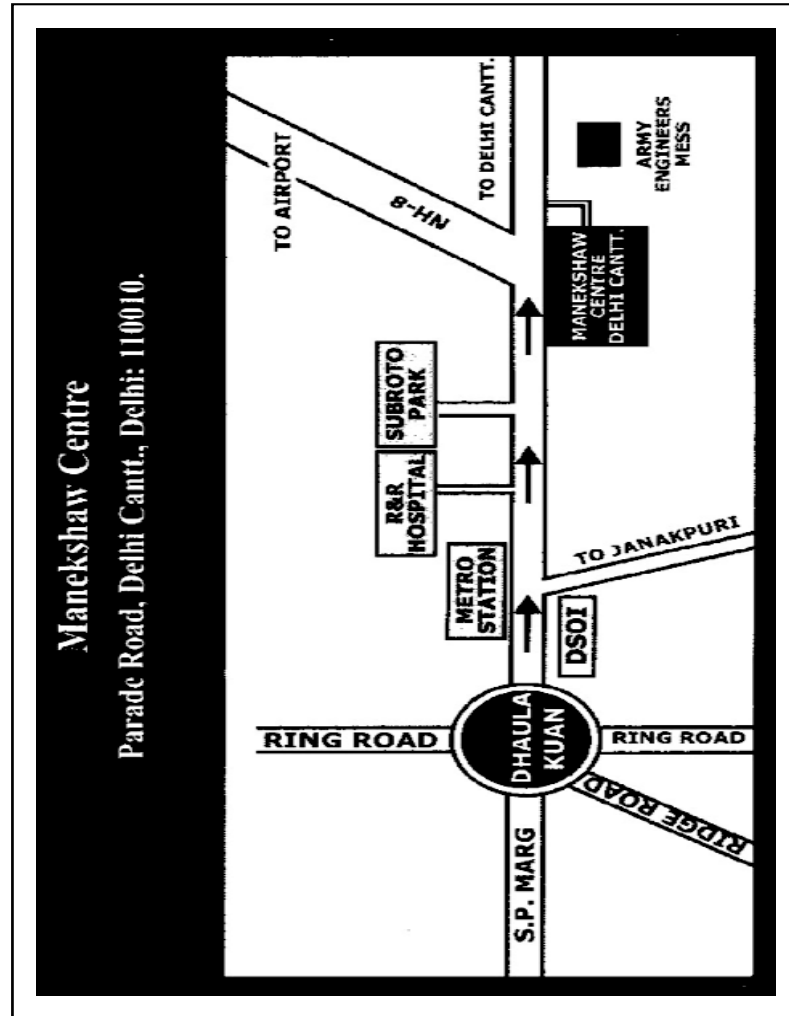
ECS Mandate Form (for shares held in Physical mode)

Bank Name										
Branch Name & Address										
Bank Account Type (tick)	SB				Current					Other
Bank Account Number										
9 Digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank. (Please attach a photo copy of the Cheque)										

I hereby declare that the particulars given above are correct and complete and also express my concurrence to receive information through e-mail towards dividend paid by the Company under the ECS mode.

Signature of the 1st Registered Holder/Sole Holder







पावरग्रिड

POWER GRID CORPORATION OF INDIA LIMITED

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Reference Information

POWER GRID CORPORATION OF INDIA LIMITED

CIN: L40101DL1989GOI038121

Registered Office B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110 016 Phone No. - 011-26560112, Fax - 011-26601081	GM-Company Secretary & Compliance Officer Ms. Divya Tandon
Corporate Office "Saudamini", Plot No. 2, Sector 29, Gurgaon - 122 001 (Haryana) Phone No. - 0124-2571700-719, Fax - 0124-2571762	Website: www.powergridindia.com E-mail ID: powergrid@powergrid.co.in
For the Financial year under review i.e. 2016-17	
Statutory Auditors M/s. S. K. Mittal & Co., Chartered Accountants Mittal House, E-29, South Extension Part-II, New Delhi - 110049. Email : skmittalca@yahoo.co.in M/s. R. G. N. Price & Co., Chartered Accountants Simpson Buildings, 861, Anna Salai, Chennai - 600002. Email : rangarajan@rgnprice.com M/s. Kothari & Co., Chartered Accountants 1E, Neelkanth, 26-B, Camac Street, Kolkata - 700016. Email : manaswykothari@yahoo.co.in M/s. Parakh & Co., Chartered Accountants A-101, Pratik Apartment, Ramachandra Nagar 3, Near Cadbury Signal, Thane West, Mumbai - 400604. Email : sharmapsd@yahoo.com	Cost Auditors M/s K. G. Goyal and Associates, Cost Accountants, 8, Chitragupta Nagar - I Jyoti Nagar Railway Crossing, Jaipur - 302005. Email : rajeshgoyaljaipur@yahoo.co.in M/s R. M. Bansal & Co., Cost Accountants, A-201, Twin Towers, Lakhanpur, Kanpur - 208024. Email : cmarmbansal11@gmail.com
Registrar & Share Transfer Agent: Equity Shares: Karvy Computershare Private Limited Plot No.: 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081 Ph. : 040-44655000, Fax : 040-23420814 Email : einward.ris@karvy.com Website: www.karvycomputershare.com Bonds: MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase-I, New Delhi- 110 020. Ph: 011-41406149-52 Telefax.: 011-41709881 E-mail : admin@mcsregistrars.com	Bankers Indian Overseas Bank Bank of Baroda State Bank of Patiala Canara Bank State Bank of India Punjab National Bank Union Bank of India State Bank of Hyderabad HDFC Bank Ltd ICICI Bank Ltd IDBI Bank Andhra Bank Corporation Bank Axis Bank Ltd Kotak Mahindra Bank Dena Bank State Bank of Mysore
Shares Listed at: National Stock Exchange of India Limited BSE Limited	
Depositories: National Securities Depository Limited Central Depository Services (India) Limited	

Debenture Trustees	
For Bond Series VIII to XV Issue Indian Overseas Bank 10, Parliament Street, Jeevan Deep Building, New Delhi 110 001 Tel:011-23341421,23742559 Fax: 011-23348928 Email : Iob0762@iob.in	For Bond Series XVI to LVIII Issue IDBI Trusteeship Services Ltd. Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001 Ph : 022-40807000 Fax : 022-66311776 Email : itsl@idbitrustee.com

LETTER TO SHAREHOLDERS

Dear Shareholders,

It gives me immense pleasure to share with you the performance of your company during the Financial Year (FY) 2016-17.

Friends, the Indian economy is growing strongly with the overall growth for the Fiscal 2017 at 7.1%. This was another year of remarkable performance on various fronts for your Company as well.

I am happy to inform that a number of large and important projects were commissioned/completed during the year including ± 800 kV Champa – Kurukshetra HVDC Bi-pole-1(Pole-I) link; Pole-II & III of ± 800 kV Biswanath Chariyali/Alipurduar – Agra HVDC mutli terminal transmission systems; 765 kV double circuit (D/c) Wardha - Nizamabad line; 765kV D/c Gaya- Varanasi line; 765 kV D/c Varanasi – Kanpur – Jhatikara line; 765 kV D/c Angul – Srikakulam line; 765 kV D/c Srikakulam – Vemagiri line (TBCB); 765 kV D/c Raipur – Wardha (2nd) line; 765kV D/c Tuticorin – Salem (charged at 400 kV); and 400 kV D/c Ranchi – Chandwa – Gaya line. Your Company achieved capitalization of transmission projects worth over ₹31,000Crore (including TBCB projects) during the year.



The year ended March 31, 2017 also marks the conclusion of XII Plan. I am glad to share with you that against the CAPEX target of ₹1,10,000crore for XII Plan, your Company has made a capital expenditure of ₹1,12,664crore. Total Capitalization achieved during XII Plan is over ₹1,17,000 crore including TBCB projects.

On the financial front, your Company has registered Total Income of ₹26581.46Crore and Profit after Tax (PAT) of ₹7520.15Crore in Fiscal 2017, registering a growth of 25.13% and 26.42% respectively over the Total Income and PAT in Fiscal 2016. Your Company's Gross Fixed Assets as on March 31, 2017 stood at ₹1,49,730Crore as against ₹1,21,336Crore as on March 31, 2016 (as per Ind AS).

On the operational front, your Company maintained availability of the transmission network at 99.79% and the number of tripping per line (unplanned) was contained to 0.68 for the year. As on March 31, 2017, your Company owns & operates a transmission network of about 1,39,077 ckm of inter-State transmission lines, 219 nos. of EHVAC & HVDC sub-stations with transformation capacity of about 2,89,543 MVA.

Your Company also made an impressive progress in the areas of Consultancy & Telecom thereby enhancing the value for the shareholders. Your Company has registered consultancy revenue of ₹582.43crore and Telecom revenue of ₹503.83crore, a growth of 25.13% & 28.45%, respectively over the previous year. Some of the major consultancy assignments secured during the year include Railway track electrification works for four Zonal Railways and Techno-managerial services for implementation of 220kV & 132kV transmission system for Railways. On the Telecom front, total network coverage has been increased by 14.8% to 41,988 km from the earlier reach of 36,563 km and the number of Points of Presence (PoP) locations have been increased to '662' from '595', registering an increase of 11.26%.

Under Tariff Based Competitive Bidding (TBCB), your Company has bagged one more project viz. 'Establishment of Transmission System for 765kV Eastern Region Strengthening Scheme (ERSS-XVIII)', during the year. With this, your Company has secured 10 projects as on March 31, 2017 through TBCB, since its participation. I am glad to share with you that three of the projects under TBCB have been successfully completed and elements in other projects are being completed progressively.

Under Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), infrastructure was created for 4365 nos. of partially electrified / un-electrified villages in Fiscal 2017. Cumulatively, till March, 2017, infrastructure has been created for electrification of about 79,000 villages and service connections were provided to about 37.5 lakh BPL households.

Your Company is playing a crucial role in the integration of Renewable Energy Resources with the grid and is undertaking development of Green Energy Corridors as well as transmission schemes for Ultra Mega Solar Parks in a no. of states. In addition, your Company is also establishing Renewable Energy Management Centers (REMC) in certain renewable rich states which would facilitate forecasting of renewable resources and efficient management of variable renewable generation ensuring grid stability & security.

For development of Smart Grid in India, your Company has undertaken various initiatives and is providing consulting services for projects covering distribution infrastructure, advanced metering infrastructure, intelligent outage management, power quality management, distributed generation, net metering etc.

Further, your Company continues to take various initiatives to fulfil its commitment towards the goal of sustainable development. These include design and installation of multi-circuit & pole towers and Gas Insulated Switchyard (GIS) to conserve the precious Right of Way (RoW) / land resource; installation of LED bulbs & solar street lights in substations, fuel catalyst devices for DG sets, rain water harvesting, installation of solar photovoltaic in office buildings to meet the internal energy requirements / CO2 reduction, etc.

As a part of Corporate Social Responsibility, your Company primarily focuses on inclusive social-economic growth for development of marginalized and under-privileged sections of the society residing around its areas of operation. Your Company has undertaken various CSR activities during the year with thrust on Health, Rural Development/Infrastructural Development, Skill Development, Education, Environment, etc. During FY 2016-17, your Company has spent ₹147.27crore on various CSR activities. Your company has also completed the construction of the

'POWERGRID Vishram Sadan' at J.P. Apex Trauma Centre, AIIMS, New Delhi. In addition, your Company contributed an amount of ₹30Crore to the 'Swachh Bharat Kosh' of the Govt. of India.

Your Company is proud to receive continuous industry recognition and awards. Some of the significant awards / recognition include - 'Dun & Bradstreet PSU Award 2017' in the 'Electricity - Power Transmission Sector' category; 'Fastest Growing Electric Utility in Asia' for three consecutive years (2016, 2015 and 2014) as per Platts Top 250 Global Energy Company Rankings; 'Industry Excellence Awards 2017' in the category of 'Energy & Power' on the occasion of BRICS International Conclave for MSMEs & start-ups organised by 'Stepup 360' & BRICS International Forum; CNBC TV-18 'Best Risk Management Practice Award' at the 3rd India Risk Management Awards in PSU category; CBIP Award 'Best Performing Transmission Utility 2016', 'Clean Energy Award-2016' for Best Power Transmission Utility Company in India; 'North American Synchrophasor Initiative (NASPI) Award' for Outstanding Utility during 2016-17, 'Delhi Management Association Award 2016' for "Improving Rural Livelihoods and Protecting Environment through Farmer-centric Integrated Watershed Management" under CSR; and 'SCOPE Award 2016' for 'Innovative Stakeholders Engagement' by POWERGRID. Your Company has once again been recognized as one of the 'India's Best Companies to Work' in the Great Place to Work Study (June, 2017), with its rank being upgraded to '31' from last year '58', out of 700+ companies.

On behalf of the Company, I thank each shareholder for the continued support & trust placed on the Company. I would also like to express my appreciation for the employees, for their contribution towards the performance of Company. I am confident that with a team of dedicated employees and with valuable support of our esteemed shareholders, the Company will continue to excel, surpassing your expectations.

With best wishes,
Yours sincerely,



(I. S. Jha)

Chairman & Managing Director

Date: 12th August, 2017
Place: New Delhi

DIRECTOR'S PROFILE



Shri I. S. Jha

Chairman & Managing Director

Shri I. S. Jha (58 years), (DIN: 00015615) is Chairman & Managing Director of Power Grid Corporation of India Limited since November 2015. Prior to his present assignment, he successfully served as Director (Projects) of the Company from September, 2009 and was responsible for planning, engineering, project management, monitoring and implementation of all transmission and distribution projects. An Electrical Engineer from NIT, Jamshedpur, he is a well-known Power System Professional having more than 36 years of rich and varied work experience. He began his professional career in 1981 as an Executive Trainee in NTPC. He has been associated with POWERGRID since its inception in 1991 and has been part of many departments. He has worked as Executive Director(ED) -North Eastern Region, ED of Engineering and Corporate Monitoring Group of the Company. While working at various projects and Corporate Office of NTPC and POWERGRID, he was involved in conceptualization, planning, design, engineering, monitoring and implementation of projects of National importance.

He has spearheaded development of robust National grid in the country integrated with State-of-the-Art technologies as well as Green Energy Corridors for integration of renewables. The commissioning of one of the largest high capacity +/- 800kV Champa-Kurushetra HVDC bipole and other transmission schemes which further strengthen National Grid capacity significantly enabling development of vibrant electricity market are some of his recent benchmark contributions to the Indian power sector.

He is known for his technological prowess and people-centric leadership. He is member of Governing Body of CPRI, Bangalore and President, International Council on Large Electric Systems (CIGRE) – India and other professional bodies. He has published/ presented numerous articles, technical papers in the field of power system in various international and National Journal/Conferences.

Shri K. Sreekant

Director (Finance)

Shri K. Sreekant (53 years), (DIN: 06615674) is Director (Finance) of our Company. Prior to taking up this assignment, he was working as General Manager (Finance), NTPC. He is B. Com (H), CMA and PGDM (Finance) from Management Development Institute, Gurgaon. Shri Sreekant has about thirty one years of experience in the power sector involving all facets of Finance & Accounting function and in particular, Long Term Financial Planning, Investment Appraisals, formulation of Capital Budgets, Resource Mobilization from domestic and international markets and Corporate Accounts. He was appointed as a Director on our Board in September, 2016.



Shri Ravi P. Singh

Director (Personnel)

Shri Ravi P. Singh (57 years), (DIN: 05240974), is Director (Personnel) of our Company. He is a Mechanical Engineer from NIT, Allahabad in First Class with Honours and Post Graduate Diploma in HR from AIMA, New Delhi. He has previously held the positions of Executive Director (Eastern Region-II) and Executive Director (Human Resource Management & Corporate Communication) in POWERGRID. Shri Singh has over 35 years of work experience in the power sector handling various multi-disciplinary functions like HR, Telecom, Contracts, Materials, Planning, Monitoring and Transmission System Construction/O&M. Prior to joining POWERGRID in 1991, Shri Singh has worked for 10 years in NTPC. He was appointed as a Director on our Board in April, 2012.

**Shri R. P. Sasmal**

Director (Operations)

Shri R. P. Sasmal (59 years), (DIN: 02319702), is Director (Operations) of our Company. Prior to taking up this assignment, he was Executive Director (Operation Services) in the company. A graduate Engineer from Sambalpur University, Odisha, Shri Sasmal has more than 35 years of experience in power sector. Shri Sasmal has handled multi-disciplinary functions such as planning, monitoring and implementation of HVDC projects, EHV transmission systems and Load Despatch and Communication Systems. He was instrumental in introducing the ± 800 kV multi-terminal HVDC transmission system which is first of its kind in the world. Under his guidance, the first unmanned operation of 400 kV sub-station at Bhiwadi was implemented as a pilot project. He has been bestowed upon with "Distinguished Member of CIGRE, 2012" and has published various technical papers on transmission systems especially on HVDC in various national and international professional forums/societies like IEEE and CIGRE. He is currently the national representative for India at CIGRE for HVDC and Power Electronics. Before joining POWERGRID in 1993, he had worked in NTPC Ltd. for around 13 years. He was appointed as a Director on our Board in August, 2012.

Shri Prabhakar Singh

Director (Projects)

Shri Prabhakar Singh (59 years), (DIN 01391766) is Director (Projects) of our Company. After graduating in electrical engineering in 1978, he has served more than 39 years in flagship organizations of the Indian power sectors viz. Madhya Pradesh State Electricity Board, NTPC Limited, POWERGRID and Jaypee Powergrid Limited (A joint venture of JP Power Ventures Limited and POWERGRID) as Director Projects. Prior to his elevation as Director (Projects) of POWERGRID, he was Executive Director (Northern Region-I), one of the largest regions of POWERGRID wherein he looked after construction of 6,000 MW ± 800 kV HVDC Bipole-Biswanath-Chariali-Agra Line which is the longest HVDC transmission system in the world besides handling execution of some major consultancy projects. He was also looking after O&M of 26,000 ckt-km lines of rating 765/400/220kV AC & 800/500kV DC, Six HVDC, thirty-seven HVAC AIS/GIS & twenty nos FSC stations under operation in Northern-Region. He was appointed as a Director on our Board in February, 2017.

**Ms. Shalini Prasad**

Government Nominee

Ms. Shalini Prasad (54 Years), (DIN 07908489) is an Indian Administrative Services Officer of Uttar Pradesh Cadre and is presently Additional Secretary in the Ministry of Power, Government of India. She holds a graduate and post graduate degree from University of Delhi. During her illustrious career of more than three decades in the Government, she has worked in the Ministry of Health and Family Welfare (as Joint Secretary), Human Resource Development and Finance in Central Government and at various positions in the State of Uttar Pradesh. She was appointed as a Director on our Board in August, 2017.





Mr. Jagdish I. Patel
Independent Director

Mr. Jagdish I Patel (52 years) [DIN:02291361] is a B.Sc., ASTM-UT, MBA (Ind.) has an illustrious career spanning over 36 years in the areas of Energy Generation, Mining and Space sectors as engineering solution providers and strategic planner over business auxiliary units. Having been Director (Tech.) at Pushpak Trademach Limited, as well as KIA Infrastructure Development Limited and active member of Gujarat Chamber of Commerce and Industry (GCCCI), he has served as a member of several institutions such as District Implementation & Industrial Management Committee of ITI, Industrial Management Committee of IGTR and has also served as President as well as Treasurer at LUB-Gujarat. He is also member of Standing Committee/ Town Planning Committee/ Solid Waste Management Committee of AMC. He was appointed as an Independent Director on our Board in November, 2015.

Shri Tse Ten Dorji, aged 66 years [DIN: 03469466], is an I.A.S (Retired). During his career over 40 years, he has held various posts in many Departments / Ministries of Government of India. He has multidisciplinary experience spanning Personnel & General Administration, Finance, Education/Human Resource Development, Animal Husbandry, Planning & Programme Implementation, Land Revenue Management & District Administration, etc. He was appointed as a Director on our Board in February, 2017.

Shri Tse Ten Dorji
Independent Director



Shri V.K. Saxena
Chief Vigilance Officer

Shri V. K. Saxena (58 years), MA, LLB, is the Chief Vigilance Officer of POWERGRID. He belongs to the 1984 batch of Indian Revenue Service (Income Tax) and has over 32 years of experience in tax law enforcement and has also worked on deputation assignments. In the Income Tax Department, Govt. of India, he has served in various capacities including administrative, appellate and has also handled judicial and vigilance assignments. He has also worked in the Tax Policy and Legislation Division in the Central Board of Direct Taxes, Ministry of Finance. He has attended a UNDP training programme on Techniques of Tax Audit and Collection in Los Angeles, USA. He was appointed as Chief Vigilance Officer of POWERGRID in July, 2016.

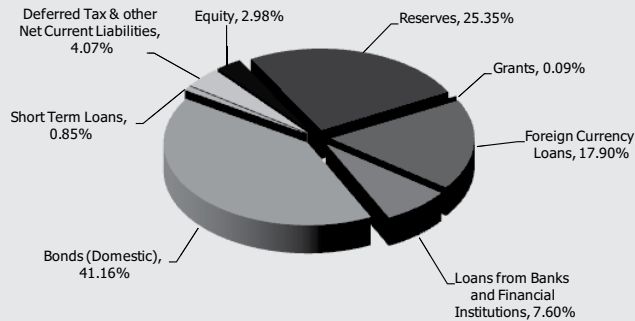
List of Senior Executives as on 1st August, 2017

S.N	Name (S/Sh)	E.No	Desg	Level	Dept	Region	Location
1	P.N. Dixit	60010046	ED	E9	Asset Mgmt.	CC	Gurgaon
2	T. C. Sarmah	60020026	COO	E9	BDD, JV&PI, Energy Efficiency	CC	Gurgaon
3	Sanjeev Singh	60010040	ED	E9	CMG	CC	Gurgaon
4	H.K. Mallick	60010773	ED	E9	Commercial & Regulatory Cell	CC	Gurgaon
5	A. Chaudhary	60040017	ED	E9	Commercial & Regulatory Cell	CC	Gurgaon
6	D.C.Joshi	60040045	ED	E9	Contract Services	CC	Gurgaon
7	Chetan Varma	60000477	ED	E9	Corporate Communications	CC	Gurgaon
8	R.K.Chauhan	60010951	ED	E9	Corporate Engg HVDC	CC	Gurgaon
9	Anil Jain	60010060	ED	E9	Corporate Planning, Cost Engg, Head of Region(NR-II)	CC	Gurgaon
10	Dr. Subir Sen	60000158	ED	E9	CTU,Smart Grid	CC	Gurgaon
11	D.K.Valecha	60010027	ED	E9	Engg-TL,S/S,Civil	CC	Gurgaon
12	Pankaj Kumar	60000105	ED	E9	ERP Cell, IT	CC	Gurgaon
13	S.K. Gupta	60010034	ED	E9	ESMD,CSR,LAC	CC	Gurgaon
14	S. Vaithilingam	60040050	ED	E9	F&A	CC	Gurgaon
15	Ranjan Kr. Srivastava	60010073	ED	E9	F&A	CC	Gurgaon
16	K.S.R. Murty	60010072	ED	E9	F&A	CC	Gurgaon
17	Meenakshi Davar	60000384	ED	E9	HR	CC	Gurgaon
18	Anil Mehra	60000464	COO	E9	International Business	CC	Gurgaon
19	Sunil Agrawal	60020497	ED	E9	LD&C	CC	Gurgaon
20	Bhoj Paul	60010947	ED	E9	North Eastern-Northern/Western IC-I Project	CC	Gurgaon
21	S Sen	60010871	COO	E9	NTAMC	CC	Manesar
22	S.K.Mishra	60010091	ED	E9	QA&I, CMD Co-ordination Cell	CC	Gurgaon
23	A.K. Singhal	60000151	ED	E9	TBCB	CC	Gurgaon
24	A.K. Arora	60010907	COO	E9	Telecom	CC	New Delhi
25	Upendra Pande	60020074	ED	E9	Vigilance	CC	Gurgaon
26	Sanjay Garg	60000434	ED	E9	Posted at Ministry of Power	CC	New Delhi
27	Rajesh Kumar	60000130	GM (I/C)	E8	DMS	CC	Gurgaon
28	Pankaj Kumar	60000369	GM (I/C)	E8	Materials	CC	Gurgaon
29	Anil Saberwal	60040051	GM (I/C)	E8	POWERGRID Academy of Leadership(PAL)/HRD	CC	Manesar
Regions/Projects							
1	Seema Gupta	60000127	ED	E9	Head of Region	NR-I	New Delhi
2	Atul Trivedi	60040707	ED	E9	Head of Region	NR-III	Lucknow
3	S.N. Sahay	60040044	ED	E9	Head of Region	ER-I	Patna
4	Bharat Bhushan	60020006	ED	E9	Head of Region	ER-II	Kolkata
5	D.S. Yadav	60010037	ED	E9	Head of Region	NER	Shillong
6	V. Sekhar	60020107	ED	E9	Head of Region	SR-I	Secunderabad
7	R.K.Singh	60011044	ED	E9	Head of Region	SR-II	Bangalore
8	V.K. Khare	60020015	ED	E9	Head of Region	WR-I	Nagpur
9	D.K. Singh	60040065	ED	E9	Head of Region	WR-II	Baroda

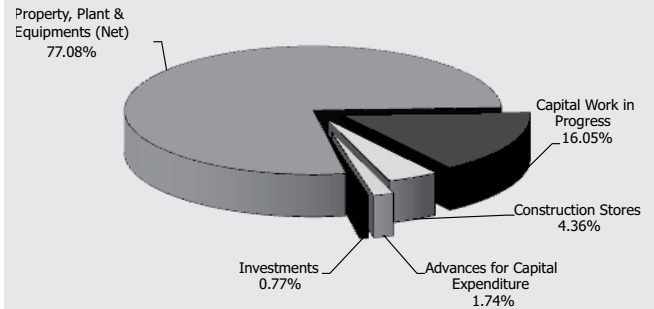
S.N	Name (S/Sh)	E.No	Desg	Level	Dept	Region	Location
10	R.N. Singh	60040054	ED	E9	Raigarh-Pugalur-Thrissur Project	SR-II	Bangalore
11	S. Gupta	60011045	ED	E9	Odisha Proj.	ER-II	Bhubaneswar
12	Rajeev Kumar	60010083	ED	E9	NERPSIP Projects	NER	Guwahati
13	Rakesh Kumar	60000148	GM (I/C)	E8	Western/Northern IC Proj	NR-II	Kurukshetra
On Deputation to other organisation(s)							
1	T. Pandey	60020009	ED	E9	On Dep-Bihar Grid Company Limited		Patna
2	P.N.Prasad	60020511	ED	E9	On Dep-Cross Border Power Transmission Company Ltd.		Gurgaon
3	Ashwani Jain	60000095	ED	E9	On Dep-North-East Transmission Company Limited		New Delhi
4	J.P. Singh	60000195	ED	E9	On Dep-Teesta Valley Power Transmission Limited		New Delhi
5	R.K.Sarkar	60000115	ED	E9	On Dep-Torrent POWERGRID Limited		Ahemadabad

POWERGRID'S PERFORMANCE

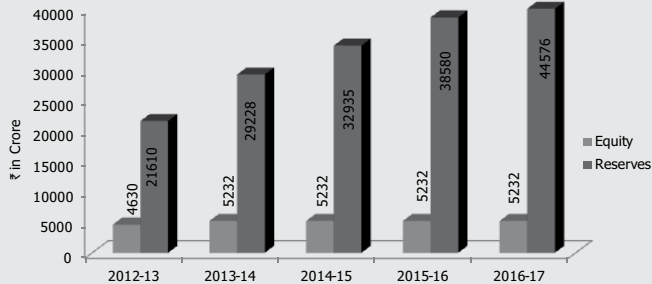
Sources of Funds (%) - 2016-17



Application of Funds (%) - 2016-17

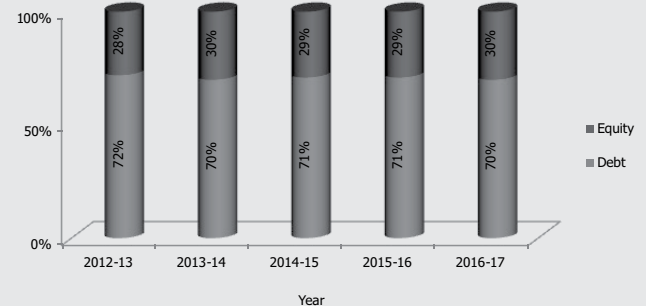


Equity and Reserves



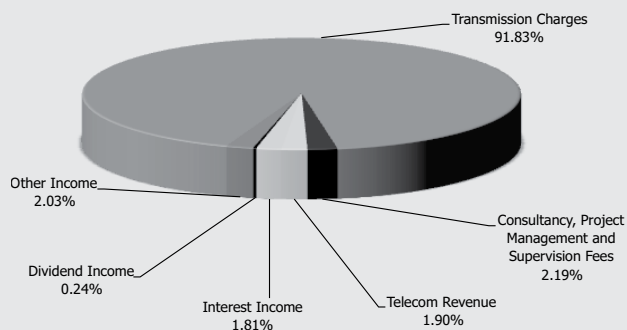
Note: Figures for FY 2015-16 and FY 2016-17 are in compliance with Ind AS.

Debt Equity Ratio (%)

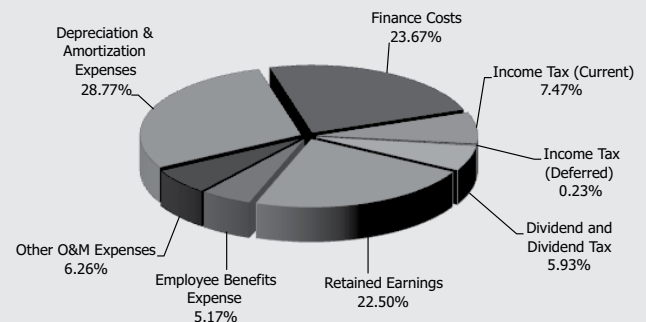


Note: Figures for FY 2015-16 and FY 2016-17 are in compliance with Ind AS.

Income Break-up (%) - 2016-17



Distribution of Revenue (%) - 2016-17



FIVE YEARS' SUMMARY

OPERATING RESULTS

(₹ in crore)

	As per Ind AS 2016-17	As per Ind AS 2015-16	As per Indian GAAP 2014-15	As per Indian GAAP 2013-14	As per Indian GAAP 2012-13
(A) EARNED FROM :					
Transmission Revenue	24411.66	19732.06	16450.86	14250.05	12162.66
Consultancy Revenue					
Sales of Services	582.43	465.46	380.60	332.48	228.96
Sales of Products	-	-	-	294.07	86.44
Telecom Revenue	503.83	392.25	274.89	276.14	231.39
Other Operative Revenue	218.62	76.04	70.88	77.54	48.40
Other Income	864.92	577.49	602.81	491.13	570.89
Total Earnings	26581.46	21243.30	17780.04	15721.41	13328.74
(B) PAID & PROVIDED FOR :					
Purchases of stock-in-trade	-	-	-	219.40	63.50
Employees benefits expense	1377.13	993.72	1023.65	941.68	886.40
Transmission Expenses	821.43	612.76	605.15	456.24	367.65
Administration Expenses	903.59	773.63	705.80	629.54	494.56
Other Expenses	3.83	0.49	47.38	25.25	(18.12)
Provisions	9.02	7.41	43.95	22.35	2.75
Total Expenditure(Excluding Depreciation & Finance costs)	3115.00	2388.01	2425.93	2294.46	1796.74
Profit before Depreciation & Finance costs	23466.46	18855.29	15354.11	13426.95	11532.00
Depreciation and amortization expense	7662.80	6179.80	5085.41	3995.68	3351.92
Finance costs	6303.83	5134.93	3979.32	3167.52	2535.22
Net Profit after Depreciation and Finance costs but before Tax	9499.83	7540.56	6289.38	6263.75	5644.86
Regulatory Income/(Expense)	69.93	(0.05)	-	-	-
Profit before Tax	9569.76	7540.51	6289.38	6263.75	5644.86
Provision for tax (MAT)	1988.45	1574.79	1280.99	1274.13	1052.08
Net Profit after MAT	7581.31	5965.72	5008.39	4989.62	4592.78
Deferred Tax	61.16	17.22	29.22	492.20	358.28
Profit after Deferred Tax	7520.15	5948.50	4979.17	4497.42	4234.50
Other Comprehensive Income	49.83	(11.97)	-	-	-
Total Comprehensive Income for the period	7569.98	5936.53	-	-	-
Dividend	1313.12	1103.87	360.98	1349.76	1273.18

FINANCIAL POSITION

(₹ in crore)

	As per Ind AS 2016-17	As per Ind AS 2015-16	Opening Ind AS figures as on 01.04.2015	As per Indian GAAP 2014-15	As per Indian GAAP 2013-14	As per Indian GAAP 2012-13
(A) WHAT THE COMPANY OWNED:						
Property, Plant & Equipments (^)	149730.18	121336.82	89549.41	118264.26	96503.66	80600.05
Less: Accumulated Depreciation	14222.22	6394.52	-	28578.05	23349.59	19199.41
Net Property, Plant & Equipments (^)	135507.96	114942.30	89549.41	89686.21	73154.07	61400.64
Capital Work in Progress (including Construction Stores)	35884.13	43795.15	52922.41	52924.15	49476.71	34823.54
Investment Property	0.03	0.03	0.03	-	-	-
Advances for Capital Expenditure	3057.92	3020.19	3348.96	3367.44	3853.61	5328.98
Non-current Investments	1355.55	836.08	826.07	740.99	814.33	964.24
Regulatory Assets	107.60	37.67	37.72	37.72	-	-
Other Non-current Loans & Advances	7701.56	6125.58	3832.59	3614.27	3221.35	2517.07
Current Assets, Loans & Advances	11064.71	9652.25	7837.91	7930.10	9069.00	6099.09
TOTAL (A)	194679.46	178409.25	158355.10	158300.88	139589.07	111133.56
(B) WHAT THE COMPANY OWED:						
Long Term Loans:						
- From Banks & Financial Institutions	12902.00	12031.00	7600.22	7600.22	5101.94	1705.31
- Foreign Currency Loans	29511.71	29256.76	26708.25	26713.66	24721.62	21031.17
- Domestic Bonds	68549.46	58885.55	55003.32	55061.96	46966.66	40339.79
Total Long-term Borrowings	110963.17	100173.31	89311.79	89375.84	76790.22	63076.27
Current maturities of Long Term Loans	6234.74	6081.60	4468.56	4468.71	3679.63	3111.60
Working Capital Loan (short-term)	1500.00	2000.00	1200.00	1200.00	2700.00	2000.00
Current Liabilities & Provisions	17024.39	16202.66	15332.47	16195.81	13137.50	9596.90
Deferred Tax Liability(Net)	2550.54	2489.38	2472.16	2472.15	2442.96	1959.16
Deferred Revenue-Advance against Depreciation	1624.81	1770.66	1911.50	1938.57	2018.07	2094.96
Deferred Revenue-DFCFI/E Account	3107.26	3818.31	2750.23	2751.22	2404.32	1505.61
Deferred Revenue-Grants in Aid	150.30	109.17	73.12	73.12	95.07	117.03
Non-current Provisions	789.56	650.45	580.23	580.23	524.37	442.63
Other non-current Liabilities	927.44	1302.48	1055.36	1078.64	1337.30	989.93
TOTAL (B)	144872.21	134598.02	119155.42	120134.29	105129.44	84894.09
(C) NET WORTH OF THE COMPANY REPRESENTED BY :						
Equity Share Capital	5231.59	5231.59	5231.59	5231.59	5231.59	4629.73
Other Equity	44575.66	38579.64	33968.09	32805.48	29181.30	21583.68
TOTAL (C)	49807.25	43811.23	39199.68	38037.07	34412.89	26213.41
(D) COMMITTED RESERVES						
CSR Activities Reserve(@)	-	-	-	129.52	46.74	26.06
TOTAL (D)	-	-	-	129.52	46.74	26.06
TOTAL (B+C+D)	194679.46	178409.25	158355.10	158300.88	139589.07	111133.56
CAPITAL EMPLOYED	121813.54	100310.29	76386.29	75751.79	62705.94	52791.23
(Net Property, Plant & Equipments+Net Current Assets)						

	As per Ind AS	As per Ind AS	As per Indian GAAP	As per Indian GAAP	As per Indian GAAP
	2016-17	2015-16	2014-15	2013-14	2012-13
(E) RATIOS					
Net Profit to Capital Employed(%)	6.17	5.93	6.57	7.17	8.02
Net Profit to Net Worth(%)	15.10	13.58	13.09	13.07	16.15
Net Worth per Rupee of Paid-up Capital (₹)	9.52	8.37	7.27	6.58	5.66
Debt/Equity Ratio (#)	70:30	71:29	71:29	70:30	72:28
Current Ratio	0.45:1	0.40:1	0.36:1	0.46:1	0.41:1
Earning per Share (Diluted EPS) (₹)	14.37	11.37	9.52	9.36	9.15
Book Value per share (₹)	95.20	83.74	72.71	65.78	56.62
Dividend per share (₹)	2.51	2.11	2.00	2.58	2.75
Capital Expenditure	24429	22584	22456	23158	20037
(F) OTHER IMPORTANT INFORMATION					
Length of Transmission Lines (CKT)	139077	129354	115637	106804	100200
No. of Substations	219	207	192	184	167
Transformation capacity (MVA)	289543	254848	231709	205923	164763
No. of Employees (\$)	9346	8606	8575	8694	8909
Transmission Network availability (%)	99.79%	99.72%	99.78%	99.92%	99.90%

(^)'Property, Plant and Equipments' includes 'Other Intangible Assets' also.

(@) CSR Activity Reserve is not considered as Committed Reserve in Ind AS Financial Statements.

(#) For calculation of Debt-Equity Ratio, Loan liability also include Current Maturities of Long Term Loans.

(\$) Excluding employees posted in POSOCO on secondment basis.

Directors' Report

To,

Dear Members,

On behalf of the Board of Directors, I am delighted to present the 28th Annual Report on performance of the Company during the financial year ending March 31, 2017 together with the Audited Financial Statements.

Your Company is one of the largest and best managed transmission utilities in the world and continues to set new benchmarks of Financial, Physical and Operational performance. FY 2016-17 has been yet another year of achievement for the Company. In the area of project commissioning, the Company recorded a capitalization of approx. **₹31,000 crore (incl. TBCB projects)**. With commissioning of new transmission assets comprising **9,723 circuit kilometre (ckm)** of Extra High Voltage (EHV) transmission lines and **34,696 Mega Volt Ampere (MVA)** transformation capacity with **12 new sub-stations**, total transmission assets of the Company have increased to **1,39,077 ckm** and **2,89,543 MVA** transformation capacity with **219 substations**.

Performance highlights of the Company during FY 2016-17 are briefly mentioned here to give an overview of accomplishments on all fronts:

- ❖ Capital investment of **₹24,429 crore** against a target of ₹ 23,000 crore.
- ❖ "Excellent" MoU rating notified by Government of India for financial year 2015-16.
- ❖ Investment approval accorded for transmission projects worth about **₹36,500 crore**.
- ❖ Maintained transmission system availability at **99.79%** with number of tripping per line limited at 0.68 for the year.
- ❖ Revenue from operations of **₹25,716.54 crore** (year-on-year increase of 24%) and Profit after Tax of **₹7,520.15 crore** (year-on-year increase of 26%).
- ❖ Interim Dividend of **₹1.00** per share (face value ₹ 10/- each) has been paid and in addition, Final Dividend of **₹3.35** per share for the Financial Year 2016-17 recommended, subject to approval of shareholders.
- ❖ Pole-I (1500 MW) of ±800kV HVDC Bipole transmission line from Champa – Kurukshehra (route length 1288 ckm) has been commissioned in March, 2017.
- ❖ Inter-regional power transfer capacity of 15,000 MW has been added. With this, cumulative inter-regional power transfer capacity of the National Grid stood at 75,050 MW at the end of March, 2017.
- ❖ Bagged one more project during the year under Tariff Based Competitive Bidding (TBCB) – 'Establishment of Transmission System for 765kV Eastern Region Strengthening Scheme (ERSS-XVIII)'.
- ❖ Telecom revenue rose to **₹503.83 crore** (year-on-year increase of 28%).

XII PLAN PERFORMANCE

It is a matter of great pleasure to inform you that against CAPEX target of ₹1,10,000 crore for XII Plan, the Company has made a capital expenditure of ₹1,12,664 crore. Also, thrust was given to completion of projects and total capitalization achieved during XII Plan is over ₹1,17,000 crore (including TBCB Projects).

About 46,000 ckm of transmission line has been added along with 1,65,000 MVA of transformation capacity addition in the XII plan. Also, cumulative Inter-Regional capacity has been augmented to 75,050 MW against a target of 72,350 MW. This will give a huge push to One Nation – One Grid – One Price.

FINANCIAL PERFORMANCE

In FY 2016-17 the Company has shown a stellar financial performance. The Financial Performance as compared to the previous year 2015-16 is summarized below:

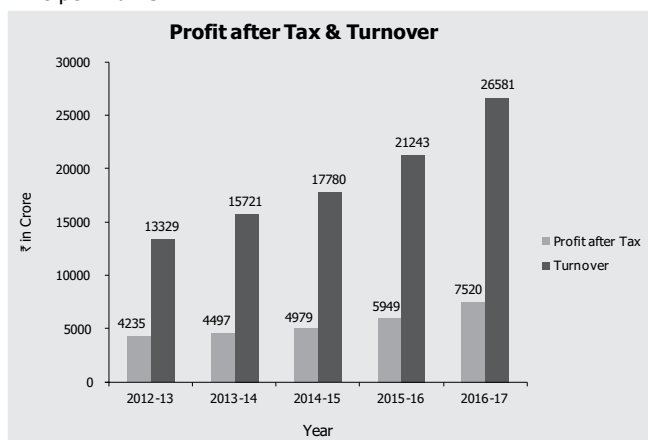
(Figures in ₹ crore, except per share data)

Description	2016-17	2015-16#	Y-o-Y Growth
Transmission Charges	24630.28	19808.10	24.34 %
Consultancy-Sale of Services	582.43	465.46	25.13%
Telecom	503.83	392.25	28.45%
Revenue from Operations	25716.54	20665.81	24.44%
Other Income	864.92	577.49	49.77(%)
Total Income	26581.46	21243.30	25.13%

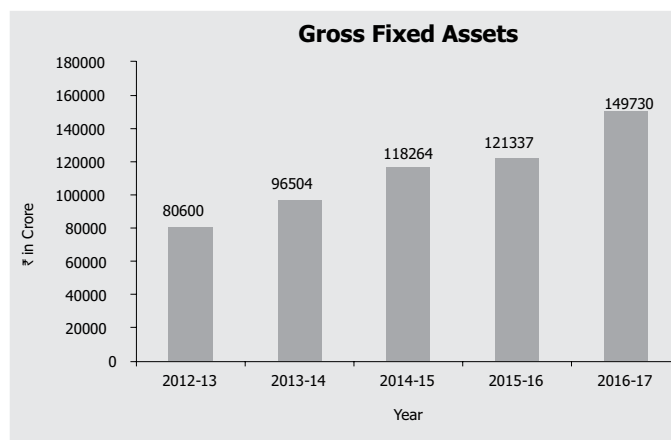
Description	2016-17	2015-16#	Y-o-Y Growth
Profit After Tax (PAT)	7520.15	5948.50	26.42%
Earnings per Share (₹)	14.37	11.37	26.39%
Book Value per Share (₹)	95.20	83.74	13.69%
Gross Fixed Assets	149730.18	121336.82	23.40%
Long Term Borrowings*	117197.91	106254.91	10.30%
Net Worth	49807.25	43811.23	13.69%
Debt Equity Ratio	70:30	71:29	—
Return on Net Worth	15.10%	13.58%	—

* Including current maturities of long term borrowings.

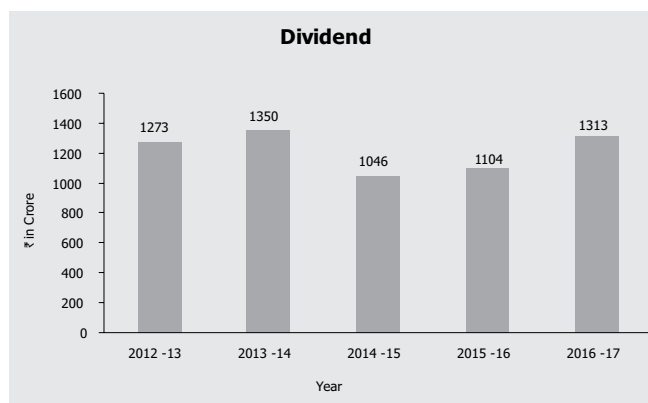
As per Ind-AS.



Note: Figures for FY 2015-16 and FY 2016-17 are in compliance with Ind AS.



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Dividend Payout

For FY 2016-17, the Company has recommended a final dividend of ₹3.35 per share in addition to ₹1.00 per share of interim dividend taking total dividend to ₹4.35 per share. The final dividend shall be paid after your approval at the Annual General Meeting. The total dividend payout for the year amounts to ₹2,275.74 crore (including an interim dividend of ₹ 523.15 crore).

OPERATIONAL EXCELLENCE

Asset Management

The Company owns and operates about 85% of the total EHV/UHV Transmission network of the Country. As on 31st March, 2017, the transmission assets owned and operated by the Company stood at **1,39,077 ckm, of Extra High Voltage (EHV) transmission lines**

and 219 nos. EHVAC & High Voltage Direct Current (HVDC) sub-stations with about 2,89,543 MVA MVA transformation capacity. During the FY 2016-17, the Company maintained availability of the transmission network at 99.79% which is comparable to international standards. The number of tripping per line (unplanned) was contained to 0.68 for the year, indicating high reliability of POWERGRID transmission system.

Maintenance activities are planned well in advance and an 'Annual Maintenance Plan' is chalked out for every asset through live line or shutdown maintenance, as per technical feasibility.

The Company is proactively managing the maintenance and refurbishment of the transmission assets in order to minimize the tripping of lines especially that caused due to fog, pollution and other natural vagaries. The Company is committed to adopt the best of technological tools available for better operational performance and in this direction following latest technology has been adopted by the Company:

- **Adoption of latest condition monitoring techniques for Substation Equipments**

State-of-the-art condition monitoring techniques for substation equipments for detection of defects at incipient stage. These include Frequency Response Analysis for Transformers and Reactors, Dynamic Contact Resistance Measurement for Circuit Breakers, Third Harmonic Resistive Current measurement for Surge Arrestors, Thermo-vision scanning of substation equipments etc. These techniques have proved to be very useful in detection of defects at an early stage. Preventive/ corrective actions were taken in advance and major failures were averted. In addition, periodic oil parameter checks, Dissolved Gas Analysis (DGA) of Transformers/ Reactors and its bushings, particle counts, inhibitor content test are very useful for diagnosis of the problems and life enhancement of the Transformers, which POWERGRID implemented successfully.

- **Substation Automation**

POWERGRID has introduced process bus architecture by connecting Circuit Breakers & Isolators and CT/ PTs through Optical fibers Ethernet using IEC 61850 protocol for avoiding complex protection, control & measurement cables. This will pave ways towards digital substations.

State-of-the-art '**National Transmission Asset Management Centre**' (NTAMC) at Manesar, Haryana has been managing 122 substations remotely at the end of FY 2016-17 and presently 150 substations are being managed remotely. This has made operations smoother and helped in increasing visibility of the various parameters of the grid so as to ensure continued availability of the network. Your Company foresees the importance of automation in the transmission sector and NTAMC is a formidable step in that direction.

In order to share knowledge with various power sector agencies within the country and across the globe, the Company organised various National and International conferences and meets. An International Conference on "Best O&M Practices for EHV and UHV AC & DC Transmission System Assets" was held at Gurgaon. The theme for the conference was 765kV AC, UHVDC & GIS Operation & Maintenance. Eminent experts from CIGRE-France, Hydro Quebec-Canada, BC Hydro-Canada, CRIEPI-Japan, TransGrid-Canada, IREQ-Canada, UMS Group-USA and AAM Australia participated.

The regional peer group meeting for International Transmission Operation and Maintenance Study (ITOMS-2017) was hosted. The meeting was organised for Asia-Africa-Middle East region and was facilitated by UMS Group, USA. Delegates from different Utilities from Malaysia, Oman, UAE and USA participated in the conference.

CYBER SECURITY

POWERGRID is committed to ensure cyber security of the critical infrastructure. Information Security Policy and Procedures have been put in place. POWERGRID Corporate Office has been certified for ISO:27001 Information Security Management System Standard. The Regional Head Quarters are also in the process of being certified for ISO:27001. Compliance to guidelines of CERT-in and NCIIPC have been ensured. In view of possible risks due to Cyber-attacks, all Grid connected intelligent control equipment are kept isolated (air-gapped) from external data communication systems. Further, in large part of networks, digital signals controlling operation of critical equipment are kept further confined and isolated by design to prevent any large scale cascade event. A senior executive is designated as POWERGRID's Chief Information Security Officer, who reviews Cyber Security preparedness.

DISASTER MANAGEMENT

In the event of any natural calamity or disaster, the Company has been at the fore front in providing relief to the countrymen and has contributed in restoration of power in affected areas.

Support was promptly extended in Tamil Nadu to restore EHV transmission lines, which were damaged due to cyclone Vardah near Chennai in December, 2016. As an immediate relief, POWERGRID's Task Force rushed to the affected areas and deployed its Emergency Restoration System (ERS) Team for extending necessary assistance to Tamil Nadu Transmission Company (TANTRANSCO).

Relief camps were also organized in cyclone affected areas and relief materials like food packets, water bottles, bed sheets, Mosquito mats, Toilet kits etc. were distributed to about 1000 affected families. Efforts of POWERGRID for extending the timely assistance were acknowledged and created confidence and goodwill in people.

PROJECT IMPLEMENTATION

Your Company is an infrastructure provider and its growth is largely dependent on the efficient implementation of the transmission projects. Your Company has an exceptional record of implementing challenging transmission projects running over hundreds of kilometres of length across tough terrains and involving socio-economic issues. To ensure that power evacuation and system strengthening projects complete matching with system requirement, detailed planning has been done during implementation and progress is reviewed at various levels to take corrective actions. Your Company uses latest project management tools such as Enterprise Resource Planning (ERP), Integrated Project Management and Control Systems and regular Project Review meetings are organised at the top management level to proactively assess any obstacles in project execution and its timely resolution.



Also, interactive meet with Industry partners have been organised to continuously improve our performance. Apart from business interactions, POWERGRID also felicitated various suppliers/contractors for their performance during FY 2016-17 under different categories.

During the year, a number of important transmission projects have been commissioned/completed, which inter-alia include:-

- ± 800 kV Champa – Kurukshetra HVDC Bi-pole-1(Pole-I) link,
- Pole-II & III of ± 800 kV Biswanath Chariyali/Alipurduar – Agra HVDC mutli terminal transmission systems,
- 765 kV double circuit (D/c) Wardha - Nizamabad line,
- 765 kV D/c Gaya- Varanasi line,
- 765 kV D/c Varanasi – Kanpur – Jhatikara line,
- 765 kV D/c Angul – Srikakulam line,
- 765 kV D/c Srikakulam – Vemagiri line (TBCB),
- 765 kV D/c Raipur – Wardha (2nd) line,
- 765kV D/c Tuticorin – Salem (charged at 400 kV),
- 400 kV D/c Ranchi – Chandwa – Gaya line.

FINANCIAL MANAGEMENT

In the FY 2016-17, the Company continued to show sustained performance in all its business areas, enhancing the value for the shareholders. Your Company has achieved Total Income of ₹**26,581.46** crore and net profit of ₹**7,520.15** crore.

Capital Investment and Fund Mobilization

Your Company made a capital investment (CAPEX) of ₹ 24,429 crore during the year 2016-17. For the CAPEX of FY 2016-17, ₹ 14,806 crore was mobilized through private placement of bonds & term loan, ₹3,037 crore was mobilized through External Commercial Borrowings (ECB)/Supplier credit and ₹6,586 crore was utilized from Internal Resources.

During recent years, for financing of CAPEX, POWERGRID has mobilized funds from internal sources and successfully arranged borrowing from domestic as well external sources at most competitive prevailing rates. The major source of borrowing is private placement of domestic bonds. For financing of CAPEX, POWERGRID had also tapped other sources, which includes commercial bank loans, Supplier credit and sovereign guaranteed loan from multilateral funding agencies (ADB, World Bank).

COMMERCIAL PERFORMANCE

As per Central Electrical Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010, the Company has been assigned the responsibility for carrying out the activities such as raising of transmission charges bills on behalf of all Inter-State Transmission System (ISTS) Licensees, collecting the amount and distributing the same to them.

Your Company is fulfilling the assigned responsibilities effectively and achieved collection efficiency above 99% for FY 2016-17.

DEVELOPMENT OF NATIONAL GRID

Towards the strengthening of National Grid, a number of inter-regional transmission lines have been commissioned and more such lines are under construction. In FY 2016-17, ± 800 kV Champa Pool - Kurukshetra HVDC Pole-I of Bipole-1 (1500MW), Angul-Srikakulam 765kV D/c, Wardha - Nizamabad 765kV D/c and ± 800 kV Biswanath Chariyali - Agra multi terminal HVDC transmission line with new HVDC terminal at Alipurduar with 1500 MW capacity transmission systems have been completed. As a result, cumulative inter-regional power transfer capacity of the National Grid has been enhanced from 57,450 MW to 75,050 MW (about 30% growth) during the FY 2016-17. By the end of 2021-22, the inter-regional power transfer capacity of the National Grid is likely to be enhanced to about 1,18,000 MW.

The enhancement of transmission capacity due to above inter-regional links has augmented pan-India electricity market and during FY 2016-17. Further, more than 138 billion units (BUs) inter-regional energy transfer was facilitated across the nation, which is an increase of about 18% over the previous year.

CONNECTIVITY, MEDIUM TERM OPEN ACCESS (MTOA) & LONG TERM ACCESS (LTA)

Your Company, as Central Transmission Utility (CTU), is the nodal agency for processing & grant of Connectivity, Long Term Access (LTA) and Medium Term Open Access (MTOA) to various applicants. Relevant regulations, procedures, guidelines and related documents for Connectivity, MTOA and LTA applications and status thereof are available online on our website.

As of March 31, 2017, the Company has granted Connectivity to 136 nos. of eligible applications for a quantum of 95,800 MW and LTOA/LTA to 204 nos. applications for a quantum of 99,260 MW. In addition, based on the transmission capacity margins availability, the MTOA has also been granted to 106 nos. of applications for a quantum of 12,204 MW cumulative capacity.

QUALITY MANAGEMENT

The Quality Management System in the Company is an enabler for best practises built around the philosophy of prevention rather than detection. To ensure quality, while procuring goods at competitive prices, a lot of effort has been put on quality assurance and various quality improvement measures have been initiated and implemented to get better quality products.

- During FY 2016-17, Smart inspections amounting to approx ₹ 20,000 crore worth of material/equipment were carried out to enable record asset capitalization during the year.
- With target to move towards zero product inspection as per POWERGRID quality policy, inspections at some of the manufacturing units of towers, conductor, cables, transformer oil etc. have been reduced after thorough process audits at works as per standardized guidelines. Saved man-days were used for process audits at other manufacturing units for system improvements. This has contributed to whole sector as such.
- Rigorous Field Quality Audits were carried out during the year from Corporate Centre as well as at Regional level to ensure strict implementation of Field Quality Plans. This has ensured better awareness, better response from executing agencies and timely corrective actions. An independent team for Field Quality Assurance has been formed at Corporate Centre to take various preventive and pro-active actions.
- 'Make in India' initiative has been given a great push during the period. Most of 765kV Class Transformers/ Reactors and even some of GIS equipment/STATCOM/SVC are presently being supplied indigenously.
- A number of Micro, Small & Medium Enterprises have been developed as sub-vendors and approved in India for supply of components for various equipment, including for new factories set up, which in turn have resulted in employment generation in the country.
- The Company, in association with MSME Development Institute, Okhla, New Delhi organised "National Vendor Development Programme cum Industrial Exhibition for Micro & Small Enterprises for the benefit of MSME sector and thereby promote "Make in India" objective of the Govt. of India.
- Developed and maintained systems and procedures aligned with integrated management system comprising ISO 9001 for Quality Management System, ISO 14001 for Environmental Management System and OHSAS 18001 for Occupational Health and Safety Management System. The certification has been maintained after rigorous audits by BSI Group India. Systems were also audited for maintenance of Social Accountability standard, SA 8000, Energy Management Systems as per ISO 50001 and for Information Security Management Systems as per ISO 27001.

ENTERPRISE RESOURCE PLANNING

Project "RUPANTAR", the Enterprise Resource Planning (ERP) initiative of the Company has been implemented successfully and the processes and systems have been stabilized in all the regions of the Company. Presently, majority of the key processes related to the business are running on ERP. E-tendering for the domestic bids has also been taken up in ERP system on pilot basis. In order to provide stability and reliability to ERP system, a Disaster Recovery Centre has been established at Bangalore.

TECHNOLOGY DEVELOPMENT

Your Company is always at the forefront for adopting latest advancement in technology as well as carryout applied research and development activities in pursuit of technological excellence in power transmission. Notable amongst them during FY 2016-17 are the prestigious 1200kV National Test Station, utilization of Geographic Information System Tools and the application of Process Bus Technology in Substation Automation System.

1200kV National Test Station

Your Company has successfully commenced power flow through 1200kV National Test Station in the month of May, 2016. For this project of national importance, the Company has collaborated with Indian equipment manufacturers for getting the 1200kV equipment developed, which have been presently installed, charged at 1200kV voltage and loaded at the test base in Bina, Madhya Pradesh for long term field operation and performance monitoring.

Geographic Information System Tools

Your Company has initiated utilizing Geographic Information System Tools like Bhuvan on pilot basis for mapping its transmission assets, for route alignment during planning of new transmission lines and for disaster management studies.

Innovation Portal

Your Company has established an Innovation portal wherein a platform is provided to all its employees to put forth their new and innovative ideas related to technology and management. These ideas are reviewed by the top level management so as to assess the techno-economic feasibility and benefits.



Process Bus Technology

Gaining experience from the pilot projects on Process Bus Technology at Bhiwadi and Neemrana, the Company has initiated the project at Malerkotla substation for retrofitting conventional protection and control schemes with advanced automation systems. The new scheme is expected to ease the maintenance and troubleshoot in future and also restoration time will be extremely low in case of any eventuality. Also, the replacement of large amount of copper cables with minimal fiber optic cables is expected to optimize space requirement.

SMART GRID

Your Company continues its journey of delivering value to its stakeholders through applications of intelligent technologies towards Smart Grid. Your Company is continuously enhancing its abilities through in-house research & demonstration projects in the field of Smart Grid & Energy Efficiency. It has been continually adding advanced attributes to the utility projects to bolster the success story in the above fields. Smart Grid vertical is expanding its customer base and new projects are getting added, making Smart Grid a promising business area in future.

Your Company has garnered valuable experience in implementation of Smart Grid applications in last few years and presently providing consultancy for nine (9) projects covering distribution infrastructure, advanced metering infrastructure, intelligent outage management, electric vehicle charging stations, power quality management, distributed generation, net metering etc. Your Company is closely associated with implementation of Smart Grid at Varanasi & Gurgaon as part of Government's endeavour towards Smart City development.

Towards smart transmission, your Company is implementing Phasor Measurement Unit (PMU) based Unified Real Time Dynamic State Measurement (URTDMS) project, integrating all State and Central grids for Wide Area Measurements (WAMS). In addition, analytics using PMU data are being developed in association with IIT Bombay. Synchronized measurements integrated with high end analytics will facilitate improved monitoring, visualization and enhanced situational awareness of the grid events on real time towards grid reliability improvement.

Your Company is also exploring new opportunities towards implementation of charging infrastructure for Electric Vehicles as well as venturing into Smart City projects.

Integration of Renewables

Your Company is playing a key role for integration of renewable energy resources into the grid. A high capacity Green Energy corridor is under implementation by your Company which will serve dual purpose to facilitate interconnection of large scale renewable, into the National grid as well as enlarging the balancing area to address renewable volatility. In addition, transmission schemes for 7200 MW Ultra Mega Solar Power Parks worth ₹ 4300 crore are also under implementation in various states as part of Green Energy Corridors-II. Apart from Green Energy Corridor implementation and grid-integration of ultra-mega solar parks, it has established country's first grid interactive energy storage pilot project with different battery technologies. The findings of the energy storage project would be helpful in its large scale deployment to address intermittency and variability of renewable generation.

Your Company is taking up the challenging and flagship responsibility of establishment of maiden Renewable Energy Management Centers (REMC) at 11 (eleven) locations in various RE resource rich state viz. Tamil Nadu, Andhra Pradesh, Karnataka, Maharashtra, Gujarat, Madhya Pradesh, Rajasthan, regional load dispatch centers at SR, WR, NR as well as at National Load Dispatch Centre. This would enable forecasting of renewable resources and efficient management of variable renewable generation ensuring grid stability & security. Upon implementation of REMCs by POWERGRID, they will be handed over to respective owners i.e. State LDC/POSOCO.

ENERGY EFFICIENCY

Your Company has taken a lead role in identification of Energy Efficiency business opportunities by way of carrying out Energy Audits of various heavy and medium industries, institutions, commercial establishment, municipalities and other water management systems of canals & irrigation departments. Energy audits undertaken and efficiency measures suggested by the Company shall enable prevention of CO₂ emissions and defer capacity addition requirement.

Your Company is also a BEE Grade-I Energy Service Company (ESCO) for undertaking energy efficiency projects in various industries and other third party consultancy for base lining work.

Indian power industry is in the age of revolutionary transformations and extensive advancements. Equipped with approximately 90 Energy Auditors/Energy Managers, your Company is well prepared to stand as a key enabler in the challenging environment, by offering Energy Efficiency Solutions. Recently, Distribution Companies have been added under Perform-Achieve-Trade (PAT) scheme of GoI. Your Company, being one of the pioneers in Transmission Sector and is also dealing in Distribution Sector through Rural Electrification Program of GOI can provide Energy Audits and Energy Efficiency Solutions in Distribution Sector.

'POWERTEL' - TELECOM SERVICES ON TRANSMISSION INFRASTRUCTURE

The Company has been creating value to its shareholders by leveraging its country wide transmission infrastructure for telecom business under the brand name 'POWERTEL'. The existing National Long Distance (NLD) and Internet Service Provider – Category 'A' (ISP-'A') licenses have been migrated to Unified License for providing telecom services.

The Company has established itself as an important player in providing telecom bandwidth, Virtual Private Network (VPN), internet and other communication services to Telecom Service Providers and enterprise customers. Major achievements during the FY 2016-17 are as under:

Parameter	End of FY 2015-16	End of FY 2016-17	% Change
Total network Coverage	36,563 km	41,988 km	(+) 14.8%
Number of points present (PoPs)	595	662	(+) 11.26%

Telecom Backbone Availability for the FY2016-17 was 99.9%.

National Knowledge Network (NKN)

Under NKN project devised by Govt. of India, which connects knowledge centres across the Country such as Indian Institutes of Technology (IITs), Indian Institute of Science (IISc) etc., on a high speed connectivity, 36 links of 10 Gbps each, 114 links of 1Gbps/100 Mbps and 450 links 100 Mbps / 1 Gbps have been implemented.

National Optical Fibre Network (NOFN)

As a part of digital India initiative of the Govt., to connect 250,000 Gram Panchayats (GP) in the Country by utilizing existing fibres BSNL, Railtel & POWERGRID are laying optical fibre cables to connect to Gram Panchayats wherever necessary. In the revised scope, the Company has been allotted work for development of NOFN network in States of Andhra Pradesh, Telangana, Himachal Pradesh, Jharkhand & Odisha by Bharat Broadband Network Limited (BBNL), covering about 36,000 GPs. Upto the FY 2016-17, 6699 GPs have been connected through incremental fiber. Further, 4454 GPs have been connected End to End and broadband is operational in 1133 GPs.

Multiprotocol Label Switching (MPLS) System

Connectivity to Enterprise Segment Customers is provided on POWERGRID's MPLS Cloud. POWERGRID provides both Layer-2 and Layer-3 VPNs with port capacity ranging from 2Mbps to 10Gbps. POWERGRID also provides reliable Internet Connectivity solutions over its Internet cloud of different capacities ranging from 2Mbps to 1Gbps. POWERGRID is peered with global content providers for providing IP Transit services to ISPs. The IP Transit service reduces cost and enhances service quality of hosted content for ISPs and in turn enables them to offer better internet services at lower price to their users. Company's extensive backbone telecom network with its local access partners has eliminated the location disadvantage of small towns towards accessibility and affordability of high speed internet. It has the potential to bridge the so called digital divide and be a change agent towards realizing the vision of "Digital India". Towards this, MPLS VPN / Internet deals have been signed with a number of important domestic customers.

BUSINESS DEVELOPMENT & CONSULTING SERVICES

Your Company has developed the expertise in its core areas of power transmission, sub-transmission, distribution management, load dispatch and communication (LD&C), Smart grid etc. Leveraging its capacity and experience as a consultant, the Company is executing works with a project cost of ₹17,000 crore on pan-India basis.

During FY 2016-17, the Company has achieved domestic consultancy revenue of ₹ 582.43 crore, which is 25% higher w.r.t. previous years revenue of ₹ 465.46 crore.

During 2016-17, 26 nos. Consultancy assignments have been acquired on domestic front, having estimated Project cost of ₹ 1500 crore. Some of the major assignments bagged include Railway track electrification works for four different Zonal Railways & Techno-managerial services for implementation of 220kV & 132kV transmission system for Railways.

Presently, Track Electrification of 761 rkm (with ₹ 890 crore estimated project cost under Central Railway, East Central Railway, South East Central Railway & South West Railway) has been entrusted to POWERGRID in Nov'16. Actions for award of works and execution thereafter, on all four sections under different Railways zones have been taken-up with active co-operation from Indian Railways. It is expected that successful execution of these electrification works by POWERGRID shall pave the way for getting more such consultancy business from Indian Railways keeping the long term railways electrification targets in India and shall further add to existing consultancy order basket.

Further, the Company is also providing consultancy services to Railways for numerous transmission lines and substations (with estimated approximately project cost of about ₹ 358 crore) for providing up-stream transmission connectivity for traction substations of Railways.

POWERGRID is executing Govt. of India's important projects in difficult geographic terrain areas of NER and State of J&K.

North Eastern Region Power System Improvement Project (NERPSIP)

POWERGRID is implementing transmission and distribution works under NERPSIP in states of Assam, Meghalaya, Manipur, Mizoram, Nagaland & Tripura which is being funded by GOI and World Bank (50:50 Basis) at a sanctioned cost of ₹ 5111.33 crore. The project envisages construction of 34 nos. new EHV sub-stations along with 2114 km. of EHV transmission lines and 85 nos. new Distribution Sub-stations along with 1891 km. of 33 kV transmission lines.



Comprehensive Scheme for Strengthening of Transmission & Distribution System for Arunachal Pradesh & Sikkim

POWERGRID is implementing transmission & distribution works under Comprehensive Scheme for Strengthening of T&D system- Arunachal Pradesh & Sikkim which is being funded by GOI at a sanctioned cost of ₹ 4754.42 crore. The project envisages construction of 43 nos. New EHV sub-stations along with 2493 km. of EHV transmission lines and 70 nos. new distribution substations along with 1923 km. of 33kV transmission lines.

Connectivity of Leh/ Kargil Area with NR Grid at 220 kV level

To provide grid connectivity and reliable power supply to the strategically important Ladakh region, Govt. of India's 220kV Srinagar – Drass – Kargil – Khalsti – Leh Line & associated system is being implemented by POWERGRID on consultancy basis at a sanctioned cost of about ₹1788 crore.

In addition, other important consulting assignments under implementation include strengthening of transmission network in Delhi and execution of transmission system for evacuation of power from Lalitpur power plant of Uttar Pradesh.

INTERNATIONAL BUSINESS

On the International front, your Company has so far established footprints in 19 countries. At present, a total of 14 projects are going-on in various countries.

A Memorandum of Co-operation with Norwegian Centre of Expertise (NCE) – Smart Energy Markets has been signed by the Company which envisages cooperation between NCE, Norway and POWERGRID to work in fields of Smart Grid, Capability development and other related areas.

Also, the Company signed a Contract Agreement with Fiji Electricity Authority for Consultancy Assignment for Design and Preparation of Tender Specification for the construction of the 132kV Transmission Line, 132kV Switching Station and 132/33kV substation in Fiji.

The Company signed an MoU with Abu Dhabi Water & Electricity Authority (ADWEA). The MoU inter-alia envisages cooperation between ADWEA & its group companies and POWERGRID to work in areas like smart grid, EHV transmission technologies etc. & providing capability development and training in the fields of Operation and Maintenance, Power Transmission and Distribution. POWERGRID shall also assist ADWEA in setting up an advanced 'World Class Capability Development Institute in UAE'.

Under the Indian Technology and Economic Co-operation (ITEC) scheme of MEA, GoI, a total of sixty International / African participants are proposed to be trained in the calendar year 2017. With this platform, POWERGRID is likely to forge long term relations and acquaintances with decision makers and other executives from International Utilities. Apart from getting regular business for POWERGRID Academy of Leadership (PAL), this opportunity will also showcase Company's capacity building prowess in International markets to secure further International Business in Consultancy /EPC contracts.

CROSS-BORDER INTERCONNECTIONS

The electrical interconnections with neighbouring countries, Nepal, Bhutan and Bangladesh, are being further strengthened for increased exchange of power. Some of the upcoming and planned interconnections are as under:

Between India and Nepal

- Gorakhpur New (India) – New Butwal (Nepal) 400kV D/c (Quad) line – Planned

Between India and Bhutan

- For evacuation of power from various upcoming hydro power projects (HEPs) in Bhutan, Punatsangchu-I HEP (Bhutan) – Alipurduar (India) and Jigmeling – Alipurduar 400kV D/c (Quad) lines – under implementation.

Between India and Bangladesh

- Baharampur (India) – Bheramara (Bangladesh) 400kV D/c 2nd line – under implementation
- Katihar (India) – Parbotipur (Bangladesh) – Bornagar (India) 765 kV D/c line (to be initially operated at 400 kV) along with 500 MW HVDC Back-to-Back terminal at Parbotipur (another 500 MW terminal would be installed with 765 kV operation of the line) – Planned.

CONTRIBUTION IN DISTRIBUTION REFORMS

Rural Electrification (RE)

Under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) scheme for rural electricity infrastructure and household electrification, your Company has been executing infrastructure work for rural electrification.

During FY 2016-17, infrastructure was created for electrification in 4365 nos. of partially electrified / un-electrified villages. Service connections

were provided to about 77,000 BPL households. Cumulatively, till March, 2017, infrastructure has been created for electrification of about 79,000 villages in 70 districts of 9 states. Further, service connections have been provided to about 37.5 lakh BPL households, cumulatively.

Presently, RE work in Uttar Pradesh (UP) and Odisha assigned to POWERGRID under XI Plan Phase-II/ XII Plan are under implementation. In Odisha, RE work in 15 districts at an estimated cost of around ₹ 1800 crore, involving electrification of about 11,900 villages (Un-electrified villages-590 and Partially electrified villages 11,307) and providing service connections to about 3 lakh BPL households is under progress and expected to be completed by March'18. In UP, RE work of 4 districts at an estimated cost of around ₹ 500 crore is expected to be completed by Dec.'17.

Integrated Power Development Scheme (IPDS)

The implementation of IPDS work in Old Kashi area of Varanasi Town assigned by Purvanchal Vidyut Vitaran Nigam Limited (PuVVNL) involves conversion of existing overhead distribution network to underground and connecting to existing consumer connection to the new underground system. So far, 1000 km cabling work has been completed out of total scope of 1340 km. Further, 30,000 consumers have also been connected to the new underground system.

OUR PEOPLE, OUR STRENGTH

Talent Acquisition & Development

Your Company places human resource as key to its growth. During the year 2016-17, profit per employee has been increased to ₹ 80.46 lakh from ₹ 65.68 lakh in previous year. Also, during the year circuit kilometer per employee and MVA per employee have gone up to 14.86 ckm & 30.87 MVA from 14.25 ckm & 28.15 MVA respectively in previous year.

Human Resource Development through its training development interventions have played a key role to upgrade the workforce to adopt new technologies, systems and practices and make the workforce ready to face the future challenges.

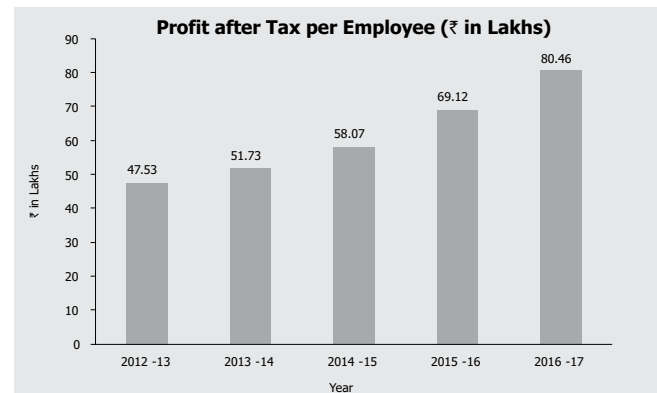
In the year 2016-17 the Company has conducted organisation wide training programmes and other systems & process development interventions based on Organisation Need Assessment (ONA) & Competency Based Training Needs Assessment (CBTNA). To this end, the Company has provided training to its employees in-line with National Training Policy.

As a part of system upgradation, this year in consultation with the experts from all business verticals across the Company, the functional and behavioural competencies were updated. The online training portal has also been upgraded to capture functional & behavioural competencies and the same were validated at two levels through online workflows. Competencies were revisited & customised training basket was offered online to employees to capture their relevant training choices.

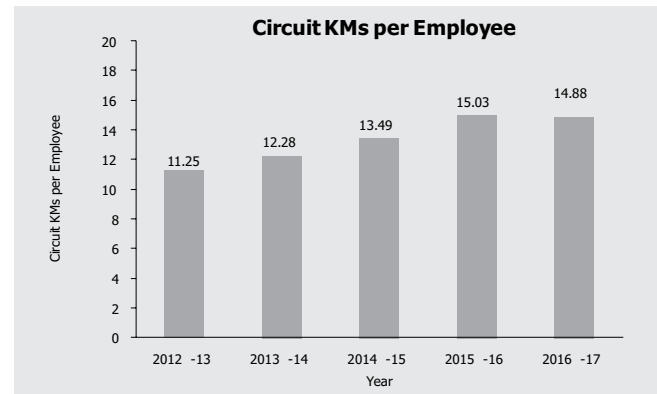
Considering the vast number of projects including of joint ventures and subsidiaries being executed by POWERGRID, skills sets of employees of POWERGRID and stakeholders are being upgraded on continuous basis. Notably, the Company is providing training for policy, procedures & system up gradation to power utilities in North Eastern Region.

POWERGRID Academy of Leadership (PAL), a state-of-the-art, world-class Institute at Manesar has been providing a wide range of training including induction, hands-on, managerial and behavioural programs to employees in POWERGRID, and various power utilities at national and international levels.

Appreciating the notable people practices, the Company has been recognized as one of the India's Best Companies to Work by the Great Place to Work Institute and its rank has been upgraded to 31 from last year 58 out of 700+ companies. It has also been conferred with 'Innovative Training Practices' award by ISTD.



Note: Figures for FY 2015-16 and FY 2016-17 are in compliance with Ind AS.





Employee Welfare

The Company is continuously working on formulating new welfare policies and amending the existing ones to meet the changing needs, for its employees. Issues related to workmen are successfully addressed through the National and Regional Bipartite Committee (PNBC/PRBC), a joint consultative forum comprising management and workmen representatives. Cultural Programmes are regularly conducted for promoting healthy community living. Various festivals like Diwali, Holi, New Year, Raising Day etc. are celebrated collectively by organising Milan Samaroh, cultural activities etc.

The Company also organises Intra & Inter-regional Sports Competitions for Kabaddi, Cricket, Volleyball, Chess, and Badminton etc. and participates in the Inter-PSU Sports meets as well. Your Company's team has emerged winners in Table Tennis, National Management Games and other sports meets and bagged a number of awards.

The 3rd International Day of Yoga was celebrated in all offices of POWERGRID by organising practise sessions and behavioural sessions through informative talks on Yoga. Employees and their families participated in large numbers and benefited.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibitions and Redressal) Act, 2013, and Rules made thereunder, the company has constituted Internal Complaint Committee (ICC) to redress complaints received regarding sexual harassment. POWERGRID has been conducting training / workshop both for male and female about issues and law pertaining to Sexual harassment. Last year POWERGRID has conducted 07 such training programmes across the organization covering 189 employees. During the F.Y. 2016-17, two complaints of Sexual harassment have been received and the same have been disposed.

CITIZEN'S CHARTER

Citizen's Charter has been formulated for the Company providing a visible front of its vision, mission, objectives, Company profile, commitments, expectations from citizens, Integrated Management Policy, services offered, values and standards of services, access to information and grievance redressal. The updated Citizens' Charter is available on POWERGRID website.

IMPLEMENTATION OF OFFICIAL LANGUAGE (RAJBHASHA)

In pursuance of Govt. of India's Rajbhasha Policy to promote Indian languages and Rajbhasha 'Hindi', it has made all round efforts to integrate and promote use of Hindi in its works at all levels. POWERGRID has proved its commitment to ensure the implementation of Rajbhasha.

To ensure the increased use of Official language, various activities such as Anuvaad Abhyaas Karyakram (Translation Practice Programme), Workshops, Trainings, motivational programmes are organized at every unit of the Company. Computer trainings are being imparted to enhance the working knowledge in Hindi on computers. Hindi classes are also being organized for non-Hindi speaking employees through Hindi Teaching Scheme. Lectures on heritage, social and cultural concerns are also being delivered by eminent scholars on regular basis to change the mindset of the employees for working in Hindi.

Various activities are undertaken to publicize Hindi. Every year, Akhil Bhartiya Rajbhasha Sammelans, Kavi Sammelans (Poetry sessions), Plays, publication of monthly articles in Hindi via emails, Sending wishes/informations via Hindi SMS on different occasions such as Hindi Diwas, Diwali, Holi and Eid etc. are most prominent among those. Also, various competitions throughout the year with special emphasis during Hindi Pakhwada, along with departmental meetings as well as OLIC meetings are also being conducted. Your Company has established one of the best Hindi libraries at Corporate Centre along with 100 other Hindi Libraries at various establishments of the Company, where popular/literary Magazines and News Papers have been made available for the employees.

Attractive incentive schemes for employees working in Hindi have been implemented as per the government guidelines. Also, various awards and reward schemes have been introduced to encourage employees to actively participate in promotion of Hindi, by contributing to articles/write-ups for in-house magazines, reading library books etc.

The effort made by the Company has been applauded in several forums during the year 2016-17 which includes Rajbhasha Shields consecutively for two years at the annual meet of Hindi Advisory Committees convened by MoP on 08.01.2017. Various awards have been given by different Town Official Language Implementation Committee (TOLICs) under the aegis of Ministry of Home Affairs, Govt. of India regarding best Implementation of Official Language. Also, POWERGRID's efforts were applauded during various inspections and discussions done by Hon'ble Committee of Parliament on Official Language on different occasions.

RIGHT TO INFORMATION

In order to promote transparency and accountability, an appropriate mechanism has been set up across the Company in line with 'Right to Information Act, 2005'. Your Company has nominated CPIO/ Appellate Authorities at its Corporate Office and Regional offices across the Country to provide required information to the citizens under the provisions of Act. In FY 2016-17, all 346 RTI applications received were disposed of timely. The various appeals received under the Act were also addressed suitably.

COMMITMENT TO TRANSPARENCY & VIGILANCE FUNCTION

Your Company advocates the principles of Good Governance, Transparency, Probity and Ethics in its management functioning. The Vigilance Department of POWERGRID functions as an integral part of the management. The department ensures that best ethical practices are followed in the organization.

Emphasis on Preventive Vigilance

Although the Vigilance Department performs preventive, proactive, as well as punitive function to strengthen the organizational process and to minimize the malpractices in the various systems and activities of the organization, the main emphasis is laid on preventive and proactive vigilance. While Preventive Vigilance focuses on whether the right type of systems exist or need to be re-engineered, proactive vigilance aims at the identification of opportunities and in taking pro-active action against potential threats. During the period, 40 Surprise inspections and 50 CTE Type inspections/Process-on-line inspections were conducted. Pursuant to Vigilance inspections and observations/recommendations, many System Improvements in various functions of the organisations have been taken up.

Preventive Vigilance Workshops as part of Capacity Building: As part of Capacity Building, Workshops on Preventive Vigilance were conducted at the Corporate Centre as well as at various Regions of the Corporation. During the period, 20 Preventive workshops were conducted for 579 non-vigilance executives. Also, 6 RTI Workshops were organized for 175 employees of the Corporation. The Preventive Vigilance Workshops contain module of Ethics Management which enable the employees to identify and deal with ethical problems developing their moral intuitions, which are implicit in everyday choices and actions.

Vigilance Awareness Week 2016: As per the directive of the Central Vigilance Commission, this year the Vigilance Awareness Week was organized in POWERGRID from 31st October to 5th November, 2016. The weeklong activity started with the administration of pledge to all employees by CMD, CVO and all Directors. The organization's website was used to propagate the message and also to encourage the employees to participate in the e-pledge. Eminent speakers were invited, including Dr. T.M. Bhasin, Vigilance Commissioner who addressed the employees at POWERGRID Corporate Centre and also inaugurated the in-house journal of the Vigilance Department, 'Candour' on the occasion.

During the Vigilance Awareness Week, 2016, vendors' meets were organized and such meets/camps were utilized for interaction with the vendors and taking feed-back from them. POWERGRID organized events in 121 colleges and 115 schools across the country. At many rural areas, Gram Sabhas were also organized as directed by the Central Vigilance Commission to spread the message of the Commission. The media like Doordarshan, News Channels, FM Radio channel were also engaged to disseminate the message of the Commission in encouraging citizens to take the Integrity Pledge. POWERGRID also organized street plays by engaging reputed theatre groups to propagate the theme of the Commission. Simultaneously, at many places roadshows were also organized involving employees and their families and in many places involving school and college students.

ENVIRONMENT AND SOCIAL MANAGEMENT

POWERGRID, being a responsible corporate entity, always endeavours to protect and conserve environment in areas of its activities from inception to operation stage. It developed a comprehensive Environmental and Social Policy & Procedures (ESPP) in 1998 and has upgraded the same from time to time, in line with the international best practices, to pre-empt possible environmental and social issues. Recently, Asian Development Bank (ADB) accepted POWERGRID's ESPP under its policy of "Country Safeguard System" (CSS) as the first organization in the Asia whose safeguard system has been recognized to match international good practices. The World Bank too has accorded its acceptance for ESPP under their policy of Use of Country System (UCS) in 2009. With this, POWERGRID has now attained the unique distinction of becoming the first organization in the world, whose safeguard policy (ESPP) has been accepted by two major multilateral agencies viz. The World Bank & ADB.

POWERGRID is also pioneer in the field of Sustainability Reporting in the Indian Power Sector published its 3rd biennial Sustainability Report in September, 2015. This report also attained the highest possible rating of "A+" and also externally assured by accredited assurance provider M/s Intertek India Private Limited based on Global Reporting Initiative (GRI-G3) guidelines including Electric Utilities Sector Supplement (EUSS) and International Standards like Accountability, UK Standard AA 1000 APS (2008) and AA1000 SES (2011). The 4th such report is under preparation following the GRI-G4 guidelines.

POWERGRID is fully conscious of the need to conserve natural resources and avoids forest, ecological sensitive areas like Wildlife Sanctuaries/ National Parks/Biosphere Reserves and Coastal Regulation Zone areas as far as possible through optimization of route alignment. Through careful route selection POWERGRID completely avoided Nongkhyllam Wildlife Sanctuary in Meghalaya for 220kV D/c Byrnihat-Mawngap-New Shillong line under NERPSIP. However, in case of 765kV D/c Bhuj - Banaskantha line where avoidance of Wild Ass Sanctuary in Gujarat couldn't be possible due to its strategic location and size, POWERGRID carried out Biodiversity Assessment Studies by Independent Experts and implementing specific mitigation measures to minimize adverse impact on wildlife/biodiversity of areas. Following the basic principle of avoidance & minimization, involvement of forest, has been reduced progressively from 6% in 1998 to 2.26% at present. However, in some cases where involvement of forest area becomes unavoidable, forest clearance is obtained under Forest (Conservation) Act, 1980.



Apart from above, the Company has taken various initiatives to fulfil its commitment towards the goal of sustainable development and to address the possible environmental externalities associated with its business processes. Key initiatives in this regard are:

- Design & Installation of innovative towers such as multi-circuit & pole towers in lines have not only conserved the precious Right of Way (RoW) but also substantially reduced felling of trees as well as facilitated conservation of wildlife in ecologically sensitive areas.
- Installation of Gas Insulated Switchyard (GIS), instead of Air Insulated Switchyard (AIS) in the vicinity of habitation/town areas substantially reduce land requirement and also helped in conservation of precious land resource.
- Rain Water Harvesting in all new substations not only conserved precious water resources but also enhanced ground water table in the areas of near vicinity.
- Installation of LED bulbs & solar street lighting in substation, fuel catalysts devices for DG sets etc.
- Installed a 40kWp Solar PV System at RHQ Building, Nagpur in addition to 50kWp Solar PV System at Gurgaon Office Complex resulted in reduction of about 47 tons of CO₂ annually.
- Also, more than 15,000 trees were planted in 175 locations.
- The Company is providing professional and financial support to Varanasi Nagar Nigam for efficient and effective collection, storage, transportation system and decentralized composting for MSW Waste in 25 wards of Varanasi.
- Renovation of village ponds.
- Using fly ash bricks, wherever possible for construction of new buildings.

Procurement from Micro & Small Enterprises (MSEs)

The Government of India has notified a Public Procurement Policy for Micro and Small Enterprises (MSEs), Order 2012. In terms of the said policy, the total eligible value of annual procurement of goods produced and services rendered by MSEs (including MSEs owned by SC/ST entrepreneurs) during financial year 2016-17 was ₹ 3,410 Crore. The total procurement from MSEs (including MSEs owned by SC/ST entrepreneurs) was ₹ 777 Crore (22.79%).

Total eligible value of annual procurement of goods produced and services rendered by MSEs (including MSEs owned by SC/ST entrepreneurs) for financial year 2017-18 is projected to be in the range of ₹ 1000 Crore.

For enhancement of procurement from MSEs, annual procurement plan along with other relevant details related to procurement from MSEs are uploaded on POWERGRID's website for benefits of MSEs. Further to look into and address the grievances/concerns raised by any MSEs, a high level committee is also in place in the organization. A nodal officer is also designated to look into the aspects related to procurement from Micro & Small Enterprises owned by SC/ST Entrepreneurs.

Your Company has been participating and organizing MSEs related programmes on regular basis.

MANAGEMENT DISCUSSION AND ANALYSIS

In addition to the issues in the Directors' Report, some issues have been brought out in report on Management Discussion and Analysis placed at Annexure-I.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report as stipulated under Regulation 34 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in Annexure-II and forms part of the Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As per requirements of disclosures under Section 134(3) (m) of Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, information is given in Annexure-III to this Report.

RISK MANAGEMENT POLICY

Information on Risk Management Framework is covered in the Management Discussion and Analysis Report at Annexure-I of this Report.

INTERNAL FINANCIAL CONTROLS AND ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its businesses, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds, error reporting mechanism, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

STATUTORY AUDITORS OF THE COMPANY

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India. M/s S. K. Mittal & Co., M/s R. G. N. Price & Co., M/s Kothari & Co. and M/s Parakh & Co. were appointed as Joint Statutory Auditors for the financial year 2016-17.

The Statutory Auditors have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

COMPTROLLER AND AUDITOR GENERAL'S COMMENTS

Company has received 'NIL' comments on the accounts for the year ended March 31, 2017 by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013. Copy of the same is attached in Annexure - IV to this report.

SECRETARIAL AUDITOR

Kumar Naresh Sinha & Associates, Practising Company Secretary has conducted Secretarial Audit of the Company for the financial year ended March 31, 2017. The report & observations of the Secretarial Auditor and Explanation by the Board thereon forms part of this Annual Report (Annexure-V).

COST AUDITORS OF THE COMPANY

Your Company appointed M/s K. G. Goyal & Associates, Cost Accountants and M/s R. M. Bansal & Co., Cost Accountants as Cost Auditors for the Financial Year (FY) 2016-17 under Section 148 of the Companies Act, 2013.

The Cost Audit Reports for the FY 2016-17 will be filed with the Cost Audit Branch, Ministry of Company Affairs before due date, i.e. September 27, 2017.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134 (3) (a) of the Companies Act, 2013 an extract of the annual return in the prescribed format in MGT-9 is given as Annexure VI of this Report.

COMPANY'S BOARD

Your Company's composition of Board of Directors underwent some changes during the year 2016-2017. During the year, Shri K. Sreekant assumed the charge of Director (Finance) with effect from 1st September, 2016. Shri R. T. Agarwal demitted the office of Director (Finance) on 31st August, 2016 upon attaining the age of superannuation. The Board placed on record appreciation and gratitude to Shri R. T. Agarwal for the significant contribution and support to the Company extended as Director (Finance).

Shri Prabhakar Singh assumed the charge of Director (Projects) with effect from 8th February, 2017. Prior to his appointment, Shri R. P. Sasmal, Director (Operations) was holding additional charge of Director (Projects).

Shri Tse Ten Dorji and Smt. Jyotika Kalra were appointed as non-official part time Directors (Independent Director) w.e.f. 16th February, 2017. Smt. Jyotika Kalra, consequent to her appointment as member of the National Human Rights Commission, has resigned from the post of Independent Director with effect from 6th April, 2017.

Smt. Jyoti Arora and Dr. Pradeep Kumar on being relieved from the Ministry of Power on 5th July, 2017 (A/N) and 31st July 2017 (A/N) respectively have ceased to be Directors on the Board of POWERGRID in terms of Article 31(iv) of the Articles of Association of POWERGRID. The Board placed on record appreciation and gratitude to Smt. Jyoti Arora and Dr. Pradeep Kumar for their contribution and support to the Company.

Ministry of Power vide its Order No. 25-11/4/2017-PG dated 3rd August, 2017 has conveyed the appointment of Smt. Shalini Prasad, Additional Secretary, Ministry of Power as Part-time Director (Government Nominee Director), in place of Smt. Jyoti Arora.

In accordance with the provisions of Section 160 of the Companies Act, 2013 read with Article 31(iii) of the Articles of Association of the Company, Shri Ravi P. Singh, Director (Personnel), shall retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, offers himself for re-appointment.

**NUMBER OF MEETINGS OF THE BOARD**

Board of Directors met 13 times during the financial year 2016-2017. Details regarding dates and attendance of the Board meetings are provided in the Report on Corporate Governance, which forms part of this report.

COMMITTEES OF THE BOARD

POWERGRID's has Audit Committee, CSR Committee and other Committees. The composition and scope of the Committees are provided in the Report on Corporate Governance.

A report on the Corporate Governance (Annexure-VII), forming part of this report, together with the Certificate thereon is given in Annexure-VIII to this Report.

DECLARATION BY INDEPENDENT DIRECTORS

During the year, all the Independent Directors have met the requirements specified under Section 149 (6) of the Companies Act, 2013 for holding the position of 'Independent Director' and necessary declaration from each Independent Director under Section 149 (7) was received.

PERFORMANCE EVALUATION OF DIRECTORS

Ministry of Corporate Affairs (MCA) vide General Circular dated 5th June, 2015 has exempted Government Companies from the provisions of Section 178 (2) which requires performance evaluation of every Director by the Nomination & Remuneration Committee where Directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the Company, or, as the case may be, the State Government as per its own evaluation methodology. Similar exemption has been requested from SEBI under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is under consideration.

Further, MCA vide notification dated 05th July 2017 has also amended the Code for Independent Directors, as per which the performance evaluation of the Board by the Independent Directors has been exempted for Government companies.

The appointment, tenure and remuneration of Directors are decided by the President of India. Remuneration paid to Chairman & Managing Director and Functional Directors are as per terms and conditions determined by the Department of Public Enterprises (the DPE), Government of India. The DPE has also laid down a mechanism for performance appraisal of all Functional Directors. Independent Directors are paid only sitting fee per Board / Committee meeting attended.

POWERGRID enters into Memorandum of Understanding (MoU) with Ministry of Power (MoP) every year wherein Company is evaluated on various financial and non-financial parameters. The performance of the Company and Board of Directors are evaluated by the DPE in terms of MoU entered into with MoP.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

POWERGRID has framed a policy on the remuneration of the Directors, Key Managerial Personnel and employees as required under the provisions of Section 178 of the Act. The said policy is available on our website at:

https://www.powergridindia.com/sites/default/files/Investor_Relation/Reports_Filings/Code_of_Conduct_Policies/04_Remuneration%20Policy.pdf

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, Guarantees or investments under Section 186 of the Companies Act, 2013 form part of the notes to financial statements (Note No. 60) provided in this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013, in the prescribed Form AOC-2, are given as Annexure IX of the Directors' Report. Further, attention of the members is drawn on Note No. 60 of the Financial Statements which sets out related party disclosure.

PARTICULARS OF EMPLOYEES

As per provisions of Section 197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose the ratio of the remuneration of each Director to the median employee's remuneration and details of employees receiving remuneration exceeding limits as prescribed from time to time in the Directors' Report.

However, as per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report.

SUBSIDIARIES AND JOINT VENTURES

During the year, shares of Power System Operation Corporation Limited (POSOCO) were transferred to Government of India on 2nd January, 2017. As on 31st March, 2017 POWERGRID had 11 subsidiaries.

There is no change in the number of joint ventures during the year. Further a statement containing salient features of the financial statements of our subsidiaries in the prescribed format AOC-1 is enclosed as Annexure X.

CORPORATE SOCIAL RESPONSIBILITY

Your Company believes in Corporate Social Responsibility (CSR) as a commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. Stakeholders include persons directly impacted by the activities of the Company, local communities, environment and society at large. It primarily focuses on inclusive social-economic growth for development of marginalized and under-privileged sections of the society residing around its areas of operation. With this approach, your Company carries out various CSR activities with thrust on Rural Development/Infrastructural Development, Skill Development, Health, Education, Environment, etc.

During the FY 2016-17, your Company spent ₹147.27 crore and sanctioned 171 nos. of CSR Projects costing about ₹180 crore to be executed in next 2-3 years.

During the year, your Company completed the construction of the 'POWERGRID Vishram Sadan' at J.P. Apex Trauma Centre, AIIMS, New Delhi.

Also, your Company has participated in the 'Swachh Bharat Abhiyaan'. POWERGRID employees and their family members, in more than 150 locations across the country, voluntarily undertook 'Shram Daan', and contributed more than 60,000 manhours towards this end. Further, POWERGRID has contributed an amount of ₹30 crore to the "Swachh Bharat Kosh" of the Govt. of India.

A number of employees of your Company pledged to Donate their Organs and also participated in voluntary blood donation camps organized by the Company.

During the year, your Company has contributed to the National Skill Development Fund for imparting skill development training to youths, through National Skill Development Corporation India (NSDC). As part of this endeavor more than 3500 youths have been trained in various trades in 24 locations across the country. Further, to impart high-end training to youths, POWERGRID tied up with CIPET, Indo Danish Tool Rooms (IDTR), Jamshedpur, Indo German Institute for Advanced Technology (IGIAT), Vizag, Indo German Tool Room (IDTR), Indore. In 10 such locations more than 1100 youths were trained and most of them were gainfully employed.

The project of 'Improving Rural Livelihoods through Farmer-centric Integrated Watershed Management' on 10,000 hectares of land in Kurnool (Andhra Pradesh) & Kudgi (Karnataka) through ICRISAT (The International Crops Research Institute for the Semi-Arid Tropics) are also under progress satisfactorily. The various initiatives under this project have resulted in improvement of Crop productivity by 15-22% resulted in conservation of about 45,000 m³ of water.

Further, scholarships to more than 1200 students of Assam & Manipur, in NER have been provided through National Foundation for Communal Harmony (NFCH) to continue their education. Also, scholarships to 75 talented footballers, through Subroto Mukherjee Sports & Educational Society of the Indian Air Force, for pursuing their talent in football have been provided. A Working Women Hostel is being constructed at Nuh, Haryana under CSR for the benefit of women. Also, Boy's hostel at Pt. Ravishankar Shukla University, Raipur was completed and formally handed over.

Besides a large number of projects involving infrastructure development in Rural Areas, like Installation of solar street lights, handpumps Drinking water facility, Water storage and distribution network, construction of Community Centres, Internal Roads, culverts, construction of class rooms, toilets, supply of desk & benches in village schools, Providing ambulances, conducting health check-up camps, infrastructure support in government hospitals/Community Health Centre/Primary Health Centre were also undertaken during FY 2016-17.

Details of the CSR policy are available on our website, at http://10.100.18.171/sites/default/files/CSR_Policy_2015_0.pdf. The Annual Report on our CSR activities is enclosed as Annexure XI of the Boards' Report.

DIVIDEND DISTRIBUTION POLICY

As per regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), the top 500 listed companies shall formulate a Dividend Distribution Policy. Accordingly, the policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retained profits earned by the Company. The policy is also available on the Company's website:

<https://www.powergridindia.com/sites/default/files/Dividend%20Distribution%20Policy.pdf>

**SIGNIFICANT MATERIAL ORDERS**

There are no significant and material orders passed by the regulators or courts or tribunal impacting the going concern status and Company's operations in future.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Sections 134(3)(c) & 134(5) of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACCOLADES & AWARDS

The exemplary performance of the Company has been acknowledged and praised by the Govt. of India and other prestigious organisations & institutions in form of various awards/ accolades in various categories from time to time.

During FY 2016-17, the Company has been conferred following important awards/accolades:

As per Platts Top 250 Global Energy Company Rankings - Fastest Growing Electric Utility in Asia for three successive years (2016, 2015, and 2014).

CBIP Award 'Best Performing Transmission Utility 2016'.

'Clean Energy Award'- 2016 for best power transmission Utility Company in India for its remarkable efforts in the field of sustainable development and promoting clean energy transmission in India by AI Global, UK.

'Gold Trophy for Top Exporter in the Medium category' of the year 2013-14 by Engineering Exports Promotion Council (EEPC) under the aegis of Ministry of Commerce.

'Best Risk Management Practise' Award at the 3rd India Risk Management Wards in PSU category by CNBC TV18. This award is given to the firms who have significantly added to the understanding and practise of Risk Management.

'Industry Excellence Awards 2017' in the category of 'Energy & Power' on the occasion of BRICS International Conclave for MSMEs & start-ups organised by 'Stepup 360' & BRICS International Forum" and supported by MSME-DI New Delhi.

'North American Synchrophasor Initiative (NASPI) Award' for Outstanding Utility during 2016-17.

"Delhi Management Association Award 2016" for "Improving Rural Livelihoods and Protecting Environment through Farmer-centric Integrated Watershed Management" under CSR

"SCOPE Award 2016" for "Innovative Stakeholders Engagement" by POWERGRID.

ACKNOWLEDGEMENTS

Our Board of Directors would like to express their deep sense of appreciation for the guidance and co-operation received from Government of India, particularly Ministry of Power, Ministry of Finance, Ministry of Home Affairs, Ministry of External Affairs, Ministry of Statistics and Programme Implementation, Ministry of Environment & Forests, Ministry of Corporate Affairs, Central Electricity Regulatory Commission, Appellate Tribunal for Electricity, Central Electricity Authority, NITI Aayog, Department of Public Enterprises, Regional Power Committees, and other concerned Govt. departments/agencies at the Central and State level as well as from Securities and Exchange Board of India, National Stock Exchange of

India Ltd., and BSE Ltd., Mumbai without whose active support, the achievements of the Corporation during the year under review would not have been possible.

Special thanks to our valued customers, State Governments and State power utilities and other clients, who have awarded various consulting works and reposed faith in Company's capability to handle them. The Board also appreciates the contribution of Contractors, Vendors and Consultants for successful implementation of various projects by the Company.

Our Directors also acknowledge the valuable suggestions and guidance received from the statutory auditors during the audit of accounts of the Company for the year under review. The Board also conveys its sincere thanks to national/ international financial institutions/ multilateral Financial Institutions (The World Bank & Asian Development Bank)/ Banks/ national (CARE, ICRA & CRISIL) & international (Standard & Poor and Fitch Ratings) credit rating agencies for their assist-ance, continued trust and confidence reposed by them on POWERGRID.

On behalf of Board of Directors, I would like to place on record our deep appreciation of the dedicated efforts and valuable services rendered by the members of the POWERGRID Family in the Company's achievements during the year 2016-17. I would also like to thank the Executive team for their strong leadership, the employee unions for their support and all our employees for their commitment and enthusiasm to achieve our aim to be the world's premier transmission utility.

For and on behalf of the Board of Directors



(I. S. Jha)

Chairman & Managing Director

Place: New Delhi

Date: 9th August, 2017

Management Discussion and Analysis

Economic outlook

The Indian economy is growing strongly with the overall growth for the fiscal year 2017 at 7.1%¹. For the economic development of a country, Power Sector plays a significant role. Over the last six decades, Power Sector in India has developed along with country's economic development, meeting the power demand for approx. 1.25 billion people. To cater to the increasing demand of power, optimum utilization of limited resources to generate the power is essential. Power generation during the 2016-17 is 1,159.84 BU showing a growth rate of 4.70% over the previous year. The electricity generation target of conventional sources for the year 2017-18 has been fixed at 1,229.400 BU comprising of 1,042.028 BU Thermal; 141.400 BU Hydro; 40.972 Nuclear; and 5.000 BU import from Bhutan.

Sectoral outlook

During the Twelfth Plan period i.e. 2012 - 17, the capacity addition is estimated at 88,537 MW comprising 26,182 MW in the Central Sector, 15,530MW in the State Sector, and 46,825 MW in the Private Sector, respectively. Summary of Capacity Addition target during Twelfth Plan is as under:

(MW)

Type/Sector	Central	State	Private	Total
Thermal	14,878.00	13,922.00	43,540.00	72,340.00
Hydro	6,004.00	1,608.00	3,285.00	10,897.00
Nuclear	5,300.00	0.00	0.00	5,300.00
Total	26,182.00	15,530.00	46,825.00	88,537.00

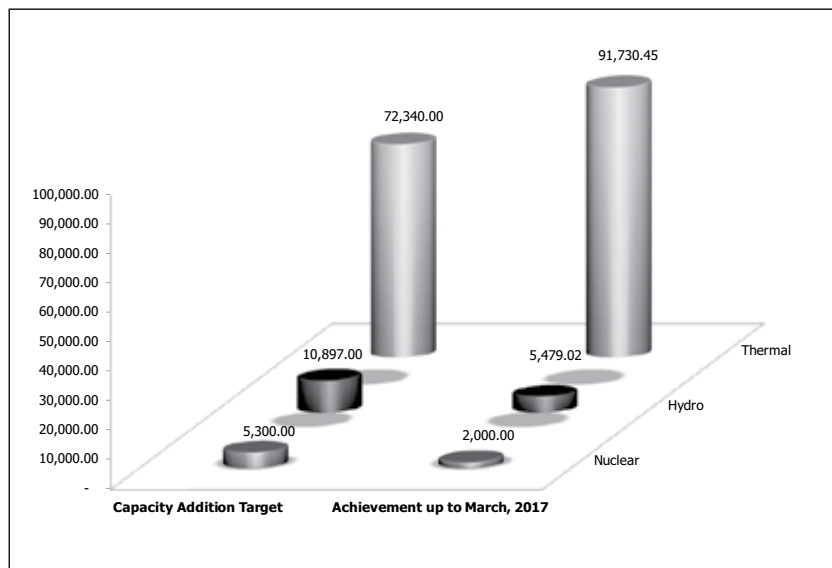
Against aforesaid target of 88,537 MW, 99,209.47 MW capacity has been added up to March, 2017, which constitutes 112.05 per cent of the target envisaged in the Twelfth Plan. The individual targets achieved by the central, states, and private sector during this period are 78.12 per cent, 157.61 per cent, and 115.92 per cent, respectively. Achievement up to March, 2017 during the Twelfth Plan is as under:

Source: CEA website- www.cea.nic.in

(MW)

Type/Sector	Central	State	Private	Total
Thermal	15,868.60	22,201.35	53,660.50	91,730.45
Hydro	2,584.02	2,276.00	619.00	5,479.02
Nuclear	2,000.00	0.00	0.00	2,000.00
Total	20,452.62	24,477.35	54,279.50	99,209.47
Achievement %	78.12	157.61	115.92	112.05

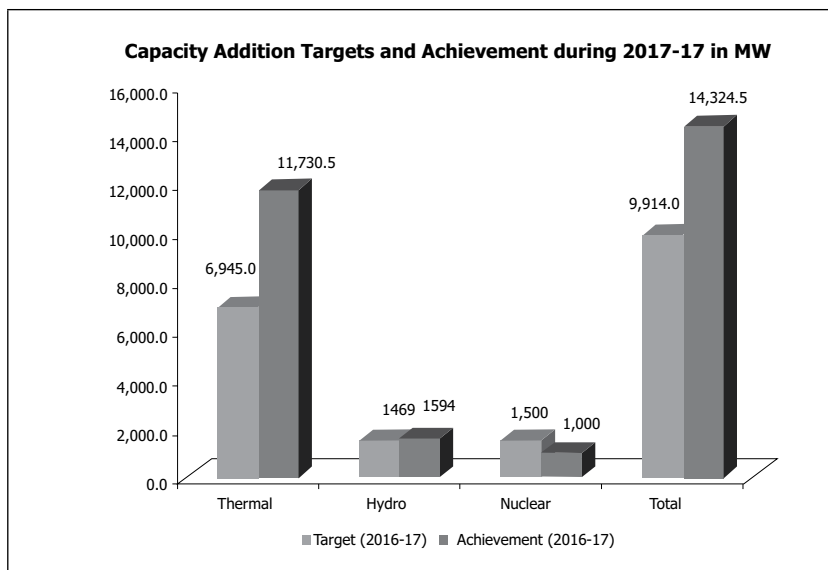
Source: CEA website- www.cea.nic.in



¹ Source : Ministry of Statistics and Programme Implementation

Capacity addition target and achievement during April, 2016 to March, 2017 are as under:

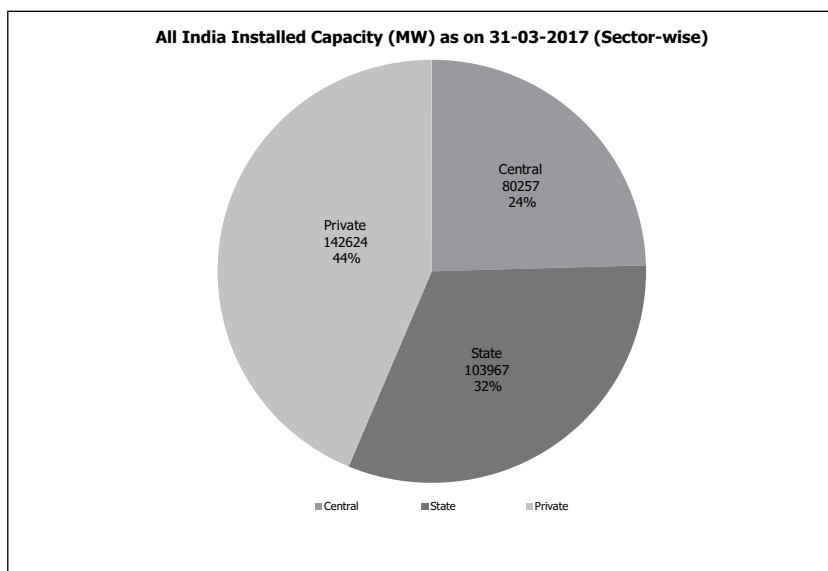
The generation capacity addition during 2016-17 was 14,324.50 MW against a target of 9,914.00 MW. Out of 14,324.50 MW added during the year 2016-17, contribution of thermal sector was significant i.e. 11,730.5 MW (81.89% of the total) and Hydro sector was 1594 MW.



All India Installed Capacity (MW) as on 31-03-2017 (Sector-wise) is as under:

Sector	THERMAL				Nuclear	Hydro	RES	Grand Total
	Coal	Gas	Diesel	Total				
State	64,685.50	7257.95	363.93	72,307.38	0.00	29,683.00	1,976.90	1,03,967.28
Private	73,142.38	10,580.60	473.70	84,196.68	0.00	3,144.00	55,283.33	1,42,624.01
Central	54,335.00	7,490.83	0.00	61,825.83	6,780.00	11,651.42	0.00	80,257.25
All India	1,92,162.88	25,329.38	837.63	2,18,329.88	6,780.00	44,478.42	57,260.23	3,26,848.53

Source: CEA website- www.cea.nic.in



Electricity Generation during 2016-17

The Overall generation (including generation from grid connected renewable sources) in the country has increased from 1173 BU during the year 2015-16 to 1242 BU during 2016-17. Category wise generation during the year 2016-17 was follows:-

The electricity generation (MU) targets and achievement for 2016-17 is as under:

Sector	April, 2016 to March, 2017		% Achievement
	Target	Achievement	
Thermal			
Central Sector	3,30,632	3,37,855	102.18
State Sector	3,16,697	2,99,515	94.57
Pvt. IPP Sector	3,31,859	3,37,894	101.82
Pvt. UTL Sector	19,812	18,951	95.65
Total	9,99,000	9,94,215	99.52
Hydro			
Central Sector	53,400	57,908	108.44
State Sector	62,550	51,284	81.99
Pvt. IPP Sector	11,399	11,655	102.25
Pvt. UTL Sector	19,812	1,466	7.40
Total	1,47,161	122,313	83.11
Nuclear			
Central Sector	40,000	37,664	94.16
Total	40,000	37,664	94.16
Bhutan Import	5,000	5,644	112.88
Grand Total	11,91,161	11,59,836	97.37

Source: CEA website- www.cea.nic.in / <http://powermin.nic.in/>

Transmission Sector:

During the year 2016-17, a total of 26,300 circuit-km (ckm) of transmission lines and 81,816 MVA transformation capacity was added in Central, State & Private Sector. This includes 2 nos. of 800kV HVDC line, 11 nos. of 765kV lines & 30 nos. of 400kV lines in Central Sector and 1 no. of 765kV, 33 nos. of 400kV & 147 nos. of 220kV lines in State Sector and 4 nos. of 765kV, 22 nos. of 400kV & 2 nos. of 220kV in Private Sector during this period. With the commissioning of these transmission lines, the inter-state and intra-state capability of power transfer in the country enhanced considerably.

Growth of Transmission Sector during FY 2016-17 is as under:

Voltage Level/Sector	April, 2016 to March, 2017			
	Transmission Lines (Fig. in ckms)		Sub-stations (Fig. in MVA)	
	Programme	Achievement	Programme	Achievement
±800 kV				
Central Sector	2,597	2,618	1,500	4,500
State Sector	0	0	0	0
JV/Pvt. Sector	-	-	0	0
Total	2,597	2,618	1,500	4,500
765 kV				
Central Sector	3,123	5,331	10,500	19,500
State Sector	750	337	1,500	4,500
JV/Pvt. Sector	1,133	1,327	2,000	2,500
Total	5,006	6,995	14,000	26,500
400 kV				
Central Sector	3,953	3,687	9,890	11,435
State Sector	5,873	3,799	13,015	16,645
JV/Pvt. Sector	942	3,171	2,000	3,260
Total	10,768	10,657	24,905	31,340
220 kV				
Central Sector	78	33	0	0
State Sector	4,935	5,917	4,783	19,276
JV/Pvt. Sector	0	80	0	200
Total	5,013	6,030	4,783	19,476
Grand Total	23,384	26,300	45,188	81,816

Source: CEA website- www.cea.nic.in

All India actual power supply position during 2016-17:

During the year 2016-17, total ex-bus energy availability increased by 4.1% over the previous year and the peak met increased by 5.7%. The energy requirement registered a growth of 2.6% during the year against the projected growth of 9.0% and Peak demand registered a growth of 4.0% against the projected growth of 7.8%. Overall, the country recorded the lowest ever demand-supply gap both in terms of energy and peaking as given below:

	Energy (MU)	Peak (MW)
Requirement	11,42,929	1,59,542
Availability	11,35,334	1,56,934
Shortage	-7,595	-2,608
(%)	-0.7	-1.6

Source: CEA website- www.cea.nic.in

Region-wise picture in regard to actual power supply position in the country during the year 2016-17 in energy and peak terms is given below:

Region	Energy				Peak			
	Requirement	Availability	Surplus / Deficit (-)		Demand	Met	Surplus / Deficit (-)	
	(MU)	(MU)	(MU)	(%)	(MU)	(MU)	(MU)	(%)
Northern	3,49,172	3,43,513	-5,659	-1.6	53,372	52,612	-760	-1.4
Western	3,45,247	3,45,127	-120	0.0	48,531	48,313	-218	-0.4
Southern	3,05,586	3,05,107	-480	-0.2	42,232	42,232	0	0.0
Eastern	1,27,783	1,26,868	-916	-0.7	18,908	18,788	-120	-0.6
North-Eastern	15,140	14,720	-420	-2.8	2,487	2,475	-12	-0.5

Source: CEA website- www.cea.nic.in



The All India Village Electrification as on 31.03.2017 is as under:

Total Number of Villages	Villages Electrified (Nos.) as on 31.03.2017	% villages electrified
5,97,464	5,92,080	98.75

Source: CEA website- www.cea.nic.in

POWERGRID – ‘Central Transmission Utility’ of the Country.

POWERGRID is the ‘Central Transmission Utility (CTU)’ of the Country engaged in power transmission business with the responsibility for planning, implementation, operation and maintenance of Inter-State Transmission System (ISTS). POWERGRID owns & operates Extra High Voltage (EHV) transmission lines spread over the length and breadth of the Country along with EHV AC & HVDC Sub-stations. It owns 90% of the total Transmission Network in the Country. POWERGRID has evolved the national grid in the Country, which is one of the largest synchronously operating electrical grids in the world.

As on 31st March, 2017 POWERGRID:

- owns & operate transmission network of about 1,39,077 ckm of Extra High Voltage (EHV) transmission lines, 219 EHVAC & High Voltage Direct Current (HVDC) Sub-stations and 2,89,543 MVA transformation capacity; and
- maintained the transmission availability at 99.79% during F.Y.2016-17.

POWERGRID’S commitment towards strong & reliable National Grid:

Your Company has commissioned new transmission assets comprising 9,723 ckm. and 12 new Sub-stations with transformation capacity of 34,696 MVA. National Grid of about 75,050 MW inter-regional power transmission capacity (220 kV & above) has been established till March, 2017.

The MoU targets vis-a-vis achievements of POWERGRID in project implementation during year 2016-17 are as under:

Works	Target (for excellent MoU rating)	Achievement
Transmission lines ready for commissioning (GW-ckms)	15,000	17,628
Transformation Capacity/ ready for commissioning (MVA)	32,000	33,880
Inter-regional power transmission capacity addition/ready for commissioning	14,000	15,000

The comparison of actuals with Financial MoU targets is given below:

MoU Parameters	Target MoU (Excellent) FY 2016-17	Actual FY 2016-17
Revenue from Operations (₹ In crore)	24,000	25,717
Operating Profit (₹ In crore)	8,000	8,635
Dividend / PAT (%)	20.00	30.26
PAT / Net worth (%)	13.80	15.10
Dividend / Net Worth (%)	2.76	4.57

Major constraints / Challenges faced in construction and operation & maintenance of Inter-State Transmission system (ISTS) & mitigation thereof:

Rapid urbanization, growth in population density, habitation & infrastructure development, etc. over the period have resulted in reduced availability of usable land for development of infrastructure projects. Major constraints and concerns in development, operation & maintenance of transmission infrastructure:

- Right of Way (RoW) constraints
- Obtaining forest clearance
- Non - availability of skilled manpower
- Increasing operational & maintenance efficiency

The initiatives taken by your Company to address the above concerns are discussed below:

(i) Addressing Right of Way (RoW) constraints:

Your Company has been adopting higher voltages levels, specially designed towers and new technologies to gradually increase the power carrying capacity of transmission lines to optimize the RoW requirement. Some of the technological initiatives taken by the Company are as under:

- **Route alignment & detailed survey using modern techniques**

Modern techniques have been adopted by your Company for route alignment and detailed survey of transmission lines which primarily involve selection of transmission line route after examining various alternatives with the help of GIS techniques. With the help of the updated information & details available from latest satellite images, various alternatives are examined for route selection.

- **Adoption of higher voltage for bulk power transfer**

Towards development of 1200kV Ultra High Voltage (UHV) AC technology, the highest transmission voltage level in the world, your Company has successfully established a 1200 kV UHVAC National Test Station at Bina and commissioned 1200 kV single and double circuit transmission line sections along with associated 1200 kV bays as a pilot project using indigenously developed equipment. In May, 2016, power flow through 1200kV National Test Station has commenced successfully.

With introduction of higher capacity transmission systems like 765 kV Double Circuit transmission lines, ± 800 kV HVDC in the Country considerable reduction could be achieved in RoW requirement per MW of power transfer. A number of 765 kV Double circuit lines have already been commissioned and many lines are under construction. ± 800 kV, 6000MW HVDC link from Biswanath Chariyali (Assam) to Agra (Uttar Pradesh) (about 1750 km long), facilitating transfer of bulk power from North Eastern Region to Northern Region and vice versa through the constricted chicken neck area, has been commissioned and is one of the longest HVDC multi-terminal line in the world. Power flow and commercial operation of Pole-I of ± 800 kV, 6000MW HVDC system from Biswanath Chariyali (Assam) to Agra (Uttar Pradesh) started 01.11.2015 and subsequently Pole-II was commissioned in September, 2016. Pole-I of another ± 800 kV HVDC system between Champa (Western Region) and Kurukshetra (Northern Region) having length of approx. 1300 kms has also been commissioned on 24.03.2017 and Pole-II is under advance stage of completion. Also, to transfer power to Southern Region, a ± 800 kV HVDC line between Raigarh to Pugalur is under construction. For transfer of 2000 MW power to Kerala through ± 320 kV Pugalur- Trichur HVDC VSC link, your Company is implementing ± 320 kV HVDC VSC technology based system which has overhead lines using pole structures & narrow based towers for a part of the route and underground cabling with 320 kV DC XLPE cable for the remaining part to take care of RoW issues.

- **Use of High Performance Conductors in existing & new lines**

High performance conductors of different configurations having the capacity to carry more power within the same transmission corridor facilitate faster implementation vis-à-vis creating new parallel corridors and helps in conservation of scarce land, RoW and forest resources, etc. Use of conductors of different configurations, through re-conductoring, helps to enhance current carrying capacity without modification / reinforcement to existing towers and thus cost effectiveness. For new lines, use of high performance conductors, is giving benefits of reduction in project execution duration, reduction in overall capital and operating expenditure.

Keeping in view the aforesaid advantages, initiatives have been taken by your Company for re-conductoring of some of the existing lines where power flow constraints were experienced. To optimize resources requirement, efforts & cost, your Company has also opted to use twin HTLS conductors instead of quad / triple bundle ACSR conductors in multi-circuit stretches of some of the lines such as Gaya-Koderma, Gaya-Maithon, Jalandhar-Kurukshetra & LILO of Abdullapur-Sonepat at Kurukshetra 400 kV D/c lines as well as 3 numbers LILOs of 400 kV transmission lines in NCT Delhi. HTLS conductor has also been used in 400 kV D/c Sagardighi-Bhramapore line and in 400 kV D/c Farakka-Bhramapore line (under construction) for high power transfer requirement.

- **Selection of appropriate type of towers**

Your Company has been designing and using various types of towers to address problem in densely populated urban areas, conservation of forest & scarce RoW, etc. 16 types of towers have been in-house designed & tested successfully for 66 kV, 132 kV, 220 kV & ± 800 kV HVDC voltage level during FY 2016-17.

- **Reduction in land for Sub-stations**

In order to reduce the substation land requirement and the associated issues of rehabilitation and resettlement, your Company has constantly upgraded and improvised by investing in new technologies like Gas Insulated Switchyard (GIS) which requires substantially lesser land area in comparison to the traditional Air Insulated Switchyard (AIS).

- **RoW compensation**

In order to resolve the RoW compensation issues, your Company took immediate action towards the compliance with the provisions of MoP guidelines for payment of compensation towards damages in regard to Right of Way for transmission lines on October 15, 2015 and these Guidelines have been implemented in November, 2015 itself.

(ii) Obtaining Forest Clearances

Your Company's concerted efforts and support of MoP/GoI has resulted in easing of various clearance processes particularly for linear project including transmission lines by Ministry of Environment, Forests & Climate Change (MoEFCC), facilitating expeditious forest clearance in recent years.

In FY 2016-17, a total 25 numbers of forest clearances were obtained involving diversion of about 547.63 Ha. of forest areas. Moreover, POWERGRID provided fund towards cost of Compensatory Afforestation (CA) & Net Present Value (NPV) to the tune of ₹53.30 crore & ₹40.94 crore respectively to forest department to enhance vegetation cover and ecological/biodiversity value of alternative forest area.

(iii) Non Availability of Skilled Manpower

Many technological upgradations are taking place in power generation, transmission and distribution areas. Human Resource Development through training development interventions has played a key role to upgrade the workforce to adopt new technologies, systems and practices and make the workforce ready to face the future challenges.

During the Year, 132 executives have been certified for Project Management. For overall skill development in the Country particularly in the area of Power Transmission Line Construction, Capacity Building Programmes are being conducted with the help of vendors of Transmission Line (TL) construction and more than 870 such youth were trained during FY 2016-17. Cumulatively, about 3224 persons were trained up to 31st March, 2017 under this initiative.

(iv) Increasing operational & maintenance efficiency

Through deployment of State-of-the-Art operation & maintenance techniques, the availability of the huge transmission network owned by the Company is consistently being maintained over 99%.

Company's assets have grown exponentially with increased number of 765 kV transmission lines in the system. Geographical spread of assets all over the Country, open electricity market, wide variation in power flow in terms of quantum and direction, increased penetration of renewable generation, need for effective utilization of existing assets etc. have made it a challenging task to maintain such large power system in real time basis with high reliability, safety & security. Recognizing the need for effective control on real time basis and to improve planning and operations of power system as a whole, your Company is adopting various measures such as:

- Digital Substations: Gaining experience from the pilot projects on Process Bus technology at Bhiwadi substation and Neemrana substation, your Company has initiated the project at Malerkotla substation for retrofitting conventional protection and control schemes with advanced automation systems. Also your Company is utilizing Process Bus technology on the upcoming 220/66kV GIS substation project at Chandigarh. The new scheme is expected to ease the maintenance, simplify trouble shooting and reduce restoration time in case of any eventuality. Also the replacement of large amount of copper cables with minimal fiber optic cables is expected to optimize space requirement.
- Remote operation of Substations: By end of 2016-17, there have been 122 substations under remote operation from NTAMC / RTAMC.

Your Company has adopted state-of-the-art condition monitoring techniques to detect defects at their incipient stage. These include Frequency Response Analysis (FRA), Frequency domain spectroscopy, Dissolved Gas Analysis (DGA), DGA of bushing & CTs, vibro-acoustics of On Load Tap Changer etc. for Transformers and Reactors, Dynamic Contact Resistance Measurement for Circuit Breakers, Third Harmonic Resistive Current measurement for Surge Arrestors, Thermo-vision scanning etc. for smooth operation with high reliability and availability during their useful service life. POWERGRID has introduced online Capacitance & Tan delta monitoring of the bushings, dynamic temperature record through Fibre Optic sensors in Transformer and Reactor and multi gas monitoring system and all these monitoring systems are being integrated with SCADA for remote monitoring as well as getting information regarding dynamic change in condition of the equipment.

- Hotline maintenance, a highly specialized maintenance activity wherein highly skilled manpower carry out maintenance activities such as replacement of insulator, vibration dampers, hardware etc. on live lines and thus avoiding outages of transmission lines.
- In line with the international O&M practices, POWERGRID has commenced tower top patrolling of $\pm$ 500 kV HVDC Balia-Bhiwadi line using Unmanned Aerial Vehicles (UAVs) from April, 2016, after getting requisite clearances from DGCA & MHA.

These UAVs are equipped with gimbal mounted Ultra HD video cameras which can take high resolution close photographs and video of towers and its component for detection of fault/ defects. Patrolling of towers using UAV will eliminate the need of tower top patrolling (by climbing the tower) for such inspections, this improving time & cost efficiency in maintaining of transmission lines.

- Your Company has also introduced Aerial Patrolling of lines using helicopters for the first time in India in selected areas such as deep forests, hilly terrain & snow bound areas where ground patrolling is difficult and very time consuming. Helicopter equipped with Gimbal mounted LIDAR (Light Ranging and Detection), Thermo-vision Camera, High resolution Video and Digital camera has been deployed to identify the defects within short period in comparison with patrolling of lines on foot by human being and taking corrective actions.

- Installation of lightning arrestors in transmission lines has been taken up to minimize trippings due to lightning, particularly in areas prone to lightning like North Eastern Region of the country.
- URTDSM Project: Towards Smart grid development endeavors, your Company has undertaken implementation of WAMS (Wide Area Measurement System) technology on pan India basis under "Unified Real Time Dynamic State Measurement System (URTDSM)" Project which is likely to enhance efficiency in overall grid management.

Under this project, Phasor Measurement Units (PMUs) would be placed at all HVDC, 400kV and above substations and generating stations including at 220 kV level. Your Company has now installed more than 900 PMUs as part of URTDSM Project. Further, at three (3) Control Centers, installation of hardware & software is completed and work for remaining 31 Control Centers is under progress. URTDSM involves installation of around 1200 PMUs and computer hardware & software at 34 control centers in Phase-I.

Your Company is also developing various analytics using PMU measurements for diagnosis, validation and control purpose. Out of six (6) Analytics, development of three (3) analytics has been completed. The analytics will enable for implementation of Wide Area Protection & Control Systems, which will improve grid stability.

Your Company has also undertaken Power System study through Real Time Digital Simulator (RTDS) for HVDC. RTDS has a specialized computer hardware and software designed specifically to achieve real time simulation of power systems with HVDC, FACTS and protective relays, etc. specifically for study of dynamic performance which is likely to enhance efficiency in operation.

To meet the communication requirement of URTDSM and SCADA upgradation, all the substations of POWERGRID, Central Generating stations and important station of States are being connected on Fiber Optic network. During 2016-17, 11000 kms. of OPGW network has been established to connect additional sub-stations, power plants and provide redundant path also. This shall ensure availability of required bandwidth for various applications being provided at SLDCs, RLDCs and NLDC for grid operations. Laying of fibers shall also facilitate reliable operation of National Transmission & Asset Management Centre (NTAMC) and help in expansion of telecom business. During this financial year OPGW from indigenous manufacturer have also been supplied which ensures the future domestic market development as a part of 'Make in India'.

In addition to constraints/challenges discussed above, the following major risks involved and their mitigation are:

- **Synchronization Risk with Generation Projects**

There could always be a gap in the commissioning of generation units vis-à-vis the associated transmission system and there might be delays in the materialisation of some of the generation projects. To mitigate the same, the Agreements are being signed with the Generators by your Company to share and bear the transmission charges as applicable as per CERC guidelines.

- **Revenue Risk**

The Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 which came into effect from 01.07.2011, provides for computation of Point of Connection (PoC) charges and losses by introducing new methodology for sharing of transmission charges. However, States viz. Bihar, Odisha, West Bengal, Maharashtra and Jharkhand had challenged the aforesaid sharing methodology in the court of law and final decision is awaited. In terms of interim order of the Delhi High Court, all the above States were however making payment as per said Regulation. Meanwhile CERC notified the third amendment to the said Sharing Regulations on April 01, 2015 leading to change in sharing pattern.

There could always be a gap in the commissioning of ISTS transmission system vis-à-vis the downstream/upstream network, to be implemented by the respective State Transmission Utilities (STUs). In fourth amendment to the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 provision has been made to sign the implementation agreement with the transmission licensees implementing the downstream / upstream network under cost plus to cover the mismatch.

CERC Tariff Regulations allow payment against monthly bills towards transmission charges within a period of 60 days from the date of bills and levying of Surcharge @ 18% per annum on delayed payment beyond 60 days. Further, graded rebate is also provided in case of payment is made within 60 days. Most of the utilities are availing 60 days allowable period for clearing their dues. During the FY 2016-17, collection efficiency has been good and appropriate actions for realization of dues were taken by the Company against defaulting utilities.

The Company has a robust payment security mechanism in the form of Letters of Credit (LC) backed by the Tri-Partite Agreements (TPA). The TPA was signed among Government of India (GoI), Reserve Bank of India and the individual State Governments subsequent to the issuance of the One Time Settlement Scheme of State Electricity Boards dues during 2001-02 by the GoI, which was valid till Oct.'2016. GoI has approved the extension of these TPAs for a further period of 10 years. Majority of the States have executed the agreements for extension of TPAs and matter is being pursued with the remaining States. As per the provisions of the TPA, the customers are required to establish LC covering 105% of the average monthly billing of the Company for last 12 months. The TPA also provides that if there is any default in payment of current dues by any State Utility, the outstanding dues can be deducted from the State's RBI account and paid to the concerned CPSU. There is also provision for regulation of power by the Company in case of non-payment of dues and non-establishment of LC.



In respect of trade receivables from Telecom and Consultancy, customer credit risk is managed by regular monitoring of the outstanding receivables and follow-up with the consumer for realization.

Performance Under Tariff Based Competitive Bidding (TBCB)

Your Company is performing well in the competitive environment under Tariff Based Competitive Bidding (TBCB). Pursuant to selection of successful bidder for ERSS-XVIII Project, your Company has acquired Medinipur – Jeerat Transmission Limited, the Project SPV to establish Transmission System for “765kV Strengthening in Eastern Region (ERSS-XVIII)”. With this, the Company has won total ten (10) projects through TBCB, since its participation. Two of the projects under TBCB have been successfully completed and elements in other projects are being completed progressively.

Your Company has also made its presence felt in the area of Telecom and Consultancy Business.

• Telecom business of POWERGRID:

Telecom business is, day-by-day, getting highly competitive due to entry of a major player and market consolidation. There is always a pressure for downward revision of prices. However, your Company is exploring new business segments and offering MPLS VPN, peering with content delivery networks, drop & carry broadcasting services etc. Further, by undertaking timely investments in network expansion for projected demand, POWERGRID is minimizing loss in revenue due to unmet demand. POWERGRID is also partnering with last mile connectivity providers and State Electricity Boards for RoW, fiber leasing, etc. to increase its network reach and presence. POWERGRID's extensive backbone telecom network with its local access partners has demonstrated that the location disadvantage of small towns towards accessibility and affordability of high speed internet could be eliminated. It has the potential to bridge the digital divide and be a change agent towards realizing the vision of “Digital India”.

• Consultancy business of POWERGRID:

Though larger chunk of our existing domestic consultancy pertains to State utilities, stiff competition witnessed from domestic competitors in getting the work from them. Nonetheless, pro-active marketing activities have been intensified on pan-India basis and integrated holistic solutions offered to clients with greater emphasis on delivery. Despite challenges faced in the domain, the Domestic Consultancy Revenue has increased by more than 25% w.r.t previous year.

Risk Management Framework

Enterprise Risk Management framework has been implemented in the Company and is a structured, consistent and continuous process for identification, assessment, monitoring and management of risks. As per this framework, the significant business processes / risks are monitored and controlled through various Key Performance Indicators (KPIs).

POWERGRID has a duly constituted Risk Management Committee. The Committee meets at regular intervals and reviews KPIs on regular basis and provides updates to the Audit Committee/Board.

• Integrated Management Policy:

POWERGRID is committed to:

- o establish and maintain an efficient and effective “National Grid” with due regard to time, cost, technology and value addition,
- o sustainable development through conservation of natural resources and adopting environment friendly technology on principles of Avoidance, Minimization and Mitigation,
- o ensure safe, occupational hazard free and healthy work environment,
- o to the satisfaction of stakeholders in all areas of its activities and shall endeavor to improve continually its management systems and practices in conformity to legal and regulatory provisions.

• Internal Financial Controls and Adequacy

POWERGRID has a comprehensive internal control mechanism in place to verify the adequacy of controls, material checks, financial propriety aspects and compliance implementation mechanism.

Internal Control over financial Reporting approach has been adopted for core operations like Inventory management, Revenue (Transmission, Telecom and Consultancy), Procurement and Payable management and support operations of entity like Direct and Indirect Taxation, Capital Projects & Fixed Assets, General Accounting and Reporting, HR & Payroll management, Treasury Management-Investments and Cash & Bank.

In line with the provisions of Section 179 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014, Internal Auditors were appointed by the Board of Directors. The Internal Audit is carried out by the experienced Cost / Chartered Accountant Firms in close co-ordination with Company's own Internal Audit department to ensure the efficacy of established checks and balances and internal controls/systems. The Corporate Internal Audit Department also carries out System Audit and Management Audit to assess

the effectiveness of internal control mechanism. The scope and authority of the Internal Auditors is derived from the Internal Audit Plan approved by the Audit Committee.

The Audit Committee meets at regular intervals. The significant / material audit findings are placed before the Audit Committee for review, discussion and subsequent action.

- **Insurance of Company for its assets / Loss of profit, etc.**

POWERGRID maintains a Mega Insurance Policy from external insurance Company for (i) All HVDC systems (including back-to-back and bi-pole systems), equipment in switchyard area including Control Room building, and (ii) All office buildings owned by POWERGRID and the assets therein. Under Mega Insurance Policy Material damage / loss due to fire, machinery breakdown, natural calamity, earthquake, and terrorism are covered and Business interruption loss is also covered for HVDC systems.

Further, POWERGRID maintains Self Insurance Scheme for all AC substations and all transmission lines and all other assets which are not covered under Mega Insurance Policy. Under Self Insurance Scheme Material damage / loss due to fire, machinery breakdown, natural calamity, earthquake and terrorism are covered for which an amount equal to 0.12 % of gross block of these assets is contributed every year.

- **E-Reverse Auction for procurement process**

POWERGRID as a pioneer in leveraging use of technology in its various processes, has adopted e-Reverse Auction (eRA) for its procurement process. eRA, an online real time dynamic process, is a tactical tool in the e-sourcing strategy tool kit that can be used as a means to discover competitive prices in a fair and transparent manner. It provides simplicity, quick results and competitive pricing across suppliers and geographies. The eRA process benefits suppliers as well as buyers by reducing spend, improving supply market intelligence, and providing process transparency. Moreover, it provides real time feedback on the competitiveness of a bid.

Financial Discussion and Analysis

The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2016 and accordingly the financial statements for FY 2016-17 along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein and other accounting principles generally accepted in India.

These financial statements are the first financial statement of the Company under Ind AS. The date of transition to Ind AS is 1st April 2015. The effect of transition to Ind AS has been given in detailed Financial Statements.

Comparison of Fiscal 2017 to Fiscal 2016.

Total income in Fiscal 2017 was ₹ 26,581.46 crore, which represented an increase of 25.13% over the total income of ₹ 21,243.30 crore in Fiscal 2016. In Fiscal 2017, transmission and transmission-related activities constituted 92.66% of our total income, with the balance coming from our consultancy, telecommunication business and other income.

Income

Revenue from Operations

(₹ in crore)

Revenue from Operations	Fiscal 2017	Fiscal 2016
Revenue from transmission charges	24,630.28	19,808.10
Consultancy- Project Management & Supervision	582.43	465.46
Revenue from telecom	503.83	392.25
Total	25,716.54	20,665.81

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Tariff norms

Our charges for transmission customers for projects under cost-plus basis are governed by tariff norms determined by the Central Electricity Regulatory Commission ("CERC") pursuant to Central Government Tariff Policy and legislation. As per the Tariff Policy, Central Electricity Regulatory Commission (CERC) shall be guided by the Tariff Policy while specifying the terms and conditions for the determination of tariff. CERC vide Notification dated 21st February, 2014 notified the tariff regulations applicable for transmission system including communication system used for inter-state transmission of electricity for the tariff Block 2014-19, which shall remain in force from 01.04.2014 to 31.03.2019. Under the Tariff Regulations, we are permitted to charge our customers transmission charges for recovery of annual fixed cost ("AFC") consisting of components - Return on Equity, Interest on Outstanding Debt, Depreciation, Operation & Maintenance expenditure and Interest on Working Capital.

The Return on Equity is computed on pre-tax basis by grossing up the base rate of return on equity of 15.5% at the effective tax rate of the respective financial year. In case of projects commissioned on or after 1st April, 2014, an additional Return on Equity (ROE) of 0.5% may also be



allowed if such projects are completed within the timeline specified under the CERC Tariff Regulations for the Block 2014-19. However, additional ROE of 0.5% will not be admissible for transmission line having length of less than 50 kilometers. The rate of ROE may be reduced by 1% for such period as may be decided by CERC, if any transmission system is declared under commercial operation without commissioning of data telemetry, communication system up to load dispatch centre or protection system.

The repayment of loan capital for the year of the tariff period 2014-19 is deemed to be equal to the depreciation allowed for that year. Despite any moratorium period availed by your Company, the repayment of loan is considered for tariff from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed.

For interest on working capital, the working capital amount is calculated as consisting of - (i) receivables equivalent to two months of fixed cost; (ii) maintenance spares @ 15% of operation and maintenance expenses and (iii) operation & maintenance expenses for one month. Rate of interest on working capital for the year is on normative basis and is equal to the Base Rate of State Bank of India plus 350 basis points (Bank Rate) as on 1.4.2014 or as on 1st April of the year in which the transmission system, is declared under commercial operation, during the tariff period 2014-15 to 2018-19 whichever is later.

Under the tariff norms prescribed by CERC for the Tariff Block 2014-2019, recovery of transmission charge is permitted to your Company on the achievement of the operational norms of 98% and 95% for AC system and HVDC system respectively. An incentive is also allowed if the availability of our transmission network is above 98.5% and upto 99.75% in respect of Alternating Current systems, above 96% and upto 99.75% in respect of HVDC systems and penalized if the availability of our network is below 98% or 95% respectively. The availability incentives are linked with monthly transmission charges.

For projects being implemented under TBCB route, the tariff is not on cost-plus basis and is determined through bidding process wherein the successful bidder would be the one which had quoted the lowest levelized tariff for a period of 35 years for establishing transmission projects on a built, own, operate and maintain ("BOOM") basis.

The sharing of transmission charges by Beneficiaries are governed by Central Electricity Regulatory Commission (Sharing of Transmission Charges & Losses in Interstate Transmission System) Regulations, 2010 issued by CERC. As per these Regulations which came into force from 01.07.2011, POWERGRID, as CTU, is performing the activity of Billing, Collection and Disbursement (BCD) on behalf of all the ISTS licensees and also certain non-ISTS licensees whose lines have been certified by RPCs to be used as ISTS.

Foreign Exchange Rate Variation

Under the Tariff Regulations for the tariff block 2014-19 your company at its discretion can hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the transmission system, in part or full and recover the cost of hedging of Foreign Exchange Rate Variation (FERV) corresponding to the normative foreign debt, in the relevant year.

If hedging of the foreign exchange exposure is not undertaken, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year is permissible provided, it is not attributable to the generating Company or the transmission licensee or its suppliers or contractors. During the financial year 2016-17, no hedging for foreign exchange exposure has been undertaken by your Company.

Revenue from other Services

Your Company also earns revenue from consultancy (including project management and supervision services) and telecommunication business. Our consultancy income mainly consists of fee from, the execution of transmission- and communication system-related projects on a turnkey basis and technical consulting assignments for Indian state utilities, joint venture companies, subsidiary companies and utilities in other countries. The income from Consultancy business against sale of services in the Fiscal 2017 was ₹582.43 crore as against ₹465.46 crore in the Fiscal 2016, an increase of 25.13%.

The revenue from our telecommunication business is mainly on account of leasing bandwidth of our fibre-optic lines. The income from Telecom Business in the Fiscal 2017 was ₹503.83 crore as against ₹392.25 in the Fiscal 2016, an increase of 28.45%.

Other Income

Your Company's other income was ₹864.92 crore in Fiscal 2017, an increase of 49.77% over the other income of ₹ 577.49 crore in Fiscal 2016.

The other income increased mainly due to increase in surcharge by ₹95.59 crore, interest on loans from subsidiaries by ₹126.27 crore, interest income from banks by ₹39.43 crore.

Expenses have been categorized as (i) Employees' benefits expense (ii) Finance Costs (iii) Depreciation and Amortization expense (iv) Other expenses.

Your Company's Total Expenses were ₹17,081.63 crore in Fiscal 2017, an increase of 24.66% over the Total Expenses of ₹13,702.74 crore in Fiscal 2016. The Total Expenses as a percentage of total income were 64.26 % in Fiscal 2017 compared to 64.50 % in Fiscal 2016.

(i) Employees' benefits expense

Employees' remuneration and benefits expenses include salaries and wages, incentives, allowances, benefits, contributions to provident and other funds and Staff welfare expenses.

Your Company had 8,887 employees on its payroll as of March 31, 2017, compared to 8,606 employees as of March 31, 2016, an increase by 3.26%. Employees' remuneration and other benefits increased by 38.58% to ₹1,377.13 crore in Fiscal 2017 from ₹993.72 crore in Fiscal 2016. The increase is mainly due to impact of ₹204.51 crore towards pay revision of employees due w.e.f. 01.01.2017 of which ₹107.75 crore is towards proposed increase in ceiling limit of Gratuity from ₹10 lakhs to ₹20 lakhs.

(ii) Finance Cost

Finance cost increased by 22.76% to ₹6,303.83 crore in Fiscal 2017 from ₹5,134.93 crore in Fiscal 2016. The increase was mainly due to interest on loans from Secured/Unsecured redeemable Bonds and Indian Banks & Financial Institutions for newly commissioned projects in Fiscal 2016 and Fiscal 2017.

(iii) Depreciation and Amortisation Expenses

Your Company's depreciation and amortization expenses increased by 24% to ₹7,662.80 crore in Fiscal 2017 from ₹6,179.80 crore in Fiscal 2016. The increase was mainly because of the commissioning of new transmission assets worth ₹ 29,029.34 crore.

Depreciation has been charged considering the technical life of each depreciable asset class as prescribed by CERC viz. transmission lines – 35 years and substations – 25 years on straight line method.

Depreciation on assets of telecom and consulting business was provided for on straight line method as per useful life specified in schedule-II of the Companies Act, 2013. ULDC assets commissioned prior to 1st April, 2014 are depreciated on straight line method@ 6.67% per annum.

(iv) Other Expenses

Other expenses primarily consist of Repair and Maintenance of Buildings, Plant and Machinery and Power Charges. Other expenses increased by 24.64% to ₹1737.87crore in Fiscal 2017 from ₹1,394.29 crore in Fiscal 2016. The increase in other expenses is mainly on account of increase in repair & maintenance cost of Plant & machinery by ₹119.42 crore, power charges by ₹67.17 crore and CSR expenditure by ₹28.53 crore.

Profit before Tax

Your Company's profit before tax (excluding net movement in Regulatory Deferral Account Balances) in Fiscal 2017 was ₹9,499.83 crore, an increase of 25.98% over our profit before tax of ₹7,540.56 crore in Fiscal 2016.

Provision for Tax

In Fiscal 2017, we provided for ₹1,988.45 crore of Minimum Alternate Tax, compared to ₹1,574.79 crore in Fiscal 2016. The increase was primarily due to increase in Profit before tax in Fiscal 2017.

Provision for deferred tax is made in respect of timing difference mainly on account of higher depreciation charge available under income tax provisions.

The tariff norms for the block period 2014-19 notified by the CERC provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax provided during the year ended 31st March, 2017 on the transmission income is accounted as 'Deferred Assets against Deferred Tax liability'. Deferred Assets against Deferred Tax liability for the year will be reversed in future years when the related deferred tax liability forms a part of current tax.

Net movement in Regulatory Deferral Account Balances

Certain expenses and income, allowed under CERC Regulations to be reimbursed by/passed on to the beneficiaries in future, are to be accounted in the Statement of Profit and Loss as per the provisions of Ind AS 114, 'Regulatory Deferral Accounts'. Such expenses and income, to the extent recoverable/payable as part of tariff under CERC Regulations are treated as Regulatory Deferral Assets/Liabilities. Net movement in Regulatory Deferral Account Balances-Income/(Expenses) for Fiscal 2017 stood at ₹69.93 crore in comparison to ₹ (0.05) crore.

Profit after Tax

Your Company's Profit after Tax in Fiscal 2017 was ₹7,520.15 crore, an increase of ₹1571.65crore i.e. 26.42% over Profit after Tax of ₹5,948.50 crore in Fiscal 2016.

Other Comprehensive Income

Your Company's other comprehensive income in Fiscal 2017 was ₹49.83 crore in comparison to expenses of ₹(11.97) crore in Fiscal 2016.



Liquidity and Capital Resources

Your Company depends on both internal and external sources of liquidity to provide working capital and to fund capital requirements. As at March 31, 2017, your Company had cash and cash equivalents of ₹3228.43 crore as against ₹1,540.64 as at March 31, 2016. As at March 31, 2017, out of ₹2500 crores working capital limits, your company has utilized ₹995.45 crores in the form of Letter of Credit and Bank Guarantee facility leaving an un-utilised limit of ₹1,504.55 crores.

Cash Flows

(₹ in crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Net cash from operating activities	21,344.96	15,119.76
Net cash (used in) investment activities	(23,527.70)	(20,904.41)
Net cash from Financing activities	3,870.53	5,272.70
Cash and cash equivalents at the end of the year	3,228.43	1,540.64

Net Cash from Operating Activities

Your Company's net cash flows from operating activities are principally used to service long-term debt, for capital expenditures, for investments and for payment of dividend.

The net cash from operating activities was ₹21,344.96 crore in Fiscal 2017 as against ₹15,119.76 crore in Fiscal 2016.

Net Cash from Investment Activities

Your Company's net cash used in investing activities was ₹23,527.70 crore in Fiscal 2017 as against ₹20,904.41 crore in Fiscal 2016.

Net Cash from Financing Activities

In Fiscal 2017, your Company's net cash flow from financing activities was ₹3,870.53 crore as against ₹5,272.70 crore in Fiscal 2016. Your Company raised ₹19,342.85 crore of new borrowings. These borrowings included principally Rupee denominated bonds and foreign currency borrowings. The Company repaid ₹8092.24 crore of borrowings and paid interest and finance charges of ₹5802.20 crore. In the Fiscal 2017, we paid dividend of ₹1,313.12 crore comprising final dividend for Fiscal 2016 and an interim dividend for Fiscal 2017.

Undrawn Domestic and Foreign loans

Status of undrawn domestic and foreign currency loans as on 31st March, 2017 is as follows:

Domestic Loans

Domestic	Sanctioned Limit (in Cr.)	Drawn (in Cr.)	Undraw (in Cr.)
INR (₹)	13,000	8,810	4,190

INR-Indian National Rupee

Foreign Currency Loans

Currency	Sanctioned Limit (in Cr.)	Drawn (in Cr.)	Undraw (in Cr.)
USD (\$)	2250.00	1397.63	852.37
EURO (€)	555.01	230.08	324.93
SEK (kr)	3304.50	2835.53	468.97

USD-United States Dollar

EURO-European Currency

SEK-Swedish Krona

Capital Expenditure

Your Company's capital expenditure are primarily for the installation of new transmission capacity and the expansion of existing capacity. Our capital expenditure in Fiscal 2017 and Fiscal 2016, were ₹24,429 crore and ₹22,584 crore, respectively.

Return on Net worth

Our Return on Net worth for the Fiscal year 2017 is 15.10% as against 13.58% in the Fiscal year 2016.

Non-current Assets

Your Company's Non-current Assets were ₹1,83,507.15 crore and ₹1,68,719.33 crore as at March 31, 2017 and March 31, 2016, respectively. Non current assets have been categorized as (i) Property, Plant & Equipment; (ii) Capital work in progress; (iii) Intangible assets under development; (iv) other intangible assets; (v) Investments; (vi) Loans; (vii) other non-current financial assets and (viii) other non-current assets.

(i) Property, Plant and Equipment

Pursuant to 'Ind AS 101, First time adoption of Indian Accounting Standards', on date of transition to Ind AS, your Company has considered the carrying value of Property, Plant and Equipment, as per previous GAAP, to be the deemed cost, i.e. gross block less accumulated depreciation. Due to this, and other IndAS adjustment, gross block of Property, Plant & Equipment was reduced to ₹88,765.71 crore from ₹117,305.23 crore, as on 1.4.2015.

Property, Plant & Equipment increased from ₹1,13,991.76 crore in Fiscal 2016 to ₹1,34,252.57 crore in Fiscal 2017 an increase by 17.77%. Property, Plant & Equipment (net) mainly consists Land; Buildings, Transmission Lines, Substations, HVDC ,ULDC Equipment's; Furniture & Fixtures etc..

(ii) Other Intangible assets

Other Intangible Assets consist of Electronic Data Processing Software and Right of Way-Afforestation Expenses. The value of unamortized Intangible assets increased from ₹950.54 crore in Fiscal 2016 to ₹1255.39 crore in Fiscal 2017, an increase by 32.07%.

(iii) Capital work in progress

Your Company's capital work-in-progress was ₹35,806.80 crore and ₹43,623.04 crore, as at March 31, 2017 and 2016, respectively, a decrease of 17.92%. The cost of materials consumed, erection charges and other expenses incurred for projects during construction are shown on the balance sheet as capital work-in-progress. The change in this amount is due to capitalization of a number of transmission projects.

(iv) Intangible assets under development

Right of way-Afforestation Expenses and expenses incurred for development of 1200 kV Transmission system are shown on the balance sheet as Intangible assets under development. The value of Intangible assets under development was ₹77.33 crore and ₹172.11 crore, as at March 31, 2017 and 2016, respectively, on account of capitalization of expenditures on Transmission Projects during Fiscal 2017.

(v) Investments

Investments have been classified into quoted and un-quoted categories. As at March 31, 2017, the quoted and un-quoted investments were ₹112.08 crore and ₹1243.47 crore as against ₹76.80 crore and ₹759.28 crore, respectively as at March 31, 2016. Investments under 'Quoted' category are investments made in PTC Limited computed at Fair Value. Investments under unquoted category in Fiscal 2017 consist equity investment in joint venture and subsidiary companies. Major investments in Joint venture & subsidiaries are:

Sl. No.	Name of the Subsidiary/ Joint Venture	Amount invested as on 31.03.2017 (in ₹ crore)
	Subsidiaries	
1	PowerGrid NM Trans. Limited	162.00
2	PowerGrid Vizag Trans. Limited	209.73
3	PowerGrid Unchahar Trans. Limited	12.96
4	PowerGrid Warora Trans. Limited	25.10
	Joint Ventures	
5	Powerlinks Transmission Limited	229.32
6	Torrent Power Grid Limited	23.40
7	Jaypee PowerGrid Limited	78.00
8	Parbati Koldam Transmission Company Limited	70.94
9	Teestavalley Power Transmission Limited;	94.28
10	North East Transmission Company Ltd	106.96
11	National High Power Test Laboratory Private Ltd;	30.40
12	Cross Border Power Transmission Company Limited;	12.62
13	Bihar Grid Company Limited;	148.50
14	Power Transmission Company Nepal Limited	4.88
15	RINL POWERGRID TLT Pvt. Limited	3.40

**(vi) Loans**

The Loans have been classified as Loans to Related Parties & Loans to Employees. As at March 31, 2017, Loans to Related Parties and Loans to Employees were ₹3486.13 crore and ₹132.28 crore as against ₹1159.84 crore and ₹144.97 crore, respectively as at March 31, 2016. The increase in Loans from Fiscal 2016 to Fiscal 2017 was mainly due to increase in Unsecured Loans to Subsidiaries which are executing projects acquired by the Company through Tariff Based Competitive Bidding (TBCB) route.

(vii) Other non-current financial assets

Your Company's other non-current financial assets (mainly consisting Lease receivables) were ₹793.55 crore and ₹880.78 crore, as at March 31, 2017 and 2016, respectively, a decrease of 9.90%.

(viii) Other non-current assets

Your Company's other non-current assets was ₹6,347.52 crore and ₹6,960.18 crore, as at March 31, 2017 and 2016, respectively, a decrease of 8.80%. Other non-current assets comprises advances for Capital Expenditure, deferred foreign currency Fluctuation Asset, advance recoverable in kind or for value to be received.

Current Assets

Your Company's Current Assets were ₹11,064.71 crore and ₹9,652.25 crore as at March 31, 2017 and March 31, 2016, respectively. Current Assets have been categorized as (i) Inventories; (ii) Trade receivables; (iii) Cash & Cash Equivalents; (iv) other current financial assets (v) other current assets

(i) Inventories

Inventories are valued at lower of the cost, determined on weighted average basis, and net realizable value. Inventories held were ₹906.95 crore, as at March 31, 2017 as against ₹707.43 crore in fiscal 2016. Our inventories consist components, spares & other spare parts, loose tools, consumable stores and other items. Inventories increased in Fiscal 2017 as compared with Fiscal 2016, on account of your Company continuing to expand the transmission network and capitalization of new projects.

(ii) Trade Receivables

Trade Receivables consist mainly of receivables relating to transmission services, and also receivables from consultancy services and telecom services. Our Trade Receivables as on March 31, 2017 and 2016 were ₹3,221.10 crore and ₹2,737.97 crore, respectively. Trade receivables increased by 17.65% in Fiscal 2017 as compared to Fiscal 2016. The average collection period for trade receivables has come down to 46 days in Fiscal 2017 from 48 days in Fiscal 2016.

(iii) Cash & Cash Equivalents

Cash and Cash Equivalents as on March 31, 2017 and 2016 were ₹3,228.43 crore and ₹1,540.64 crore, respectively. Cash & Cash Equivalents increased by 109.55% in Fiscal 2017 as compared to Fiscal 2016 mainly on account of term deposits and balance in banks.

(iv) Other current financial assets.

Other current financial assets as on March 31, 2017 and 2016 were ₹3,334.43 crore and ₹3,361.90 crore, respectively.

(v) Other Current Assets

Our other current assets as at March 31, 2017 and 2016 respectively, were ₹224 crore and ₹538.19 crore.

Indebtedness

We rely on both Rupee and foreign currency denominated borrowings. A significant part of our external funding has been through long-term foreign currency loans from multilateral agencies such as the World Bank and the Asian Development Bank, with our performance under such loans guaranteed by the GoI.

The following table sets forth, by currency, our outstanding debt and the periods during which debt amounts mature or payment is otherwise due. Currency conversions are as of 31st March, 2017:

(₹ in crore)

Loan Name	2017-18	2018-19	2019-20	2020-21	Beyond 2021-22	Total
Domestic Bond (1)	3812.37	5211.98	6742.97	5007.97	51586.55	72361.84
Domestic Loan (2)	454.00	454.00	1454.00	1454.00	9540.00	13356.00

(₹ in crore)

Loan Name	2017-18	2018-19	2019-20	2020-21	Beyond 2021-22	Total
Foreign Loan						
US\$	1613.62	1693.80	1781.61	1919.38	20448.95	27457.36
EUR	53.02	53.02	220.88	388.74	980.59	1696.25
SEK	291.03	291.03	291.03	291.03	1056.12	2220.24
JPY	10.70	10.70	10.70	10.70	63.42	106.22
TOTAL (3)	1968.37	2048.55	2304.22	2609.85	22549.08	31480.07
GRAND TOTAL (1+2+3)	6234.74	7714.53	10501.19	9071.82	83675.63	117197.91

Long-term borrowings

Your Company's long-term borrowings (excluding current maturities) as at March 31, 2017 and 2016 were ₹1,10,963.17 crore and ₹1,00,173.31 crore, respectively. Long-term borrowings include amounts raised from our private placement of bonds, term loans from banks and financial institutions. Our borrowings have increased due to increased investment in new projects during the last year, our borrowings have increased.

Secured Loans

Our secured loans (excluding current maturities of long term loans) as at March 31, 2017 and 2016 were ₹1,04,187.54 crore and ₹94,119.79 crore, respectively. Most of these loans have been secured by floating charges on the moveable and immovable properties of the Company. The following table presents the secured debt as at 31st March, 2017:

	Amount (₹ in crore)	% of total secured debt
Bonds denominated in Rupees	68,549.46	65.79
Other Loans and Advances From Banks and Financial Institutions:		
Denominated in Foreign Currency	22,886.08	21.97
Denominated in Rupees	12,752.00	12.24
Total	1,04,187.54	100

Unsecured Loans

Our unsecured loans (excluding current maturities as at March 31, 2017 and 2016 were ₹6,775.63crore and ₹6,053.52crore respectively, which consist of INR loans, foreign currency bonds and loans from foreign financial institutions.

The following table presents our unsecured debt as at March 31, 2017:

	Amount (₹ in crore)	% of total unsecured debt
Bonds denominated in Foreign Currency	3262.79	48.15
Loans from Banks and Financial Institutions:		
Denominated in Foreign Currency	3362.84	49.64
Denominated in Rupees	150.00	2.21
Total	6,775.63	100

Advance Against Depreciation (AAD)

Advance against depreciation (AAD) was a component of tariff that we were permitted to charge under CERC regulations for the Block 2004-09, to cover shortfall in respect of depreciation recovery through tariff compared to repayment of debts. AAD was done away with in the tariff block 2009-2014 and depreciation rate were reworked. Due to change in these tariff norms and the depreciation rates w.e.f. 1.04.2009, the outstanding AAD is being taken to transmission income after 12 years from the date of commercial operation to the extent the depreciation charged in respect of transmission system is more than the depreciation recovery under tariff. As on 31st March, 2017, our AAD has decreased by 8.24% from ₹1770.66 crore in Fiscal 2016 to ₹1624.81 crore in Fiscal 2017.

**Current liabilities**

Your Company's current liabilities as at 31st March, 2017 were ₹24,759.13 crore (previous year ₹24,284.26 crore). The current liabilities include (i) short-term borrowings, (ii) Trade payables (iii) other current financial liabilities (iv) other current liabilities etc..Current liabilities at March 31, 2017 were 1.96% higher as compared to March 31, 2016.

(i) Short - term borrowings

Your Company's short-term borrowings as at March 31, 2017 and 2016 were ₹1,500 crore and ₹2,000 crore respectively. During Fiscal 2017 the short-term borrowings were made through issue of Commercial paper.

(ii) Trade payables

Your Company's Trade payables as at March 31, 2017 and 2016 were ₹413.98 crore and ₹313.89 crore respectively. Trade payables at March 31, 2017 were 31.89% higher as compared to March 31, 2016.

(iii) Other Current Financial Liabilities

Your Company's other current financial liabilities as at March 31, 2017 and 2016 were ₹19,324.61 crore and ₹17,840.21 crore respectively. Other current financial liabilities for Fiscal 2017 mainly includes current maturities of long term borrowings through secured & unsecured Bonds and foreign currency loans of ₹6234.74 crore, interest accrued but not due on borrowings from Indian & Foreign Banks of ₹3170.83 crore, dues for capital expenditure of ₹3546.60crore and deposits/retention money from contractors of ₹5449.79 crore . Other current financial liabilities at March 31, 2017 were 8.32% higher as compared to March 31, 2016.

(iv) Other current liabilities

Your Company's other current liabilities as at March 31, 2017 and 2016 were ₹2,566.00 crore and ₹3,532.56 crore respectively. Other current liabilities consists Advances from customers and statutory dues.

BUSINESS AND FINANCIAL REVIEW OF JOINT VENTURE COMPANIES and SUBSIDIARIES for FY 2016-17:**Joint Venture Company:****A) Powerlinks Transmission Limited (POWERLINKS):**

POWERGRID and TATA POWER are the Joint Venture Partners in this Joint Venture Company and hold 49% and 51% equity, respectively. The Company was incorporated to undertake the implementation of Transmission Lines associated with Tala HEP, East-North interconnector and Northern Region Transmission System from Siliguri in West Bengal via Bihar to Uttar Pradesh and was the first public - private partnership in Power Transmission. As on 31.03.2017, POWERLINKS has Authorized share capital of ₹483.60 crore and paid-up capital of ₹468 crore out of which POWERGRID holds Shares of ₹229.32crore and TATA POWER hold shares of ₹238.68crore. POWERLINKS had progressively commissioned the project in August, 2006 and it is under commercial operation since 1st September, 2006. POWERLINKS has paid Interim Dividend of 15% to POWERGRID amounting to ₹34.40 crore for Fiscal 2017.

Financial Highlights of the Company:

(₹ in crore)

Particulars	Fiscal 2017	Fiscal 2016
POWERGRID's investment in Equity	229.32	229.32
Gross Income	162.78	178.46
Profit after Tax	195.78	121.77
Earning per Share* ₹	4.18	2.60

*Face value per Share is ₹10 each.

B) Jaypee Powergrid Limited (JPL):

The main objective of the Company was to implement a transmission system to evacuate power generated by 1000 MW Karcham Wangtoo Hydro Electric Power Project in Kinnaur District in Himachal Pradesh, from Wangtoo to Abdullapur. As on 31.03.2016, JPL has Authorized share capital of ₹ 300 crore and paid-up capital of ₹300 crore divided into 30,00,00,000 equity shares of ₹10 each, POWERGRID equity being ₹ 78 crore. Jaiprakash Power Ventures Limited and POWERGRID individually hold 74% and 26%, respectively as on 31.03.2017. JPL has paid 13% Dividend to POWERGRID amounting to ₹10.14 crore for Fiscal 2017. The project was progressively commissioned in April, 2012.

(₹ in crore)

Particulars	Fiscal 2017	Fiscal 2016
POWERGRID's investment in equity	78.00	78.00
Gross Income	175.22	174.01
Profit /(loss)after Tax	50.24	51.48
Earnings per Share*	1.67	1.72

*Face value per Share is ₹10/- each.

C) Torrent Powergrid Limited (TPL):

The main objective of the Company was to establish transmission system associated with 1100MW Gas Based project (Sugen) Generation Station of Torrent Power Ltd. (TPL) at Akhakhhol in Surat District of Gujarat. POWERGRID and Torrent Power Ltd. are the Joint Venture Partners in this Company and hold 26% and 74% equity, respectively, POWERGRID equity being ₹23.40 crore. As on 31.03.2017, TPL has Authorized share capital of ₹125.00 crore and paid-up capital of ₹90.00 crore. The project was progressively commissioned in March, 2011. TPL to pay 3% Dividend to POWERGRID amounting to ₹3.25 crore for Fiscal 2017.

Financial Highlights of the Company:

(₹ in crore)

Particulars	Fiscal 2017	Fiscal 2016
POWERGRID's investment in Equity	23.40	23.40
Gross Income	41.24	56.76
Profit after Tax	3.45	8.07
Earning per Share*	0.38	0.90

*Face value per Share is ₹10/- each.

D) North East Transmission Company Ltd.(NETC):

POWERGRID entered into a Joint Venture Agreement in February, 2009 with ONGC Tripura Power Project Company Ltd. (OTPC), Government of Tripura, Manipur, Mizoram, Assam Electricity Grid Corporation Ltd, Meghalaya and Nagaland for establishment of Transmission Line of 400kV D/C Palatana- Silchar Bongaigaon Transmission Project associated with 726.6 MW Palatana Gas base Power Project in the state of Tripura. The Joint Venture Company is named 'North East Transmission Company Limited'. OTPC, the generating Company is a joint venture of ONGC Ltd., Government of Tripura and Infrastructure Leasing & Finance Services Ltd., (IL&FS Ltd.). As on 31.03.2015, NETCL has Authorized capital of ₹ 600.00 crore and paid-up share capital of ₹ 411.4 crore, POWERGRID equity being ₹106.96 crore. The project was progressively commissioned in February,2015.

Financial Highlights of the Company:

(₹ in crore)

Particulars	Fiscal 2017	Fiscal 2016
POWERGRID's investment in Equity	106.96	106.96
Gross Income	394.52	418.39
Profit after Tax	31.57	93.97
Earning per Share*	0.76	2.29

*Face value per Share is ₹10/- each.

E) Parbati Koldam Transmission Company Limited (PKTCL)

POWERGRID entered into a Joint Venture Agreement on 23rd November, 2007 with Reliance Energy Limited (REL) now Reliance Infrastructure Ltd, for implementation of transmission lines associated with Parbati-II (800 MW) HEP and Koldam (800 MW) HEP. The Company named 'Parbati Koldam Transmission Company Limited' took up implementation of Parbati and Koldam Transmission systems through Joint venture route and got the Transmission License in September,2008. As on 31.03.2017, PKTCL has Authorized share capital of ₹331.00 crore and paid-up capital of ₹272.82 crore, POWERGRID equity being ₹70.94 crore. The Project was commissioned progressively in Nov'2015 and the profit for the year is of ₹15.16 Cr. PKTCL paid 3% Dividend to POWERGRID amounting to ₹8.21 crore for Fiscal 2017.

Financial Highlights of the Company:

(₹ in crore)

Particulars	Fiscal 2017	Fiscal 2016
POWERGRID's investment in Equity	70.94	70.94
Gross Income	230.44	152.49
Profit after Tax	71.79	14.88
Earning per Share*	2.50	0.42

*Face value per Share is ₹10/- each.

F) Teestavalley Power Transmission Limited (TPTL)

POWERGRID entered into a Joint Venture Agreement with Teesta Urja Limited on 23rd November, 2007 on 26% equity -POWERGRID and 74% equity Teesta Urja Limited (TUL) for implementation of transmission lines of Teesta-III viz. 400kV D/C line associated with 1200 MW Teesta-III Hydro Electric Power Project to Kishanganj sub-station (Karandighi) and got the Transmission Licence in Fiscal 2009. As on 31.03.2017, TPTL has Authorized share capital of ₹500 crore and paid-up capital of ₹362.61crore, POWERGRID equity being ₹94.28 crore. Since the project is under implementation, there is no operating profit.

G) National High Power Test Laboratory Private Limited (NHPTL):

NHPTL is a joint venture Company of NTPC, NHPC, POWERGRID, DVC & CPRI with equal equity participation of 20% each. The main aim of the NHPTL is to establish an online high power short circuit test facility in the country. This will be fully independent, stand alone, state-of-the-art, professionally managed, international class, On Line High Power Short Circuit Test Facility being established first time in the county at Bina (M.P.) to provide a full range of short circuit testing for the electrical equipments in conformance to Indian and International Standards. As on 31.03.2017, the Authorized share capital of the Company was ₹ 153 crore while paid up share capital was ₹ 152 crore. POWERGRID's share in the paid up capital was ₹ 30.40 crore. NHPTL expected the High Voltage Transformer (HVTR) Section of its Laboratory under Stage-I, shall be commercially operational in Jul'17. The Stage-I shall cater to the requirement of Short Circuit Test of Electric Transformer from 50MVA, 132kV Class to 315MVA, 400 kV Class. The project has no operating profit.

H) Energy Efficiency Services Limited (EESL):

POWERGRID entered into a Joint Venture Agreement in November, 2009 with equal participation (25% equity each) with NTPC Ltd., Power Finance Corporation Ltd. and Rural Electrification Corporation Ltd. The JV Company viz. Energy Efficiency Services Limited will promote measures of Energy efficiency, Energy Conservation and Climate Change and is carrying out business related to energy audit of Govt. buildings, consultancy assignments etc. As on 31.03.2017, the Authorised Share Capital of EESL is ₹ 500 crores divided into 50 crore equity shares of ₹ 10 each and Paid-up Share Capital is ₹ 462 crore divided into 46.2 crore Equity shares of ₹ 10 each, shareholding of POWERGRID being ₹ 22.5 crore (4.9%).

Financial Highlights of the Company:

(₹ in crore)

Particulars	Fiscal 2017	Fiscal 2016
POWERGRID's investment in Equity	22.5	22.5
Gross Income	1227.18	803.11
Profit after Tax	51.86	37.08
Earning per Share*	1.25	2.73

*Face value per Share is ₹10/- each.

I) Bihar Grid Company Limited (BGCL):

POWERGRID entered into a Shareholders' Agreement on 29.12.2012 with Bihar State Power (holding) Company Limited {BSP(H) CL} for implementation of Intra State Transmission System in the State of Bihar on 50:50 equity participation basis. The Company is implementing Bihar Transmission System Strengthening Schemes in Phase IV, Part I worth ₹ 1699 crore. The Company has been granted transmission license by BERC in June, 2013. As on 31.03.2017, the paid up capital of the Company is ₹297.00 crore, POWERGRID equity being ₹148.50 crore. The project is under implementation and likely to be commissioned by November, 2017.

J) Kalinga Bidyut Prasaran Nigam Private Limited (KBPNL):

POWERGRID has entered into a Shareholders' Agreement on 04.01.2013 with OPTCL for implementation of Intra State Transmission System in the State of Odisha on the basis of 50:50 equity participation. The Company has been granted transmission license for Phase-I Projects (worth ₹ 599.50 crore) by OERC. No business has been undertaken by this Company so far.

K) RINL POWERGRID TLT Private Limited (RPTPL)

POWERGRID and RINL have formed a joint venture Company, "RINL POWERGRID TLT Private Limited (RPTPL)", on 50:50 equity participation basis, for setting up a Transmission Line Tower (TLT) manufacturing plant at Visakhapatnam with a view to exploit the emerging opportunity in transmission line tower manufacturing business in India and abroad.

RINL will supply quality raw material in form of re-rollable steel / black angles to the joint venture Company to further produce Transmission Line Tower and Tower Parts. The TLT Manufacturing Plant will have an annual capacity of 120,000 tonnes.

The joint Venture Company was incorporated on 19.08.2015 with an initial Authorized Share Capital of ₹20 Lakhs. Subsequently, Authorized share capital was increased and as on 31.03.2017, the JV Company has Authorized share capital of ₹ 50 crore. The project is under implementation.

L) Cross Border Power Transmission Company Limited (CPTCL):

POWERGRID entered into Shareholders' Agreement on 9th July, 2012 with IL&FS Energy Development Company Limited (IEDCL), SJVN Limited (SJVN) & Nepal Electricity Authority (NEA) of Nepal and formed a JV Company under the name "Cross Border Power Transmission Company Ltd" (CPTCL) incorporated in India for implementation of Indian portion viz. Muzaffarpur - Sursand section (India Portion) of 400 kV D/C Muzaffarpur - Dhalkebar Indo-Nepal Cross Border transmission line. The Shareholding of POWERGRID, SJVN, IEDCL and NEA in the said JV Company is 26%, 26%, 38% and 10% respectively. The Audited cost of the India Portion is INR 242.55 crore and the Project is being implemented with debt: equity as 80:20. As on 31.03.2017, CPTCL has Authorized share capital of INR 75 crore and paid-up capital of INR 48.50 crore. At present, POWERGRID equity is INR 12.612 crore. The India Portion is under commercial operation w.e.f. 19th February, 2016.

M) Power Transmission Company Nepal Limited (PTCN):

POWERGRID entered into a "Joint Venture cum Share Purchase Agreement" on 5th April, 2014 with NEA, Hydroelectricity Investment & Development Company Ltd (HIDCL) of Nepal and IEDCL and formed a JV Company under the Name "Power Transmission Company Nepal Ltd" (PTCN) incorporated in Nepal for implementation of Nepal portion i.e. Dhalkebar - Bhattamod section (Nepal Portion) of 400 kV D/C Muzaffarpur - Dhalkebar Indo-Nepal Cross Border transmission line. The Shareholding of POWERGRID, NEA, HIDCL and IEDCL in the said JV Company is 26%, 50%, 14% and 10% respectively. The Audited cost of the Nepal Portion is INR 101 crore and the project has been envisaged to be implemented on 70:30 debt: equity ratio. As on 31.03.2017, PTCN has Authorized share capital of NPR 45 crore and paid-up share capital NPR 30 crore. At present, POWERGRID equity is NPR 10.4 crore. The Nepal Portion is under commercial operation w.e.f. 19th February, 2016. The Muzaffarpur - Dhalkebar Indo-Nepal Cross Border transmission line is being used for transmission of power between India & Nepal.

Subsidiary Companies:**A) POWERGRID NM TRANSMISSION LIMITED:**

POWERGRID NM Transmission Company Limited (PNMTL), formerly known as Nagapattinam-Madhugiri Transmission Company Limited was acquired/taken over by POWERGRID on March 29, 2012 under Tariff Based Competitive Bidding for establishing Transmission System associated with IPPs of Nagapattinam / Cuddalore Area (Package A) from PFC Consulting Ltd (the Bid Process Co-coordinator). Consequent to such acquisition, PNMTL became the wholly owned subsidiary of POWERGRID. PNMTL was granted transmission license by CERC in June, 2013. The transmission system comprising 765 kV D/C and 765 kV S/C is to traverse the states of Tamil Nadu and Karnataka. As on 31.03.2017, PNMTL has an Authorized share capital of ₹215 crore and paid-up capital of ₹162 crore. The Company has been granted transmission license by CERC in June, 2013. Nagapattinam-Salem 765 kV D/C line has been commissioned on 23rd October, 2016 and Salem Madhugiri 765 kV S/C line is under implementation.

B) POWERGRID VIZAG TRANSMISSION LIMITED:

POWERGRID VIZAG Transmission Limited (PVTL) was acquired /taken over by POWERGRID on August 30, 2013 under Tariff Based Competitive bidding for establishing Transmission system for 'System Strengthening in Southern Region for import of power from Eastern Region' from REC Transmission Projects Company Limited (the Bid Process Co-ordinator). Consequent to such acquisition, PVTL became wholly owned subsidiary of POWERGRID. The transmission system comprising Srikakulam-Vemagiri 765KV D/c Line & Khammam Nagarjunasagar 400kV D/C Line traverses through the states of Andhra Pradesh and Telangana. As on 31.03.2017, PVTL has authorized share capital of ₹220 crore and paid-up share capital of ₹209.73 crore. The Khammam- Nagarjunasagar 400 KV D/C Line has been commissioned on 31st December, 2015 and Srikakulam Vemagiri 765 KV D/c Line has been commissioned on 01.02.2017.

(in ₹ crore)

Particulars	FY 2016-17	FY 2015-16
Gross Income	67.97	7.89
Profit/(Loss) after Tax	(21.94)	2.96

C) POWERGRID UNCHAHAR TRANSMISSION LIMITED:

POWERGRID Unchahar Transmission System Limited (PUTL) was acquired /taken over by POWERGRID on March 24, 2014 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System for ATS of Unchahar TPS on build, own, operate and maintain (BOOM) basis. Consequent to such acquisition, PUTL became wholly owned subsidiary of POWERGRID. The transmission system comprising 400 kV D/C is to traverse the state of Uttar Pradesh. As on 31.03.2017, PUTL has an Authorized Share Capital of ₹14 crore and Paid-up share capital of ₹12.96 crore. The Company has been granted transmission license by CERC in July, 2014. Unchahar-Fatehpur 400 KV D/C line has been completed on 23.09.2016.

(in ₹ crore)

Particulars	FY 2016-17	FY 2015-16
Gross Income	4.08	NIL
Profit after Tax	(.06)	NIL

D) POWERGRID KALA AMB TRANSMISSION LIMITED:

POWERGRID Kala Amb Transmission Limited (PKATL) (formerly NRSS XXXI (A) Transmission Limited) was acquired /taken over by POWERGRID on May 12, 2014 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System for Northern Region system Strengthening Scheme, NRSS-XXXI (Part-A). Consequent to such acquisition, PKATL became wholly owned subsidiary of POWERGRID. The transmission system comprising 400/220 kV GIS substation, 400 kV D/C LILO and Series Compensation is contemplated in the state of Himachal Pradesh. As on 31.03.2017, PKATL has an Authorized Share Capital of ₹5 crore and Paid-up share capital of ₹1.05 crore. Subsequently, the Authorised Share Capital has been increased to ₹35 crore. The Company has been granted transmission license by CERC in September, 2014. The project has been completed on 12.07.2017.

E) POWERGRID JABALPUR TRANSMISSION LIMITED

POWERGRID Jabalpur Transmission Limited (PJTL) (formerly Vindhyachal Jabalpur Transmission Limited) was acquired /taken over by POWERGRID on February 26, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System Strengthening associated with Vindhyachal-V. Consequent to such acquisition, PJTL became wholly owned subsidiary of POWERGRID. The transmission system comprising 765kV D/C transmission line is to traverse the State of Madhya Pradesh. As on 31.03.2017, PJTL has an Authorized Share capital of ₹20 crore and Paid-up share capital of ₹0.15 crore. The Company has been granted transmission license by CERC in June, 2015.

F) POWERGRID WARORA TRANSMISSION LIMITED

POWERGRID Warora Transmission Limited (formerly Gadawara (A) Transco Limited) was acquired /taken over by POWERGRID on April 24, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System Associated with Gadawara STPS (2 x 800 MW) of NTPC (Part-A). Consequent to such acquisition, PWTL became wholly owned subsidiary of POWERGRID. The transmission system is contemplated in the States of Maharashtra and Madhya Pradesh and comprises 765 kV D/C, 400 kV D/C transmission lines and establishment of 2X1500 MVA 765/400 kV new substation in Warora. As on 31.03.2017, PWTL has an Authorized share capital of ₹35 crore and Paid up share capital of ₹ 25.10 crore. The Company has been granted transmission license by CERC in August, 2015. LILO of existing Seoni-Bina 765 kV S/C at Gadawara STPP has been completed & declared for commercial operation on 30.11.2016 Eventually, the Gadawara-Jabalpur Pool 765 kV D/C transmission line has been completed & declared for commercial operation on 31.05.2017.

(in ₹ crore)

Particulars	FY 2016-17	FY 2015-16
Gross Income	3.66	NIL
Profit after Tax	1.32	NIL

G) POWERGRID PARLI TRANSMISSION LIMITED

POWERGRID Parli Transmission Limited {formerly Gadawara (B) Transmission Limited} was acquired /taken over by POWERGRID on April 24, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System Associated with Gadawara STPS (2 x 800 MW) of NTPC (Part-B). Consequent to such acquisition, PPTL became wholly owned subsidiary of POWERGRID. The transmission system is contemplated in the State of Maharashtra and comprises 765 kV D/C, 400 kV D/C transmission lines and establishment of 2X1500 MVA 765/400 kV new substation in Parli. As on 31.03.2017, PPTL has an Authorized share capital of ₹20 crore and Paid-up share capital of ₹0.10 crore. The Company has been granted transmission license by CERC in July, 2015.

H) POWERGRID Southern Interconnector Transmission System Limited

POWERGRID Southern Interconnector Transmission System Limited (PSITSL) (formerly Vemagiri II Transmission Limited) was acquired/ taken over by POWERGRID on 4th December, 2015 under Tariff based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for "Strengthening of Transmission System Beyond Vemagiri" Project on build, own operate and maintain (BOOM) basis. Consequent to such acquisition, PSITSL became wholly owned subsidiary of POWERGRID. The transmission project comprising of 765 kV & 400 kV, D/C transmission lines is to traverse the states of Andhra Pradesh, Telangana & Karnataka and include establishment of one 765/400 kV Substation as well as 400 kV bay extension at two existing sub-stations in the state of Andhra Pradesh. As on 31.03.2017, PSITSL has an Authorized share capital of ₹1 crore and Paid-up Share Capital of ₹0.05 crore. The Company has been granted transmission license by CERC in March, 2016.

I) POWERGRID Medinipur – Jeerat Transmission Limited

POWERGRID Medinipur-Jeerat Transmission Limited (PMJTL) (Formerly Medinipur – Jeerat Transmission Limited) was acquired by POWERGRID on 28th March, 2017 under Tariff based competitive bidding from PFC Consulting Limited (the Bid Process Coordinator) for Transmission System associated with "765 kV Strengthening in Eastern Region (ERSS-XVIII). Consequent to such acquisition, PMJTL became wholly owned subsidiary of POWERGRID. The transmission system includes establishment of 765kV and 400 kV Transmission lines which is traverse the states of West Bengal and Jharkhand including establishment of two new 765/400 kV Substations in West Bengal. As on 31.03.2017, PMJTL has an Authorised and paid up share capital of ₹0.01crore. The Company has been granted transmission license by CERC in June, 2017.

J) POWERGRID VEMAGIRI TRANSMISSION LIMITED

POWERGRID Vemagiri Transmission Limited, formerly known as Vemagiri Transmission System Limited was acquired / taken over by POWERGRID on April 18, 2012 under Tariff Based Competitive bidding for establishing Transmission system associated with IPPs of Vemagiri Area (Package A) from REC Transmission Projects Company Limited (the Bid Process Co-ordinator). Consequent to such acquisition, POWERGRID Vemagiri Transmission Ltd. became wholly owned subsidiary of POWERGRID. The transmission system comprising 765kV D/C is to traverse the state of Andhra Pradesh and Telangana. As on 31.03.2017, POWERGRID Vemagiri Transmission Ltd. has an Authorized and Paid-up share capital of ₹5 Lacs. CERC vide Order dated 06.04.2015 stated that Vemagiri-Khammam-Hyderabad 765 kV D/C lines under the project is neither required as an evacuation line nor as a system strengthening line, no useful purpose will be served by adopting the transmission charges and granting license to the petitioner for the said transmission line and has withdrawn the regulatory approval for the Transmission project.

K) GRID CONDUCTORS LIMITED

Grid Conductors Limited (GCL), a wholly owned subsidiary of POWERGRID was incorporated on 15.09.2015 to set up an aluminum conductor manufacturing plant at Angul, Odisha. The Company has not carried out any business activity since incorporation and an application to strike off the name of the Company through Fast Track Exit Scheme has been filed with Registrar of Companies.

Power System Operation Corporation Limited (POSOCO)

POSOCO ceased to be wholly owned Subsidiary of POWERGRID w.e.f. 2nd January, 2017 as, pursuant to order of Government of India (GoI), POWERGRID transferred its 100% shareholding in the said Subsidiary to GoI.

Consolidated Financial Statement of POWERGRID

The consolidated Financial Statements have been prepared as per Ind AS and in accordance with Accounting Standards (AS-21) 'Consolidated Financial Statements' and Accounting Standards (AS-27) 'Financial reporting of Interests in Joint Ventures' and are included in this Annual Report.



On consolidated basis, the Total Income of the Company, during F.Y.2016-17, stood at ₹26,287.72cr. against ₹21,118.37cr. during F.Y.2015-16 registering an increase of about 24%. Total Expenses for the year ending 31.03.2017 stood at ₹17,042.40 cr. as against ₹13662.02 cr for the year ended 31.03.2016. Profit after Tax during FY 2016-17 increased by 25.04% vis-a vis FY 2015-16. A brief summary of the results on a consolidated basis is given below:

(₹ in crore)

	FY 2016-17	FY 2015-16
Gross Income	26,287.72	21,118.37
Profit before Tax	9,387.07	7,571.59
Profit after Tax	7,450.73	5,958.61
Net Cash from operating activities	21,614.23	15,008.08

Cautionary Statement

Statement in the Management Discussion and Analysis and Directors' Report describing the Company's objectives, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.

For and on behalf of the Board of Directors

(I. S. JHA)**Chairman & Managing Director**

Place: New Delhi

Date 9th August, 2017

ANNEXURE II TO THE DIRECTORS' REPORT

Business Responsibility Report

Section A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	L40101DL1989GOI038121	
2	Name of the Company	Power Grid Corporation of India Ltd	
3	Registered address	B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016	
4	Website	www.powergridindia.com	
5	E-mail id	sustainability.report@powergrid.co.in	
6	Financial Year reported	2016-17	
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Sector(s)	ITC Code No.
		Inter State Transmission System (ISTS), Central Transmission Utility (CTU) of country	99691110
		Telecom	99841100
		Consultancy & Project Management	99833244
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	i) Transmission ii) Telecom iii) Consultancy Services (Domestic / International)	
9	Total number of locations where business activity is undertaken by the Company i) Number of International Locations (Provide details of major 5) ii) Number of National Locations	(i) International: POWERGRID has presence in Consultancy business in all facets of services of Transmission System with its International Clientele spread in Twenty countries World over. Major five include Kenya, Nepal, Bhutan, Bangladesh and CASA (Kyrgyz Republic, Tajikistan, Afghanistan & Pakistan). (ii) National: Total 229 which includes 219 sub-stations, 9 Regional headquarters and 1 corporate office at Gurgaon. Telecom department has its points of presence in more than 600 locations spread across the country. Apart from above, a no. of substations and transmission lines are presently under construction and personnel are located on various site(s).	
10	Markets served by the Company - Local/State/National/ International/	POWERGRID has footprint in all the markets-Local/State/National/ International.	

Section B: Financial Details of the Company

1	Paid up Capital (INR)	5231.59 crore
2	Total Turnover (INR)	26,581.46 crore
3	Total Profit after Taxes (INR)	7520.15 crore
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	During FY 2016-17, the Company has spent ₹ 147.27 crore [i.e. 2.17% of average net profit of the Company for last three financial years] on various CSR activities.
5	List of activities in which expenditure in 4 above has been incurred	Infrastructure creation for Rural Development, Skill Development programmes, Education, Health, Environmental Sustainability, etc.

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

As on March 31, 2017, POWERGRID had eleven wholly owned subsidiary Companies viz. POWERGRID NM Transmission Limited, POWERGRID Vemagiri Transmission Limited, POWERGRID Vizag Transmission Limited, POWERGRID Unchahar Transmission Limited, POWERGRID Kala Amb Transmission Limited, POWERGRID Jabalpur Transmission Limited, POWERGRID Warora Transmission Limited, POWERGRID Parli Transmission Limited, POWERGRID Southern Interconnector Transmission System Limited {formerly Vemagiri II Transmission Limited}, Grid Conductors Limited and Medinipur Jeerat Transmission Limited (now known as POWERGRID Medinipur Jeerat Transmission Limited).



2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Yes. The BR initiatives of POWERGRID generally apply to its subsidiaries also.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Yes, the Environmental and Social Policy & Procedures (ESPP) of POWERGRID encompass the company, its Joint Venture Company – Powerlinks Transmission Limited, subsidiaries in general and relative aspects pertaining to Vendors / Suppliers / Contractors through contract conditions. Vendors/Suppliers/ Contractors are required to comply with the provisions of the labour laws, environmental laws & effectual safety plans through stipulations in the Conditions of Contract. The percentage of such Vendors' /Suppliers'/ Contractors' are more than 60%.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the BR policy/policies

The detail of the Director responsible for implementation of the BR policy/policies is as under:

- DIN Number : 01391766
- Name : Shri Prabhakar Singh*
- Designation : Director (Projects)

b) Details of the BR head

S. No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Shri Ajoy Kumar Sinha#
3.	Designation	Executive Director (Env. & Social Management, CSR & LAC Deptt.)
4.	Telephone number	0124-2571980
5.	e-mail id	ak_sinha@powergridindia.com

*Appointed as Director (Projects) w.e.f. 08.02.2017. Prior to this, Shri R P Sasmal, Director (Operations) was holding the additional charge of Director (Projects).

Shri Ajoy Kumar Sinha took over the charge as ED(ESMD, CSR & LA) in Feb, 2017. Prior to this, Shri Atul Trivedi was holding the said charge. Further, Shri S.K.Gupta has assumed the charge as ED(ESMD, CSR & LA) upon superannuation of Shri Ajoy Kumar Sinha on 31.07.2017.

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted following nine areas of Business Responsibility:

P1	Business should conduct and govern themselves with ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Detail of compliance (Reply in Y/N)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for....	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?*	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify?* (50 words)	Y	Y	Y	Y	Y	Y#	NA	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
5.	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6.	Indicate the link for the policy to be viewed online?	www.powergridindia.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	NA	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency? *	Y	Y	Y	Y	Y	Y	NA	Y	Y

*Conforms to / are updated / reviewed in accordance with, the National Standards including GOI/ CVC/ DPE Guidelines, applicable laws etc.

Both World Bank and Asian Development Bank has certified POWERGRID's Environmental and Social Policy & Procedures (ESPP) under their policy of "Use of Country System" (UCS) and "Country Safeguard System" (CSS) in 2009 & 2017 respectively.

(b) If answer to question at S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	Principle 7- Responsible public policy advocacy
1.	The company has not understood the Principles	-
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-
3.	The company does not have financial or manpower resources available for the task	-
4.	It is planned to be done within next 6 months	-
5.	It is planned to be done within the next 1 year	-
6.	Any other reason (please specify)	POWERGRID is a member of various industrial and trade bodies and participates in these forums on issues and policy matters that impact the interest of our stakeholders. Keeping in view the significant interest of POWERGRID in the Transmission sector, a separate Regulatory Cell is in place to undertake POWERGRID's endeavor of a pro-active approach as part of policy advocacy with the stakeholders and CERC. Wherever felt necessary we give our comments on various approach papers, consultation papers, draft regulations etc issued by CERC, TRAI, other authorities.

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

3-6 months

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Since 2010 POWERGRID has been publishing a separate "Sustainability Report" biennially. These reports are available on company website at below mentioned link; <https://www.powergridindia.com/sustainability-report>

Section E: Principle-wise performance

Principle 1- Business should conduct and govern themselves with ethics, Transparency and Accountability

- 1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?**

POWERGRID is committed to observe transparency and consistency in all its operations. POWERGRID follows a no. of policies/rules to strengthen ethical conduct at all levels including the following:

- Code of Business Ethics & Conduct:** POWERGRID has laid down two separate Code of Business Ethics & Conduct – one for Board Members and another for Senior Management Personnel (including those deputed in Subsidiaries/ Joint Ventures) in alignment with Company's Vision & Mission and aims at enhancing ethical and transparent process in managing the affairs of the Company.
- The Conduct and Discipline Appeal rules (CDA Rules):** The CDA Rules of POWERGRID define the desirable and non-desirable acts and conduct for the employees and extend to all employees working with it (including those deputed in Subsidiaries/ Joint Ventures). The aspects of Bribery and Corruption are also covered under CDA rules. There is laid procedure for actions in the case of non-compliance with the defined terms as well as for any misconduct.
- Whistle Blower and Fraud Prevention Policy:** Whistle Blower and Fraud Prevention Policy provides a system for disclosures made by employees or complaint of any fraud or suspected fraud involving employees of POWERGRID (all full time, part time or employees appointed on adhoc/ temporary/contract basis) as well as representative of vendors, suppliers, contractors, service providers or any outside agency (ies) doing any type of business in POWERGRID.

Since, POWERGRID is a designated public authority, the provisions of the Right to Information Act, 2005 are applicable on us. The Chief Public Information Officers (CPIO) at the Corporate and regional level ensure smooth access to information in a timely manner.

Several initiatives have been taken/are being taken by POWERGRID to strengthen Integrity, transparency and fairness in its business practices which includes the following:

- Well defined "Delegation of Powers" is in place delineating the powers of the top executives and below for carrying out work in systematic manner.
- POWERGRID has implemented "Works & Procurement Policy and Procedure (WPPP) for Pre-award and Post-award Stages" (as amended from time to time) with a view to making the policies and procedures more systematic, transparent and easy to administer uniformly throughout its business operations with major thrust on expeditious and decentralized decision making coupled with accountability and responsibility.
- "Integrity Pact Program" has been implemented which is considered as a useful tool in ensuring transparency in the procurement process. Contracts above ₹ 100 crore are also monitored by a panel of "Independent External Monitors (IEMs)".
- Manuals and Procedures are in place for Construction, Operation & Maintenance.
- e-procurement mechanism for most of the project procurements has been implemented.
- e-Reverse auction mechanism is in place.
- The Project "RUPANTAR", the Enterprise Resource Planning (ERP) initiative of our Company has been implemented and majority of the key processes related to business are running on ERP.
- Detail of Award is posted on the website on real time basis.
- POWERGRID focuses on Preventive, Pro-active as well as Punitive Vigilance. Aiming at better transparency and to inculcate good governance within the organization, POWERGRID has taken a number of initiatives. For details, Para on 'Commitment to Transparency & Vigilance Function' under Directors' Report may be referred.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the FY 2016-17, a total of 59 complaints were received from various stakeholders out of which approx. 83% of complaints have been taken up and the remaining are under due process.

Principle 2-Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- Design of innovative towers such as multi-circuit & pole type tower has substantially reduced Right of Way (RoW) as well as conservation of natural forest resource.
- Use of metallic return in HVDC system instead of earth electrode stations resulting in further reduction in requirement of precious land and enhanced safety due to reduced risk of exposure to electro-magnetic field.
- Provision of "Rain Water Harvesting" facility has been made a mandatory part of all substation design.

All the Transmission lines and Sub-stations are designed and implemented consistently complying with the Statutory laws and conforming to the National / International Standards.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- i. **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**
- ii. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

These activities are being carried out under various policies / guidelines and are implemented from time to time.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?
a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, Sustainability in sourcing is enforced through the Environmental and Social Policy & Procedures (ESPP) of POWERGRID which extends to Suppliers/Contractors/Vendors through contract conditions. Vendors/ Suppliers/Contractors are required to comply with ESPP, Labour laws, Environmental laws & effectual Safety plans through stipulations in the Conditions of Contract. Contracts provide penalties to be imposed on the Vendors/ suppliers / contractors in the event of breach of the said provisions.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, we encourage participation of local vendors for certain works in & around our establishments through local competitive bidding process.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

POWERGRID has put in place systems for segregation/disposal of waste materials like metal scraps, packaging items, used batteries, used oil etc. for reuse and recycling. Metal scraps & packaging items are recycled through auction whereas used batteries & used oil generated are channelized back either to the registered recyclers or manufacturers for recycling as per prescribed laws/regulations. Besides, a "Waste Paper Recycling" plant at Gurgaon Substation has been in operational since 2012 with a capacity to handle 40-60 kgs of waste paper daily. The percentage of recycling is 5-10 % in the current year of operation.

Principle 3- Businesses should promote the wellbeing of all employees
1. Please indicate the Total number of employees.

Total numbers of employees as on March 31, 2017 were 8887.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Total number of employees hired on contractual basis as on March 31, 2017 were 459 (excluding contractual labour).

3. Please indicate the Number of permanent women employees.

Number of permanent women employees as on March 31, 2017 were 598.

4. Please indicate the Number of permanent employees with disabilities

Number of permanent employees with disabilities as on March 31, 2017 were 171.

5. Do you have an employee association that is recognized by management.

Employees under the 'Workmen' category are represented through Trade Unions and the organization has recognized workmen-management forum.

**6. What percentage of your permanent employees is members of this recognized employee association?**

All employees under the 'Workmen' category are members of Trade Union. Workmen represent about 28% of the employee strength in POWERGRID.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual harassment	2	NIL
3.	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Employees	% of Employees given safety & skill up-gradation training in the last year i.e. FY 2016-17
Permanent Employees	83.62%
Permanent Women Employees	88.00%
Casual/Temporary/ Contractual Employees	68.90%
Employees with Disabilities	85.61%

Principle 4- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, POWERGRID has mapped its internal and external stakeholders. We recognize Shareholders, Regulatory Authorities (GoI), Customers, Communities/persons residing around our areas of operation, Projects Affected Persons (PAPs)/Communities, Employees, Suppliers & Contractors, Research & Development Institutions, Funding Agencies and Media as our key stakeholders in economic, environment & social dimensions.

POWERGRID engages with its identified stakeholders on an ongoing basis and the prioritization of such engagement has been done considering factors like Dependency, Influence, Responsibility and Proximity. There is a structured Stakeholder Engagement Matrix which details specific engagement mechanisms including mode & frequency of engagement for each stakeholder category.

2. Of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, the company has identified the disadvantaged, vulnerable & marginalized stakeholders and are broadly divided into two categories viz. Internal Stakeholders (Employees – Persons with Disabilities (PWD) / SC/ ST/ Women) and External Stakeholders {Project Affected Persons / Families (PAPs / PAFs) : Widow women headed families, SC/ST/ Persons with Disabilities (PWD) }.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

POWERGRID has taken following initiatives to engage with the disadvantaged, vulnerable and marginalized stakeholders:

- Internal Stakeholders (Employees- Persons with Disabilities (PWD)/ SC/ ST/ Women) – POWERGRID ensures diversity at workplace through efforts to recruit, develop and retain the most talented people from the pool of SC/ ST/ OBC/ Ex-servicemen/ Persons with Disabilities (PWD) candidates, in accordance with GoI directives on reservation matters. The special initiatives taken include-

A time bound mechanism for the redressal of grievances is in place as under:

- A Reservation Cell has been constituted at the Corporate, as well as Regional level to comply with GoI directives on reservation matters for SC/ST/OBC/Ex-servicemen/ Persons with Disabilities (PWD). This cell is under control of nominated liaison officer(s). The Liaison Officer(s) are available on a pre-fixed day and time for interaction once in a week. Wide publicity regarding availability of the liaison officer is ensured amongst SC/ST employees. Regular meetings with SC/ST/OBC Employee's Association are conducted. 'Awareness Programme' are organized to acquaint the SC/ST/ OBC/PWD employees about the relaxations and concessions available to them under Government directives.
- Internal Complaints Committees (ICCs) under Sexual Harassment of Women in Workplace (Prevention, Prohibition, Redressal) Act, 2013 exist in the company in order to redress complaints received regarding sexual harassment.

Women employees are extended certain relaxation like posting in soft locations, etc. Facilities like Ramp etc are provided to Persons with Disabilities.

- External Stakeholders {Projects Affected Persons / Families (PAPs / PAFs)- Widow women headed families, SC/ST/ Physically Handicap} The special initiatives taken include –
- a) Rehabilitation and Resettlement (R&R) measures: Vulnerable groups like widow women headed families / SC / ST/ physically handicap who have suffered loss of land / loss of structure / loss of livelihood (wage or occupation) are considered for additional need based benefits.
- b) CSR Initiatives: Our Corporate Social Responsibility (CSR) addresses the issues of Community Development (including livelihood generation through skill development, Infrastructure creation for Rural Development, environmental sustainability, education, health, Swachh Bharat Abhiyaan etc.) primarily around our areas of operations. Primary focus of the CSR intervention of POWERGRID was for inclusive development of under-privileged, vulnerable and deprived section of the society. A large number of women, girls, SC/ST/ Minority, poor & marginalized section of the population were benefitted as a result of CSR initiatives. Various CSR initiatives such as construction of roads, Solar street lights, Water supply pumps, Water treatment plants, Water ATMs, community centres in villages, class rooms, toilets, schools furniture, water supply arrangements in different schools, Scholarship to students, supply of Ambulances, aids and appliances to Divyangs, medical devices etc. were undertaken. In addition, the Company continues to undertake several CSR Skill Development initiatives by imparting livelihood oriented skill development training such as Food/beverage/hospitality, welding, tailoring, automobile repairing & servicing, food & fruit processing, electricians, customer service executive, General Duty Assistant, Agriculture practices, Machine operators, etc.

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Human Rights issues are incorporated under related policies & practices of POWERGRID which extend to the employees including those deputed in Subsidiaries/ Joint Ventures and relative aspects pertaining to Vendors/ Suppliers/Contractors through contract condition. Further, The Conduct and Discipline Appeal rules ("CDA Rules") of POWERGRID also define the desirable and non-desirable acts and conduct for the employees (including those deputed in Subsidiaries/ Joint Ventures). There is a laid procedure for actions in case of non-compliance with the defined terms as well as any inappropriate or unwelcome sexually-determined behavior. To promote fair and equitable employment relationship, a scheme for Grievance Redressal of employees is also in place which ensures a time bound mechanism for the redressal of grievances. Internal Complaints Committees (ICCs) have been constituted under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment.

POWERGRID also got certified to Social Accountability standard SA-8000 for its human resource and labour management policies and practices. Vendors /Suppliers / contractors are required to comply with the provisions of the labour laws/ Human rights etc through stipulations in the conditions of contract. As per the Contract agreement, contractors are prohibited from subjecting their workers to any child, forced or compulsory labour. All contractors are required to comply with various compensation and regulatory acts. All suppliers to POWERGRID have to confirm to General Conditions of Contract and SA 8000 clauses. POWERGRID takes declaration regarding Social Accountability from the bidders/contractors for compliance of all requirements of Social Accountability Standards i.e., SA8000, this declaration forms part of Contract Documents. Provision of penalties for non-adherence of the same are also included in the contract conditions.

POWERGRID promotes awareness of the importance of respecting Human Rights within its value chain and discourage instances of abuse. Besides conducting technical and behavioral trainings, the training / workshops on Human Rights issues to sensitize people towards women, the differently-abled and the socially weaker sections of the society have also been imparted.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaint was received regarding human rights violation during the reporting period (2016-17).

Principle 6 - Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Environmental and Social Policy & Procedures (ESPP) of POWERGRID encompass the company, its Joint Venture – Powerlinks Transmission Limited, subsidiaries in general and relative aspects pertaining to Vendors/ Suppliers/Contractors through contract condition.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, details of such initiatives are mentioned in Sustainability Reports which are also available on POWERGRID website at following hyperlink. <https://www.powergridindia.com/sustainability-report>

The initiatives taken towards Environment Conservation including energy management, water management, emission control, waste management, material conservation and other technological initiatives are as under:

- a) **Energy Management:** Our approach towards energy conservation is based on adopting a low carbon growth path through reduction in specific energy consumption and enhancing the use of renewable energy sources. Since our major source of electricity consumption is for lighting purpose in substation, colony and office buildings, to optimize energy consumption various initiatives such as installation of LED bulbs, fuel catalysts devices for DG sets etc. have been taken up to reduce specific energy consumption. We are also installing solar photovoltaic in office buildings to meet the internal energy requirements.
- b) **Water Management:** Water Management through judicious use and effective management is our prime focus. We have taken concrete steps for improving the water use efficiency and achieving zero discharge. Though no industrial effluents are generated in our operation, all the substations have implemented integrated water management approach focused on rain water harvesting system, which is now an integral part of every new substation design.
- c) **Emission Control:** Power Transmission projects do not involve any activity which directly emits waste/toxic gases like SO_x, NO_x, CO₂, etc. into the atmosphere. However, DG sets used during construction activities and for backup/emergency power at substations and other major office establishments like corporate & regional offices are the only direct source of emission. However, regular maintenance of these DG sets are ensured to comply with the emission norms prescribed by Pollution Control Board. Management of SF₆ which is used in Circuit Breakers, is given utmost priority and importance considering its Global Warming Potential. Strict and well defined procedure has been put in place for storage, handling and refilling of SF₆ gas cylinders. Every refill is documented and any unusual variation in gas volume is reported to concerned higher officials for review and rectification. Each and every leakage is promptly detected, addressed and documented. We have replaced most of our old equipment containing ODS and all our new equipment & refrigeration is CFC-free certified.
- d) **Waste Management:** The principle of reduce, reuse and recycle is the core of our waste management program. There is no major solid or liquid waste generated due to our activities except metal scraps, used batteries and electronic waste. However, we have put in place systems for segregation/disposal of waste material for reuse and recycling. As a part of sustainable initiative, we have established a "Waste Paper Recycling Plant" at Gurgaon Substation to recycle waste paper produced in the corporate office with the capacity to handle 30-40 kgs of paper daily. The recycled paper is now utilized for making company's letterheads, visiting cards, file / folders, D.O. pads etc. With this initiative, we have substantially reduced procurement of paper and stationary items from the open market which has further reduced our carbon footprint as 1 ton of virgin printing paper requires 17 trees, 4 kilolitres of water, 1350kW of energy & 400kg fossil fuels. Used batteries and electronic wastes are channeled back to either the manufacturers or registered recyclers for recycling.
- e) **Material Conservation:** Our contribution to the conservation of the natural resource base and efforts to reduce the material intensity is an integral part of company's sustainability strategy. We focus on reducing the consumption of major raw materials like Steel, Aluminum etc. through efficient designs of our transmission line & substation. The specific consumption of these raw materials have been reduced over the years through technological innovation using high capacity transmission lines such as ±800 HVDC, 765 KV line for transmitting bulk power.
- f) **Technological Initiatives:** Efforts are made for conservation of energy in our projects - right from the planning stage, to the execution stage and throughout the O&M period. We are implementing ±800kV HVDC systems and 765kV D/c lines to minimize RoW and environmental problems. We have also developed indigenously 1200kV Ultra High Voltage (UHV) AC technology, the highest transmission voltage level in the world, in collaborative efforts with domestic manufacturers. This will enable transfer of 6000-8000 MW power over single corridor. In addition, efforts are being made to switch to high Performance Conductors in Existing & New Lines which involve lower sag as against conventional conductor at higher operating temperatures thereby resulting in reduction of tower weight and increasing span and consequently, reduce the total steel requirement resulting into lower carbon footprint. Considering superconductor technology as a promising future technology, we are planning a demonstration project on High Temperature Superconductor (HTS) cable system, for assessing the feasibility and operational issues. HTS cable system facilitates higher power transmission without towers. These latest technologies will have wide influence in minimizing environmental and social impact of high voltage transmission line and these initiatives will show extensive results in optimisation of RoW and its associated environmental and social impact. POWERGRID has also been designing and using Compact towers/ Pole type towers/ Multi-circuit towers depending upon land Topography and conditions. Gas Insulated Substation (GIS) are also being established by POWERGRID to reduce the land use. POWERGRID is in process of implementing Substation Automation Systems with Process Bus architecture to reduce the usage of cable in substation. Apart from above, we have taken initiatives for development of Smart Grid in India towards bringing efficiency in distribution and are extending consultancy services for implementation of various projects on Smart Grid Technology in different states.

Besides, POWERGRID has been taking several other initiatives including despatch of annual reports/postal ballot notices & other communications to shareholders in electronic mode under 'Green Initiative in the Corporate Governance' thereby reducing wastage of natural resources.

3. Does the company identify and assess potential environmental risks? Y/N

A detailed Risk Assessment and Management procedure is in place to identify and assess potential environmental and social risks, as part of overall project analysis. The POWERGRID's ESPP which is based on the principles of Avoidance, Minimization and Mitigation outlines POWERGRID's approach and commitment to deal with environmental and social risk/issues and lays out management procedures and protocols to mitigate the same. It provides a framework for identification, assessment, and management of environmental and social concerns at both organizational and project level. ESPP framework includes procedures for: (a) Screening and Identification of Risks (from environmental receptors, social receptors and other stakeholders); (b) avoidance of risks (including criteria and procedures for alternative routing); (c) mitigation of risk through impact management, implementation of Good International Industry Practices (GIIP), adequate compensation to affected stakeholders, public consultation and disclosure, and grievance redress; (d) monitoring, reporting, evaluation, feedback, management review and corrective action; and (e) responsibility and resource allocation including an organization structure for management of social and environmental risks.

POWERGRID is accredited with a Publicly Available Specification, PAS 99:2006 based Integrated Management System (IMS) that includes ISO 9001:2008 (Quality Management System), ISO 14001:2004 (Environment Management System) and OHSAS 18001:2007 (Occupational Health & Safety Management System).

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

POWERGRID continues to undertake initiatives on Energy Efficiency which includes energy audits of various industries/institutions/other commercial establishments/municipalities resulting in prevention of CO₂ emission; installation of in-house designed waste heat recovery systems for steel re-rolling mills in various steel making industries; etc. We are also a BEE Grade-I Energy Service Company (ESCO) to implement energy efficiency solutions.

Towards integration of renewable energy resources into the National Grid as well as enlarging the balancing area to address renewable volatility, high capacity Green Energy corridor is being implemented by POWERGRID. In addition, transmission schemes for Ultra Mega Solar Power Parks are also under implementation in various states. Apart from Green Energy Corridor implementation and grid-integration of ultra-mega solar parks, we are in the process of establishing the first grid interactive energy storage pilot projects with different battery technologies.

For more details, Para on 'Energy Efficiency' and 'Integration of Renewables' under the Directors' Report may be referred.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

As already explained above, Power transmission project activities do not involve any direct emission/waste to environment. The only emission that can be attributed due to our activities is from operation of DG sets used intermittently as power backup. However, regular maintenance of DG sets are ensured to maintained their emission level well within the permissible limits prescribed by Pollution Control Board.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NIL

POWERGRID did not receive any show cause/ legal notice from CPCB/SPCB.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

POWERGRID is a member of various industry bodies including the following:

1. Federation of Indian Chambers of Commerce and Industry (FICCI)
2. Confederation of Indian Industry (CII)
3. CII CPSE Council
4. TERI Business Council for Sustainable Development
5. The Associated Chambers of Commerce & Industry of India (ASSOCHAM)



6. PHD Chamber of Commerce & Industry (PHDCCI)
7. Central Board of Irrigation & Power (CBIP)
8. WEC India (formerly known as World Energy Council- India Member Committee)
9. Indian Institute of Plant Engineers (IIPE)
10. Standing Conference of Public Enterprises (SCOPE)
11. India Energy Forum (IEF)
12. Global Compact Network (GCN)
13. Internet Services Providers Association of India (ISPAI)
14. Infrastructure Industry & Logistics Federation of India (ILFI)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas.

POWERGRID participates through associations in (1) above on the issues and policy matters that impact the interest of our stakeholders.

Keeping in view the significant interest of POWERGRID in the Transmission sector, a separate Regulatory cell is in place to undertake POWERGRID's endeavor of a pro-active approach as part of policy advocacy with the stakeholders and CERC. Wherever felt necessary, we give our comments on various approach papers, consultation papers, draft regulations etc issued by CERC/TRAI/other authorities. Besides, POWERGRID also gives its comments in the field of Governance & Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Sustainable Business Principles etc, as and when sought by GoI.

Principle 8- Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

By the very nature of our business and as the Central Transmission Utility, we touch millions of lives every day and understand that real success is the result of inclusive development of the involved entities and stakeholders. We support the principles of inclusive growth and equitable development through corporate social responsibility initiatives as well as through our core business.

Our commitment towards Social Responsibility (Labour, Employees, Communities, Employee's families) is amply reflected in our already adopted Integrated Management Policy, Environmental and Social Policy & Procedures (ESPP), Rehabilitation Action Plan (RAP), Corporate Objectives, OSHAS-18001 and Social Accountability SA 8000. Corporate Social Responsibility is primarily to showcase our abiding commitment and concern to pay-back to the society and environment for the benefits reaped so far. CSR has always been an integral part of our vision and the cornerstone of Core Values of Good Corporate Citizenship. We are committed towards taking responsibility for its impact, though very minimal in nature, on society and being accountable to the inhabitants of Mother Nature. We emphasize on overall socio-economic development of areas and communities around our operations through various community development programmes, initiatives such as Livelihood generation, Skill development, Healthcare, Education, Plantation, sanitation, drinking water, roads, drainage system, community centres, development and conservation of water bodies, etc.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The programs / projects are undertaken largely by in-house teams, however Govt./ Semi Govt. agencies/agencies of International and National repute, etc are also engaged to undertake such projects.

3. Have you done any impact assessment of your initiative?

Impact Assessment studies have been carried out. POWERGRID internally performs impact assessment of its initiatives to – (i) understand /evaluate the community development activities undertaken, the benefits accrued to communities and (ii) gain insights for formulating & improving the community development activities in future. For more details, Para on "Environment and Social Management" and Corporate Social Responsibility" in the Directors' Report may be referred.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

An amount of ₹ 147.27 crore has been incurred under CSR activities and about ₹ 4.54 crore provided under Rehabilitation & Resettlement (R&R) measures during the FY 2016-17. In addition to the measures taken for R&R, community development works are also undertaken

for the overall improvement of surrounding villages and community. Based on social assessment outcome, we implement need based development works like construction of roads, Solar street lights, Water supply pumps, Water treatment plants, Water ATMs, community centres in villages, class rooms, toilets, schools furniture, water supply arrangements in different schools, etc. in association with local authorities.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Regular awareness programs as well as inclusive Public Consultation at each and every step as per the Environment and Social Policy and Procedures (ESPP) have been carried out. For that purpose various means at various stages were adopted including Public Meetings, Informal Small Group Meetings, Information Brochures and Pamphlets, Operating Field Officers, Local planning visits and site visits, Response to public Enquires, Press release inviting comments, Project coordination committees, Ombudsman or representative and Public Displays.

Principle 9- Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

NIL

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Not Applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

We engage with our customers on an ongoing basis and generally hold meetings on a regular basis. The objective of said meetings *inter-alia* includes identification of process improvement areas and understanding concerns of customers. Based on feedback, Company takes measures for system improvement, wherever, required.

For and on behalf of the Board of Directors



(I. S. Jha)

Chairman & Managing Director

DIN:00015615

Place: New Delhi

Date: 9th August, 2017

1. Particulars required under Rule 8 (3) of the Companies (Accounts) Rules, 2014 read with Section 134 (3) (m) of the Companies Act, 2013.

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken and on hand:

It has been the endeavour of POWERGRID to make all out efforts for conservation of energy in all its projects - right from the planning stage, to the execution stage and throughout the O&M period. Before finalizing the transmission schemes, various alternatives/ technologies for power transfer are examined and one of the major criteria for selection of transmission system/ technology is lower losses. In fact, POWERGRID has adopted higher voltage levels like 765kV AC, ± 500 kV HVDC, ± 800 kV HVDC in its transmission systems for bulk power transfer across various regions which result in lower losses in the system. 1200kV AC system is also being considered for bulk power transmission which is under field trial stage now. POWERGRID is also exploring superconductor cable for transmission, which is almost lossless transmission.

At design stage of the transmission system, optimization of various parameters is done so that losses in the transmission system are optimized. The conductors are selected after detailed optimization studies which consider reduction of line losses as one of the primary criteria. The bus bar materials and the clamps and connectors are chosen meeting stringent international requirements so that losses are optimized. During evaluation of transformer & shunt reactor packages, equipment with minimum losses is given weightage. In case of HVDC system also, the selection of parameters of filter components, Thyristor Valves, Converter Transformer etc. is done in such a way that overall losses are minimized even under various system operating condition. Further, in case of transmission hardware, the material with lower losses is specified. Parameters and types of various other equipments are also chosen in a manner that the losses are optimized. Thus, energy conservation measures are taken by POWERGRID at every step so as to develop an efficient and low-loss transmission network. POWERGRID has also established a dedicated Energy Efficiency Cell to make inroads into the conservation of energy and reduction of carbon emission in industrial and commercial sectors. Energy audits are regularly carried out to identify opportunities for energy saving and few implementations have also been undertaken successfully to reduce energy consumption in industries and agriculture sector. POWERGRID has undertaken Energy Audit of Integrated Steel Plants.

(b) Additional investment and proposals, if any, being implemented for reduction of consumption of Energy:

As stated above, POWERGRID undertakes energy conservation measures by means of reduction of losses in its transmission schemes right from planning to execution stage.

B. RESEARCH AND DEVELOPMENT

1&2 It has been POWERGRID's endeavor to pursue the research and development efforts in the field of new technologies in transmission system to remain at par with international standards. Also, realizing the need for conservation of Right-of-Way and future requirement of development of high capacity transmission system to meet the future power requirement, POWERGRID is actively pursuing seamless integration of new and efficient technologies in Indian power Grid to create environment-friendly transmission system. POWERGRID has accorded special emphasis on adoption of new technologies available around the globe for improving the quality of power supply, reduction of losses, optimum utilization of the available transmission assets, conservation of environment and optimizing upon the cost of delivered power. The company is working in collaboration with International/National research/academic institutions; manufacturers etc. and is thus enhancing its in-house capabilities for design and engineering of State-of-the-Art transmission systems.

POWERGRID Advanced Research and Technology Centre

POWERGRID is establishing world class laboratories and test facilities at Manesar, Gurgaon for carrying out research and development in power transmission area. This R&D centre shall cater to the research needs of POWERGRID and of the Country to a large extent with state-of-the-art laboratories for power system analysis, advanced equipment diagnostics, smart grid, control and automation, material science, engineering design etc.

TECHNOLOGY DEVELOPMENT

POWERGRID adopts and encourages the research & development (R&D) activities in pursuit of technological excellence in power transmission. Notable among them, are the prestigious 1200kV National Test Station project at Bina Madhya Pradesh and the Process-bus in Substation Automation System.

Specific areas in which R&D has been carried out by the company and benefits derived thereby are given below:

Completed Projects:

1. HVDC project with LTT thyristor in Balia-Bhiwadi HVDC
2. Four converter transformer arrangement arranged in such a configuration that outage time of transformer is minimized.

3. Completed in-house design of 9 no. towers for transmission lines.
4. Completed in-house design of approx. 600 nos. tower foundations for transmission lines upto 765kV including 40 nos. of pile foundations.
5. Completed testing of 5 nos. of towers for various transmission lines including 800kV HVDC, 765kV EHVAC D/C and 200kV multicircuit towers.
6. Development of Indigenous vendors for 765kV Transformers, Reactors, Circuit Breaker, Current Transformer and Wave Trap.
7. Completed Re-conducting of 400 kV Farakka-Malda line with High Temp Low Sap Conductor.

Ongoing projects

1. **Indigenous Development of 1200kV UHVAC Technology** - POWERGRID has successfully commenced the power flow through 1200kV National Test Station in the month of May, 2016. For this project of national importance, POWERGRID has collaborated with Indian equipment manufacturers for getting the 1200kV equipment developed, which have been presently installed, charged at 1200kV voltage and loaded at the test base in Bina, Madhya Pradesh for long term field operation and performance monitoring.
2. High Capacity, ± 800 kV, 6000 MW HVDC multi terminal system for long distance power transfer over 1700 km. from NER/ER to NR.
3. High Capacity, ± 800 kV, 6000 MWHVDC for long distance power transfer over 1300km. from WR to NR.
4. High Capacity, ± 800 kV, 6000 MW HVDC Bipole Link between Western Region (Raigarh, Chhatisgarh) & Southern Region (Pugalur, Tamil Nadu) and Pugalur (Tamil Nadu) – North Trichur (Kerala) 2000MW VSC based HVDC Bipole line. Due to severe ROW issues in Kerala, a section of the line has been considered as underground cable.
5. Re-conducting of following lines with high temperature endurance conductor to enhance the capacity of the transmission corridor by about two times:
 - Maithon – Maithon-RB 400kV D/c (Twin Moose)
 - Agartala - Agartala GBPP 132kV D/c
 - Imphal(PG) - Yurembam 132 kV S/c
 - Neyveli TS-II – Neyveli TS-I Expansion 400kV S/c
6. **Fault Current Limiters:** To control increasing short circuit current levels in the network, application of series reactors as fault current limiters in the Grid is being taken up. Initially 4 no. series reactors comprising of 2 no. series bus reactors at Mandola and Ballabgarh and 2 nos. series line reactors at Mandola end of Dadri-Mandola 400kV D/c would be taken up and subsequently with operational experience, additional series reactors would be considered for implementation.
7. **Dynamic Compensation:** Static VAR Compensators (SVC) at 3 locations in NR and STATCOM at 1 location in SR have been commissioned. SVCs at 1 location in NR and STATCOMs at 13 locations in all India grid (4 no. in Western Region, 4 no. in Eastern Region, 3 no. in Southern Region and 2 no. in Northern Region) are being implemented for dynamic control of reactive power in order to maintain the voltage and improve the stability of the grid. These dynamic compensations would be based on State-of-the-Art technologies and would provide online dynamic support to the Grid.
8. Development of in-house tower and foundation designs including 66kV, 132kV, 220kV, ± 320 kV HVDC, ± 800 kV HVDC and 765kV D/C Multi Circuit towers for use in on-going transmission line projects.
9. Development of Indigenous Vendors for HTLS Conductors.
10. Design of special narrow base tower to enable crossing of 765kV D/C transmission lines.
11. Vendor Development for 765kV GIS in India.
12. **Green Energy Corridors:** To facilitate integration of large scale renewable generation, POWERGRID has started implementation of Green Energy Corridors (GEC) in eight renewable resource rich states in the Country. These corridors, covers establishment of pooling substations, inter-state transmission lines at 765kV & 400 kV level along with reactive compensation. Further to handle variability & intermittency of renewable energy sources, we are establishing renewable energy management centres (REMC) in various SLDC/RLDC/NLDC. REMC would enable forecasting of renewable resources and efficient management of intermittent renewable generation.

We are also performing a vital role in evacuating renewable generation through solar resources across nation and has evolved comprehensive plans to evacuate power from various ultra-mega solar parks through Inter-state transmission network. Further, Your Company is also implementing the evacuation system for various solar parks integrated with ISTS network in the Country.

13. Implementation of Controlled Switching schemes of circuit breakers for 400kV transmission line reactors and transformers.
14. Engineering Data Integration on GIS Platform.
15. **Process bus Technology** - Gaining experience from the pilot projects on Process Bus technology at Bhiwadi substation and Neemrana substation, POWERGRID has initiated the project at Malerkotla substation for retrofitting conventional protection and control schemes with advanced automation systems based on Process Bus. Also, POWERGRID is utilizing Process Bus technology in the upcoming 220/66kV GIS substation project at Chandigarh. The new scheme is expected to ease the maintenance and trouble shooting in future and also restoration time will be extremely low in case of any eventuality. Also the replacement of large amount of copper cables with minimal fiber optic cables is expected to optimize space requirement.
16. **Pollution mapping:** POWERGRID in association with Southern and Eastern Regional Power Committees (SRPC & ERPC) and the constituent STU's of the Southern & Eastern Regions is carrying out Pollution Mapping activity in Southern & Eastern Regions.
17. **Geographic information system tools** - POWERGRID has initiated utilizing geographic information systems tools like Bhuvan on pilot basis for mapping its transmission assets, for route alignment during planning of new transmission lines and for disaster management studies.
18. Development of Indigenous vendors for 765kV Isolators and surge arrestors.
19. Development of indigenous 765 kV clamps, connectors and insulator string hardware.
20. Spare phase switching arrangement is being adopted for 765 kV transformers and reactors to minimize outage / shut down period
21. Implementation of smart grid technology in power system is being carried out through installation of phasor measurement units (PMU) on EHV substations in pan India basis integrated with control centres for Wide Area Measurements and real time monitoring of grid parameters.
22. Providing Smart Grid consultancy for nine (9) projects covering distribution infrastructure, advanced metering infrastructure, intelligent outage management, electric vehicle charging stations, power quality management, distributed generation, net metering etc.

Technology Absorption:

1. For route selection, length optimisation and estimation of BOQ for transmission lines, POWERGRID has employed modern Survey techniques.
2. Substation Automation with IEC 61850 protocol is being adopted for all new Substations of POWERGRID. This would result in savings in operational cost and increased operational and maintenance efficiency.
3. As a step towards National grid, 765kV AC Double circuit and ± 500 kV HVDC & ± 800 kV HVDC technology has been implemented in our country.
4. In special areas, compact towers like pole towers, delta configuration towers and narrow based towers which reduce the space occupied by the tower base, are being used. Also tall towers and multi-circuit towers are being used for conservation of scarce right-of-way.
5. Use of metallic return in HVDC system has been adopted.
6. Special insulators like polymer composite insulators have been adopted in transmission lines in polluted areas.
7. High temperature low sag conductors have been adopted for increasing the transfer capacity of transmission corridors.
8. GIS technology at 400kV and 765kV level has been adopted in substations where space constraints exist.
9. Multi-level beams have been used in GIS and AIS substations with multi-ckt. lines to optimize line corridor areas near substation.
10. On line transformer monitoring techniques are being used for monitoring of critical parameters of power transformers.
11. Dynamic compensation in the form of SVCs and STATCOMs are being implemented for dynamic control of reactive power in order to maintain the voltage and improve the stability of the grid. For controlling short circuit current in the system, fault current limiters have been planned in the Grid.

C. CONSERVATION OF LAND AND ENVIRONMENTAL CONCERNS

For the ground return mode of operation of HVDC Bipolar Transmission system, electrode stations are being used up to now, which require approx. 150 acre of land (75 acre for each terminal of Bipolar system) at electrode site. The land for these electrode stations have to be selected keeping in view that there are no metallic buried objects i.e. metallic oil and gas pipe line, metallic pipes, railway line, telephone lines using metallic wires, electrical operated water pump sets etc within a radius of about 8 to 10 km from the centre

of the proposed site of the earth electrode station. Since the inverter Terminal is generally located near the load centres, the cost of land acquisition is very high.

Further, the electrode line of the HVDC Terminal also requires its right of way which creates the constraint in land usage.

Therefore, for future ± 800 KV / ± 600 KV projects, the usage of third return conductor on the same tower carrying the line/ pole conductor, instead of having a ground electrode as return path has been adopted. Apart from eliminating the element of uncertainty about the proper functionality of the earth electrode station, the usage of third conductor as a return path will result in conservation of land required for conventional electrode station. It will avoid a separate electrode line and corresponding right of way related to the electrode line resulting in further land conservation.

POWERGRID is committed to the conservation of natural resources and has taken many initiatives in this regard. Land which has now become a scarce resource hence a plethora of issues arise during the land acquisition process for the construction of sub-stations. POWERGRID has substantially reduced the land requirement by utilizing new technology (e.g. Air Insulated Substation to Gas Insulated Substation). Now a days land acquisition is major issue with the enactment of New Land Acquisition Act. POWERGRID has taken a policy decision for direct purchase of land through a committee on willing buyer willing seller on market/negotiated rate to avoid public resistance and court intervention faced during land acquisition. Land for Padghe, Varanasi, Orai, Aligarh etc. have been purchased through above method.

POWERGRID is conscious of the fact that their projects are by and large environmental benign due to inherent flexibility available in routing the transmission lines as well as for setting up of sub stations. But understanding Environmental and Social Responsibilities, POWERGRID has always endeavored to protect the environment in areas of our activities right from planning to completion and subsequent operation of projects. POWERGRID commits itself to the goal of sustainable development which is reflected through our motto, "Reduce where you can and mitigate where you cannot", along with our well-defined Environmental and Social Policy and Procedures.

One of the most important concern presently faced by us is the accessibility of Right of Way for transmission lines. Various factors such as high population density, other on-going infrastructural developments as well as our duty for environmental preservation, limit the freedom of selecting a most optimum route devoid of RoW issues. In order to address such issue to the extent possible POWERGRID has adopted innovative tower design to reduce width of RoW and has also taken a policy decision to install only Double circuit (D/C) or Multi-Circuit towers in forest and other ecologically sensitive areas. Extensive utilization of extra high voltage like 765/800 kV that too on D/C lines having extended carrying capacity up to 6000 MW has also helped in conserving the precious natural resources and RoW.

FOREIGN EXCHANGE EARNINGS AND OUTGO

₹ in crore

Foreign Exchange Earnings		
(i)	Consultancy Fee	23.34
	Total	23.34
Foreign Exchange outgo		
(i)	Capital goods and Spare Parts	3,242.22
(ii)	Interest	546.03
(iii)	Others	163.31
	Total	3,951.56

For and on behalf of the Board of Directors



(I. S. Jha)

Chairman & Managing Director
DIN:00015615

Place: New Delhi
Date: 9th August, 2017

**ANNEXURE - IV-TO THE DIRECTORS' REPORT****COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWER GRID CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2017**

The preparation of financial statements of Power Grid Corporation of India Limited, for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 May 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Power Grid Corporation of India Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

**Sd/-
(Ritika Bhatia)**

**Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-III,
New Delhi**

Place : New Delhi
Date : 7th July, 2017

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF POWER GRID CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of consolidated financial statements of Power Grid Corporation of India Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with Section 129(4) of the Act is responsible for expressing opinion of the financial statements

under section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 May, 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of Power Grid Corporation of India Limited for the year ended 31 March 2017. We conducted a supplementary audit of the financial statements of Power Grid Corporation of India Limited but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities listed in Annexure I for the year ended on that date. Further, Sections 139(5) and 143(6)(b) of the Act are not applicable to Powerlinks Transmission Limited, Torrent Power Grid Limited, Jaypee Powergrid Limited and Parbati Koldam Transmission Company Limited being private entities and Power Transmission Company Nepal Limited being incorporated in Foreign country under the respective laws, for appointment of their statutory auditor or for conduct of supplementary audit. Accordingly, C&AG has neither appointed the statutory auditor nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

**Sd/-
(Ritika Bhatia)**

**Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-III,
New Delhi**

Place : New Delhi
Date : 7th July, 2017

List of subsidiaries, associate companies and jointly controlled entities whose financial statements were not audited by the Comptroller and Auditor General of India

A. Subsidiary Companies

1. Powergrid NM Transmission Limited
2. Powergrid Vemgiri Transmission Limited
3. Powergrid Vizag Transmission Limited
4. Powergrid Unchahar Transmission Limited
5. Powergrid Kala Amb Transmission Limited
6. Powergrid Jabalpur Transmission Limited
7. Powergrid Parli Transmission Limited
8. Powergrid Warora Transmission Limited
9. Powergrid Southern Interconnector Transmission System Limited
10. Grid Conductor Limited
11. Medinipur Jeerat Transmission Limited

B. Joint Ventures Incorporated in India

1. Bihar Grid Company Limited
2. Kalinga Vidyut Prasaran Nigam Private Limited
3. Cross Border Power Transmission Company Limited
4. RINL Powergrid TLT Private Limited
5. Teesta Valley Power Transmission Limited
6. National High Power Test Laboratory Private Limited
7. North East Transmission Company Limited



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

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

To,
The Members,
Power Grid Corporation of India Limited
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi - 110016

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

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not Applicable
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable
- (vi) As confirmed and certified by the management, following law is specifically applicable to the Company based on the Sectors /Businesses:
 - (a) The Electricity Act, 2003 and Rules and Regulations made there under.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India effective from 01.07.2015.
- (ii) The Uniform Listing Agreement entered into by the Company with National Stock Exchange of India Limited and BSE Limited as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. The Company has not complied with the provisions of Section 149 of the Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the appointment of requisite number of Independent Directors on the Board. Further, a separate meeting of Independent Directors of the Company as required under Schedule IV of the Companies Act, 2013 was not held during the year under review.
2. The Company has not complied with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to constitution of Audit Committee.
3. The Company has not complied with provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to constitution of Nomination and Remuneration Committee.
4. The Company has not filed certain e-forms relating to creation of charges with the office of the Registrar of Companies where the Permanent Account Number (PAN) of the lenders are not available, which is mandatory.

We further report that,

Subject to our observations at serial No. 1, 2 & 3 above, the Board of Directors of the Company is constituted of Executive Directors, Non-Executive Directors and Independent Directors with the exception of requisite number of Independent Directors on the Board of the company as on 31st March, 2017. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions are carried with the consent of all the Directors.

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

We further report that during the audit period i.e, Financial Year 2016-17, the Company has issued bonds of ₹13481 crore on Private Placement basis as per details mentioned below:

Sr. No.	Type of Bonds	Amount (₹in crore)
1	Secured, Non Cumulative, Redeemable, taxable POWERGRID Bond LIII Issue.	3996
2	Secured, Non Cumulative, Redeemable, taxable POWERGRID Bond LIV Issue.	3000
3	Secured, Non Cumulative, Redeemable, taxable POWERGRID Bond LV Issue.	1240
4	Secured, Non Cumulative, Redeemable, taxable POWERGRID Bond LVI Issue.	1065
5	Secured, Non Cumulative, Redeemable, taxable POWERGRID Bond LVII Issue.	2120
6	Secured, Non Cumulative, Redeemable, taxable POWERGRID Bond LVIII Issue.	2060

For Kumar Naresh Sinha & Associates

Company Secretaries

Sd/-

Naresh Kumar Sinha

Proprietor

Membership No.: FCS1807

Certificate of Practice No.: 14984

Date: 06-06-2017

Place: Noida

Note: This report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.



To,
The Members,
Power Grid Corporation of India Limited
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi - 110016

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

For Kumar Naresh Sinha & Associates

Company Secretaries

Sd/-

Naresh Kumar Sinha
Proprietor
Membership No.: FCS1807
Certificate of Practice No.: 14984
Date: 06-06-2017
Place: Noida

Observations of Secretarial Auditor and explanation by the Board thereon.

Observations	Explanation by Board
1. The Company has not complied with the provisions of Section 149 of the Companies Act 2013 read with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in respect of the appointment of requisite number of Independent Directors on the Board. Further, a separate meeting of Independent Directors of the Company as required under Schedule IV of the Companies Act, 2013 was not held during the year under review.	POWERGRID, being a Govt. Company within the meaning of Section 2 (45) of the Companies Act, 2013 (the Act), the power to appoint Directors vests with the President of India. Against the requirement of seven Independent Directors on POWERGRID's Board during the year, only three posts have been filled up- Shri Jagdish Ishwarbhai Patel on 17.11.2015 and Shri Tse Ten Dorji & Ms. Jyotika Kalra on 16.02.2017. Ms. Jyotika Kalra has resigned from the post of Independent Director w.e.f. 06.04.2017. Thus, the Company has not been able to comply with the provisions of Section 149, 177 & 178 of the Act and Regulations 17 & 18 of SEBI (Listing Obligations and Disclosure Requirements), as observed by the Secretarial Auditor. However, the Company was compliant w.r.t. constitution of 'Audit Committee' and 'Nomination & Remuneration Committee' during the period 29.03.2017 to 31.03.2017 in view of reconstitution of these committees on 29.03.2017. The matter has already been taken up with Administrative Ministry for filling up vacancies of Independent Director on the Board of POWERGRID.
2. The Company has not complied with the provisions of Section 177 of the Companies Act 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with respect to constitution of Audit Committee.	Since POWERGRID's Board had only one Independent Director during the year 2016, therefore, their meeting could not be convened.
3. The Company has not complied with the provisions of Section 178 of the Companies Act 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with respect to constitution of Nomination & Remuneration Committee.	
4. The Company has not filed certain e-forms relating to creation of charges with the office of the Registrar of Companies where the Permanent Account Number (PAN) of the Lenders are not available, which is mandatory	POWERGRID could not file certain e-forms relating to charges in MCA21, wherein the Lenders are Multilateral Agencies-World Bank, ADB and IFC for non-availability of PAN of these Agencies. PAN is a mandatory field under e-filing in MCA-21.

ANNEXURE - VI-TO THE DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L40101DL1989GOI038121
ii	Registration Date	23-Oct-89
iii	Name of the Company	POWER GRID CORPORATION OF INDIA LIMITED
iv	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES / UNION GOVERNMENT COMPANY
v	Address of the Registered office & contact details	B-9, QUTAB INSTITUTIONAL AREA, KATWARIA SARAI, NEW DELHI - 110 016. Tel: 011-26560112, 26560121, 26564812, 26564892 Fax: 011-26601081
vi	Whether listed company	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032. Tele: +91-40-67162222, Fax: +91-40-23420814, Tol free No. 1800-345-4001.

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Transmission	35107	95.87%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	POWERGRID Vemagiri Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40300DL2011GOI217975	Subsidiary	100	Section 2 (87)
2	POWERGRID NM Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40106DL2011GOI219542	Subsidiary	100	Section 2 (87)
3	POWERGRID Vizag Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40300DL2011GOI228136	Subsidiary	100	Section 2 (87)
4	POWERGRID Unchahar Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40300DL2012GOI246341	Subsidiary	100	Section 2 (87)
5	POWERGRID Kala Amb Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40106DL2013GOI256048	Subsidiary	100	Section 2 (87)

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
6	POWERGRID Jabalpur Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40300DL2014GOI270433	Subsidiary	100	Section 2 (87)
7	POWERGRID Warora Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40300DL2014GOI269918	Subsidiary	100	Section 2 (87)
8	POWERGRID Parli Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40109DL2014GOI269652	Subsidiary	100	Section 2 (87)
9	POWERGRID Southern Interconnector Transmission System Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40106DL2015GOI278746	Subsidiary	100	section 2 (87)
10	Grid Conductors Limited Regd. Office: 8 floor, 'A' Wing, Saudamini Plot. No. 2, Sector 29, Gurgaon-122001,Haryana	U31909HR2015GOI056647	Subsidiary	100	Section 2 (87)
11	POWERGRID Medinipur-Jeerat Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40300DL2016GOI290075	Subsidiary	100	Section 2 (87)
12	Powerlinks Transmission Ltd. 10 th Floor, DLF Tower A, District Center Jasola, New Delhi-110025	U40105DL2001PLC110714	Joint Venture	49	Section 2 (6)
13	Torrent Power Grid Ltd. Torrent House, Off Ashram Road, Ahmedabad-380009.	U40104GJ2005PLC046660	Joint Venture	26	Section 2 (6)
14	Jaypee Powergrid Ltd. `JA House`, 63 Basant Lok, Vasant Vihar, New Delhi 110057	U40101DL2006PLC154627	Joint Venture	26	Section 2 (6)
15	North East Transmission Company Ltd. House No. 051358, Daleshwar, Road No. 3, Post Office, Dhaleshwar, Agartala 794007	U40101TR2008PLC008249	Joint Venture	26	Section 2 (6)
16	Parbati Koldam Transmission Company Ltd. B-9, Qutab Institutional Area, katwaria Sarai, New Delhi-110016	U40108DL2002PLC116786	Joint Venture	26	Section 2 (6)
17	Teestavalley Power Transmission Ltd. 2 nd Floor,Vijaya Building7. Barakhamba Road, Cannaught Place, New Delhi-110001	U40109DL2006SGC151871	Joint Venture	26	Section 2 (6)
18	National High Power Test Laboratory Pvt. Ltd. Core-7, 1 st Floor, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003.	U73100DL2009PTC190541	Joint Venture	20	Section 2 (6)
19	Bihar Grid Company Ltd. 2 nd Floor, Boring Road, Alankar Place, Patna, Bihar 800001	U40100BR2013PLC019722	Joint Venture	50	Section 2 (6)

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
20	Kalinga Bidyut Prasaran Nigam Private Ltd. Plot No 2, Shaheed Nagar, Bhubaneswar, 751007	U40102OR2012PTC016411	Joint Venture	50	Section 2 (6)
21	Cross Border Power Transmission Company Ltd. C/O IL&FS Securities Services Ltd., 10, Community Center, 2 nd Floor, East of Kailash, New Delhi - 110 065	U40102DL2006PLC156738	Joint Venture	26	Section 2 (6)
22	RINL POWERGRID TLT Private Ltd. (RPTPL) Room No.31, 'B' Block, Project Office, Visakhapatnam Steel Plant, Visakhapatnam-530031, Andhra Pradesh, India	U28121AP2015PTC097211	Joint Venture	50	Section 2 (6)
23	Power Transmission Company Nepal Ltd. c/o Nepal Electricity Authority, Durbar Marg, Kathmandu, Nepal	-	Joint Venture	26	Section 2 (6)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2016				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2017				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/State Government(s)	3028835198	0	3028835198	57.90	3028835198	0	3028835198	57.90	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	3028835198	0	3028835198	57.90	3028835198	0	3028835198	57.90	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	3028835198	0	3028835198	57.90	3028835198	0	3028835198	57.90	0.00
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	249258323	0	249258323	4.76	276186229	0	276186229	5.28	0.51
(b)	Financial Institutions /Banks	41222176	0	41222176	0.79	37664995	0	37664995	0.72	-0.07
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	144088169	0	144088169	2.75	131716517	0	131716517	2.52	-0.24
(f)	Foreign Institutional Investors	1374862451	0	1374862451	26.28	1389716715	0	1389716715	26.56	0.28

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2016				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2017				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	1809431119	0	1809431119	34.59	1835284456	0	1835284456	35.08	0.49
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	185247255	0	185247255	3.54	161403440	0	161403440	3.09	-0.46
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹.1 lakh	162306620	35059	162341679	3.10	152771059	33612	152804671	2.92	-0.18
	(ii) Individuals holding nominal share capital in excess of ₹.1 lakh	11737618	10500	11748118	0.22	13345899	10500	13356399	0.26	0.03
(c)	Others									
	CLEARING MEMBERS	2547387	0	2547387	0.05	5712753	0	5712753	0.11	0.06
	FOREIGN BODIES	11123476	0	11123476	0.21	8342607	0	8342607	0.16	-0.05
	NBFC	1484274	0	1484274	0.03	526296	0	526296	0.01	-0.02
	NON RESIDENT INDIANS	3403231	0	3403231	0.07	2608653	0	2608653	0.05	-0.02
	NRI NON-REPATRIATION	0	0	0	0.00	1322483	0	1322483	0.03	0.03
	TRUSTS	15427911	0	15427911	0.29	21392692	0	21392692	0.41	0.11
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	393277772	45559	393323331	7.52	367425882	44112	367469994	7.02	-0.49
	Total B=B(1)+B(2) :	2202708891	45559	2202754450	42.10	2202710338	44112	2202754450	42.10	0.00
	Total (A+B) :	5231544089	45559	5231589648	100.00	5231545536	44112	5231589648	100.00	0.00
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	5231544089	45559	5231589648	100.00	5231545536	44112	5231589648	100.00	

(ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2016			Shareholding at the end of the year 31/03/2017			% change in share holding during the year
		NO. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	PRESIDENT OF INDIA	2927565398	55.9593851	0	2927565398	55.9593851	0	0
2	PRESIDENT OF INDIA	101269800	1.935736685	0	101269800	1.935736685	0	0
	Total	3028835198	57.89512178	0	3028835198	57.89512178	0	0

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the year 01/04/2016		Cumulative Share holding during the year 31/03/2017	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NO CHANGES			
	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 AND 31/03/2017									
Sl. No.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Opening Balance	EUROPACIFIC GROWTH FUND	201847722	3.86	31/03/2016			201847722	3.86
	Sale				08/04/2016	-1287067	Transfer	200560655	3.83
	Sale				15/04/2016	-2567219	Transfer	197993436	3.78
	Sale				22/04/2016	-1005770	Transfer	196987666	3.77
	Sale				09/12/2016	-3640993	Transfer	193346673	3.70
	Sale				16/12/2016	-1149222	Transfer	192197451	3.67
	Sale				23/12/2016	-249785	Transfer	191947666	3.67
	Closing Balance				31/03/2017			191947666	3.67
2	Opening Balance	LIFE INSURANCE CORPORATION OF INDIA	169473294	3.24	31/03/2016			169473294	3.24
	Sale				08/04/2016	-4657417	Transfer	164815877	3.15
	Sale				15/04/2016	-5981051	Transfer	158834826	3.04
	Sale				22/04/2016	-1569252	Transfer	157265574	3.01
	Sale				20/05/2016	-258907	Transfer	157006667	3.00
	Sale				27/05/2016	-400000	Transfer	156606667	2.99
	Sale				03/06/2016	-100000	Transfer	156506667	2.99
	Sale				10/06/2016	-83000	Transfer	156423667	2.99
	Sale				17/06/2016	-170000	Transfer	156253667	2.99
	Sale				24/06/2016	-45000	Transfer	156208667	2.99
	Sale				30/06/2016	-30000	Transfer	156178667	2.99
	Sale				01/07/2016	-25000	Transfer	156153667	2.98
	Sale				08/07/2016	-40000	Transfer	156113667	2.98
	Sale				15/07/2016	-10000	Transfer	156103667	2.98
	Sale				29/07/2016	-100000	Transfer	156003667	2.98

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 AND 31/03/2017									
Sl. No.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
	Sale				05/08/2016	-600000	Transfer	155403667	2.97
	Sale				19/08/2016	-33946	Transfer	155369721	2.97
	Sale				26/08/2016	-346004	Transfer	155023717	2.96
	Sale				02/09/2016	-235000	Transfer	154788717	2.96
	Sale				09/09/2016	-60000	Transfer	154728717	2.96
	Sale				30/09/2016	-25709	Transfer	154703008	2.96
	Sale				07/10/2016	-300000	Transfer	154403008	2.95
	Sale				14/10/2016	-200000	Transfer	154203008	2.95
	Sale				21/10/2016	-359566	Transfer	153843442	2.94
	Sale				28/10/2016	-150000	Transfer	153693442	2.94
	Purchase				11/11/2016	680000	Transfer	154373442	2.95
	Sale				02/12/2016	-610400	Transfer	153763042	2.94
	Sale				09/12/2016	-1095700	Transfer	152667342	2.92
	Sale				16/12/2016	-900000	Transfer	151767342	2.90
	Sale				23/12/2016	-450000	Transfer	151317342	2.89
	Sale				30/12/2016	-1000	Transfer	151316342	2.89
	Sale				06/01/2017	-5000	Transfer	151311342	2.89
	Sale				13/01/2017	-18190	Transfer	151293152	2.89
	Closing Balance				31/03/2017			151293152	2.89
3	Opening Balance	ICICI PRUDENTIAL CAPITAL PROTECTION ORIENTED FUND	118596500	2.27	31/03/2016			118596500	2.27
	Purchase				08/04/2016	1096	Transfer	118597596	2.27
	Sale				08/04/2016	-10366	Transfer	118587230	2.27
	Purchase				15/04/2016	40000	Transfer	118627230	2.27
	Sale				15/04/2016	-262680	Transfer	118364550	2.26
	Purchase				22/04/2016	4572331	Transfer	122936881	2.35

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 AND 31/03/2017									
Sl. No.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
	Sale				22/04/2016	-5175435	Transfer	117761446	2.25
	Purchase				29/04/2016	834569	Transfer	118596015	2.27
	Purchase				06/05/2016	772164	Transfer	119368179	2.28
	Sale				06/05/2016	-9241	Transfer	119358938	2.28
	Purchase				13/05/2016	11072762	Transfer	130431700	2.49
	Sale				13/05/2016	-11742701	Transfer	118688999	2.27
	Purchase				20/05/2016	1280161	Transfer	119969160	2.29
	Sale				20/05/2016	-1812	Transfer	119967348	2.29
	Purchase				27/05/2016	3882	Transfer	119971230	2.29
	Sale				27/05/2016	-3624	Transfer	119967606	2.29
	Purchase				03/06/2016	936302	Transfer	120903908	2.31
	Sale				03/06/2016	-1528087	Transfer	119375821	2.28
	Purchase				10/06/2016	268604	Transfer	119644425	2.29
	Sale				10/06/2016	-980100	Transfer	118664325	2.27
	Purchase				17/06/2016	4240	Transfer	118668565	2.27
	Sale				17/06/2016	-1042059	Transfer	117626506	2.25
	Purchase				24/06/2016	136991	Transfer	117763497	2.25
	Sale				24/06/2016	-287816	Transfer	117475681	2.25
	Purchase				30/06/2016	81106	Transfer	117556787	2.25
	Sale				01/07/2016	-1212	Transfer	117555575	2.25
	Purchase				08/07/2016	1572	Transfer	117557147	2.25
	Sale				08/07/2016	-2642721	Transfer	114914426	2.20
	Sale				15/07/2016	-4124572	Transfer	110789854	2.12
	Purchase				22/07/2016	5769	Transfer	110795623	2.12
	Sale				22/07/2016	-105922	Transfer	110689701	2.12
	Purchase				29/07/2016	2432	Transfer	110692133	2.12

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 AND 31/03/2017

Sl. No.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
	Sale				29/07/2016	-6696648	Transfer	103995485	1.99
	Purchase				05/08/2016	1916864	Transfer	105912349	2.02
	Sale				05/08/2016	-1836371	Transfer	104075978	1.99
	Purchase				12/08/2016	400000	Transfer	104475978	2.00
	Sale				12/08/2016	-2154590	Transfer	102321388	1.96
	Purchase				19/08/2016	1824	Transfer	102323212	1.96
	Purchase				26/08/2016	8512	Transfer	102331724	1.96
	Sale				26/08/2016	-4862793	Transfer	97468931	1.86
	Purchase				02/09/2016	2102037	Transfer	99570968	1.90
	Sale				02/09/2016	-901920	Transfer	98669048	1.89
	Sale				09/09/2016	-894066	Transfer	97774982	1.87
	Purchase				16/09/2016	4848	Transfer	97779830	1.87
	Sale				16/09/2016	-863431	Transfer	96916399	1.85
	Purchase				23/09/2016	2462	Transfer	96918861	1.85
	Sale				23/09/2016	-890390	Transfer	96028471	1.84
	Purchase				30/09/2016	303	Transfer	96028774	1.84
	Sale				30/09/2016	-1930206	Transfer	94098568	1.80
	Purchase				07/10/2016	17710	Transfer	94116278	1.80
	Sale				07/10/2016	-2816814	Transfer	91299464	1.75
	Purchase				14/10/2016	11756	Transfer	91311220	1.75
	Sale				14/10/2016	-381725	Transfer	90929495	1.74
	Purchase				21/10/2016	392545	Transfer	91322040	1.75
	Sale				21/10/2016	-2700653	Transfer	88621387	1.69
	Purchase				28/10/2016	1034568	Transfer	89655955	1.71
	Sale				28/10/2016	-839432	Transfer	88816523	1.70
	Purchase				04/11/2016	580567	Transfer	89397090	1.71

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 AND 31/03/2017									
Sl. No.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
	Sale				04/11/2016	-2064379	Transfer	87332711	1.67
	Purchase				11/11/2016	302375	Transfer	87635086	1.68
	Sale				11/11/2016	-1509090	Transfer	86125996	1.65
	Purchase				18/11/2016	14431	Transfer	86140427	1.65
	Sale				18/11/2016	-468369	Transfer	85672058	1.64
	Purchase				25/11/2016	463421	Transfer	86135479	1.65
	Sale				25/11/2016	-3391758	Transfer	82743721	1.58
	Purchase				02/12/2016	7399	Transfer	82751120	1.58
	Sale				02/12/2016	-542809	Transfer	82208311	1.57
	Purchase				09/12/2016	535606	Transfer	82743917	1.58
	Sale				09/12/2016	-772183	Transfer	81971734	1.57
	Purchase				16/12/2016	3636	Transfer	81975370	1.57
	Sale				16/12/2016	-131017	Transfer	818444353	1.56
	Purchase				23/12/2016	9406	Transfer	81853759	1.56
	Purchase				30/12/2016	4848	Transfer	81858607	1.56
	Sale				30/12/2016	-3980000	Transfer	77878607	1.49
	Purchase				06/01/2017	436729	Transfer	78315336	1.50
	Sale				06/01/2017	-1509725	Transfer	76805611	1.47
	Purchase				13/01/2017	2004545	Transfer	78810156	1.51
	Sale				13/01/2017	-1738946	Transfer	77071210	1.47
	Purchase				20/01/2017	12992	Transfer	77084202	1.47
	Sale				20/01/2017	-3637013	Transfer	73447189	1.40
	Purchase				27/01/2017	7538	Transfer	73454727	1.40
	Sale				27/01/2017	-250423	Transfer	73204304	1.40
	Purchase				03/02/2017	300000	Transfer	73504304	1.41
	Sale				03/02/2017	-1206302	Transfer	72298002	1.38

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 AND 31/03/2017

Sl. No.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
	Purchase				10/02/2017	4242	Transfer	72302244	1.38
	Sale				10/02/2017	-1108421	Transfer	71193823	1.36
	Purchase				17/02/2017	22760	Transfer	71216583	1.36
	Sale				17/02/2017	-635961	Transfer	70580622	1.35
	Purchase				24/02/2017	14847	Transfer	70595469	1.35
	Sale				24/02/2017	-229	Transfer	70595240	1.35
	Purchase				03/03/2017	2149300	Transfer	72744540	1.39
	Sale				03/03/2017	-13271	Transfer	72731269	1.39
	Purchase				10/03/2017	3163018	Transfer	75894287	1.45
	Sale				10/03/2017	-4161	Transfer	75890126	1.45
	Purchase				17/03/2017	1256430	Transfer	77146556	1.47
	Sale				17/03/2017	-149028	Transfer	76997528	1.47
	Purchase				24/03/2017	16001573	Transfer	92999101	1.78
	Sale				24/03/2017	-15518781	Transfer	77480320	1.48
	Purchase				31/03/2017	395259	Transfer	77875579	1.49
	Closing Balance				31/03/2017			77875579	1.49
4	Opening Balance	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	88005551	1.68	31/03/2016			88005551	1.68
	Purchase				08/04/2016	100162	Transfer	88105713	1.68
	Purchase				15/04/2016	187309	Transfer	88293022	1.69
	Purchase				22/04/2016	24152	Transfer	88317174	1.69
	Sale				29/04/2016	-1961139	Transfer	86356035	1.65
	Purchase				06/05/2016	262165	Transfer	86618200	1.66
	Sale				13/05/2016	-333525	Transfer	86284675	1.65
	Sale				20/05/2016	-280402	Transfer	86004273	1.64
	Sale				27/05/2016	-2121540	Transfer	83882733	1.60

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 AND 31/03/2017									
Sl. No.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
	Sale				03/06/2016	-180122	Transfer	83702611	1.60
	Purchase				10/06/2016	282001	Transfer	83984612	1.61
	Sale				17/06/2016	-7210	Transfer	83977402	1.61
	Purchase				24/06/2016	168324	Transfer	84145726	1.61
	Sale				24/06/2016	-50000	Transfer	84095726	1.61
	Sale				30/06/2016	-2657481	Transfer	81438245	1.56
	Sale				01/07/2016	-1303929	Transfer	80134316	1.53
	Sale				08/07/2016	-258979	Transfer	79875337	1.53
	Sale				15/07/2016	-407236	Transfer	79468101	1.52
	Sale				22/07/2016	-4592	Transfer	79463509	1.52
	Sale				29/07/2016	-1172700	Transfer	78290809	1.50
	Sale				05/08/2016	-199172	Transfer	78091637	1.49
	Purchase				12/08/2016	105077	Transfer	78196714	1.49
	Purchase				19/08/2016	174809	Transfer	78371523	1.50
	Sale				26/08/2016	-1818552	Transfer	76552971	1.46
	Purchase				02/09/2016	963085	Transfer	77516056	1.48
	Purchase				09/09/2016	979515	Transfer	78495571	1.50
	Sale				16/09/2016	-442898	Transfer	78052673	1.49
	Sale				23/09/2016	-1253695	Transfer	76798978	1.47
	Purchase				30/09/2016	28314	Transfer	76827292	1.47
	Sale				07/10/2016	-136018	Transfer	76691274	1.47
	Purchase				14/10/2016	183078	Transfer	76874352	1.47
	Purchase				21/10/2016	549264	Transfer	77423616	1.48
	Sale				28/10/2016	-70099	Transfer	77353517	1.48
	Purchase				04/11/2016	10643	Transfer	77364160	1.48
	Sale				11/11/2016	-2122233	Transfer	75241927	1.44

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 AND 31/03/2017									
Sl. No.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
	Purchase				18/11/2016	157809	Transfer	75399736	1.44
	Purchase				25/11/2016	155436	Transfer	75555172	1.44
	Purchase				02/12/2016	149459	Transfer	75704631	1.45
	Purchase				09/12/2016	604	Transfer	75705235	1.45
	Purchase				16/12/2016	85	Transfer	75705320	1.45
	Purchase				23/12/2016	40485	Transfer	75745805	1.45
	Purchase				30/12/2016	74053	Transfer	75819858	1.45
	Sale				06/01/2017	-9203	Transfer	75810655	1.45
	Purchase				13/01/2017	135978	Transfer	75946633	1.45
	Sale				20/01/2017	-2435197	Transfer	73511436	1.41
	Sale				27/01/2017	-1309001	Transfer	72202435	1.38
	Sale				03/02/2017	-339277	Transfer	71863158	1.37
	Purchase				10/02/2017	98453	Transfer	71961611	1.38
	Purchase				17/02/2017	72153453	Transfer	144115064	2.75
	Sale				17/02/2017	-71961611	Transfer	72153453	1.38
	Purchase				24/02/2017	212517	Transfer	72365970	1.38
	Purchase				03/03/2017	147069	Transfer	72513039	1.39
	Purchase				10/03/2017	89143	Transfer	72602182	1.39
	Sale				17/03/2017	-5722	Transfer	72596460	1.39
	Purchase				24/03/2017	142570	Transfer	72739030	1.39
	Sale				31/03/2017	-180586	Transfer	72558444	1.39
	Closing Balance				31/03/2017			72558444	1.39
5	Opening Balance	COMGEST GROWTH PLC - COMGEST GROWTH EMERGING MARKE	74281497	1.42	31/03/2016			74281497	1.42
	Purchase				22/04/2016	274000	Transfer	74555497	1.43
	Sale				19/08/2016	-2424359	Transfer	72131138	1.38

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 AND 31/03/2017									
Sl. No.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
	Sale				26/08/2016	-2027048	Transfer	70104090	1.34
	Purchase				21/10/2016	1060992	Transfer	71165082	1.36
	Sale				25/11/2016	-3152894	Transfer	68012188	1.30
	Sale				02/12/2016	-4578044	Transfer	63434144	1.21
	Closing Balance				31/03/2017			63434144	1.21
6	Opening Balance	NEW WORLD FUND INC	66671261	1.27	31/03/2016			66671261	1.27
	Sale				08/04/2016	-1378895	Transfer	65292366	1.25
	Sale				15/04/2016	-2750381	Transfer	62541985	1.20
	Sale				22/04/2016	-1329914	Transfer	61212071	1.17
	Sale				29/04/2016	-2407721	Transfer	58804350	1.12
	Sale				13/01/2017	-7952000	Transfer	50852350	0.97
	Sale				20/01/2017	-4682000	Transfer	46170350	0.88
	Closing Balance				31/03/2017			46170350	0.88
7	Opening Balance	CAPITAL WORLD GROWTH AND INCOME FUND	64038000	1.22	31/03/2016			64038000	1.22
	Closing Balance				31/03/2017			64038000	1.22
8	Opening Balance	MAGELLAN	60267770	1.15	31/03/2016			60267770	1.15
	Sale				12/08/2016	-1273616	Transfer	58994154	1.13
	Sale				19/08/2016	-2336576	Transfer	56657578	1.08
	Sale				26/08/2016	-1953655	Transfer	54703923	1.05
	Sale				14/10/2016	-1060992	Transfer	53642931	1.03
	Sale				25/11/2016	-2289666	Transfer	51353265	0.98
	Sale				02/12/2016	-4008536	Transfer	47344729	0.90
	Closing Balance				31/03/2017			47344729	0.90

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 AND 31/03/2017									
Sl. No.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
9	Opening Balance	AMERICAN FUNDS INSURANCE SERIES INTERNATIONAL FUND	54907097	1.05	31/03/2016			54907097	1.05
	Sale				08/04/2016	-1348654	Transfer	53558443	1.02
	Sale				15/04/2016	-2690060	Transfer	50868383	0.97
	Sale				22/04/2016	-1365710	Transfer	49502673	0.95
	Sale				29/04/2016	-2974633	Transfer	46528040	0.89
	Sale				09/09/2016	-579669	Transfer	45948371	0.88
	Sale				16/09/2016	-417065	Transfer	45531306	0.87
	Sale				30/09/2016	-600000	Transfer	44931306	0.86
	Sale				07/10/2016	-190266	Transfer	44741040	0.86
	Sale				11/11/2016	-4520000	Transfer	40221040	0.77
	Sale				09/12/2016	-3412588	Transfer	36808452	0.70
	Sale				16/12/2016	-1077131	Transfer	35731321	0.68
	Sale				23/12/2016	-234115	Transfer	35497206	0.68
	Closing Balance				31/03/2017			35497206	0.68
10	Opening Balance	HDFC TRUSTEE CO LTD A/C HDFC DUAL ADVANTAGE FUND-I	53023991	1.01	31/03/2016			53023991	1.01
	Purchase				08/04/2016	68345	Transfer	53092336	1.01
	Purchase				29/04/2016	100790	Transfer	53193126	1.02
	Sale				29/04/2016	-151	Transfer	53192975	1.02
	Purchase				06/05/2016	32771	Transfer	53225746	1.02
	Purchase				13/05/2016	496584	Transfer	53722330	1.03
	Purchase				20/05/2016	14472	Transfer	53736802	1.03
	Sale				27/05/2016	-597	Transfer	53736205	1.03
	Purchase				03/06/2016	176240	Transfer	53912445	1.03
	Purchase				10/06/2016	4000	Transfer	53916445	1.03

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 AND 31/03/2017									
Sl. No.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
	Purchase				17/06/2016	685	Transfer	53917130	1.03
	Sale				17/06/2016	-74815	Transfer	53842315	1.03
	Purchase				24/06/2016	170935	Transfer	54013250	1.03
	Purchase				30/06/2016	38659	Transfer	54051909	1.03
	Purchase				08/07/2016	670	Transfer	54052579	1.03
	Sale				08/07/2016	-576	Transfer	54052003	1.03
	Purchase				15/07/2016	241	Transfer	54052244	1.03
	Sale				15/07/2016	-3159	Transfer	54049085	1.03
	Purchase				22/07/2016	385000	Transfer	54434085	1.04
	Sale				22/07/2016	-20636	Transfer	54413449	1.04
	Purchase				29/07/2016	1278000	Transfer	55691449	1.06
	Sale				29/07/2016	-1624344	Transfer	54067105	1.03
	Purchase				05/08/2016	2315484	Transfer	56382589	1.08
	Sale				05/08/2016	-310000	Transfer	56072589	1.07
	Purchase				12/08/2016	2475	Transfer	56075064	1.07
	Sale				12/08/2016	-475	Transfer	56074589	1.07
	Purchase				19/08/2016	500000	Transfer	56574589	1.08
	Sale				19/08/2016	-430	Transfer	56574159	1.08
	Purchase				26/08/2016	534000	Transfer	57108159	1.09
	Sale				26/08/2016	-388	Transfer	57107771	1.09
	Purchase				02/09/2016	842905	Transfer	57950676	1.11
	Sale				02/09/2016	-48525	Transfer	57902151	1.11
	Purchase				09/09/2016	35	Transfer	57902186	1.11

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 AND 31/03/2017									
Sl. No.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
	Sale				09/09/2016	-17334	Transfer	57884852	1.11
	Purchase				16/09/2016	10541	Transfer	57895393	1.11
	Sale				16/09/2016	-643	Transfer	57894750	1.11
	Purchase				23/09/2016	106966	Transfer	58001716	1.11
	Purchase				30/09/2016	48740	Transfer	58050456	1.11
	Sale				30/09/2016	-1639	Transfer	58048817	1.11
	Purchase				07/10/2016	69126	Transfer	58117943	1.11
	Sale				07/10/2016	-120092	Transfer	57997851	1.11
	Purchase				14/10/2016	500343	Transfer	58498194	1.12
	Sale				14/10/2016	-48130	Transfer	58450064	1.12
	Purchase				21/10/2016	1050587	Transfer	59500651	1.14
	Purchase				28/10/2016	5046	Transfer	59505697	1.14
	Purchase				04/11/2016	601406	Transfer	60107103	1.15
	Sale				04/11/2016	-5511	Transfer	60101592	1.15
	Purchase				11/11/2016	12426	Transfer	60114018	1.15
	Purchase				18/11/2016	7590	Transfer	60121608	1.15
	Purchase				25/11/2016	11171	Transfer	60132779	1.15
	Purchase				02/12/2016	387499	Transfer	60520278	1.16
	Sale				02/12/2016	-300	Transfer	60519978	1.16
	Purchase				09/12/2016	3401948	Transfer	63921926	1.22
	Purchase				16/12/2016	6634	Transfer	63928560	1.22
	Sale				16/12/2016	-25182	Transfer	63903378	1.22
	Purchase				23/12/2016	1001092	Transfer	64904470	1.24
	Purchase				30/12/2016	205908	Transfer	65110378	1.24
	Purchase				06/01/2017	1268211	Transfer	66378589	1.27
	Sale				06/01/2017	-472000	Transfer	65906589	1.26

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2016 AND 31/03/2017									
Sl. No.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
	Purchase				13/01/2017	118424	Transfer	66025013	1.26
	Sale				13/01/2017	-232452	Transfer	65792561	1.26
	Purchase				20/01/2017	527	Transfer	65793088	1.26
	Sale				20/01/2017	-28548	Transfer	65764540	1.26
	Purchase				27/01/2017	1311	Transfer	65765851	1.26
	Sale				27/01/2017	-95000	Transfer	65670851	1.26
	Sale				03/02/2017	-31665	Transfer	65639186	1.25
	Purchase				10/02/2017	204242	Transfer	65843428	1.26
	Sale				10/02/2017	-929	Transfer	65842499	1.26
	Purchase				17/02/2017	3035	Transfer	65845534	1.26
	Sale				17/02/2017	-212	Transfer	65845322	1.26
	Purchase				24/02/2017	1398	Transfer	65846720	1.26
	Sale				24/02/2017	-168	Transfer	65846552	1.26
	Purchase				03/03/2017	1896561	Transfer	67743113	1.29
	Sale				03/03/2017	-46119	Transfer	67696994	1.29
	Purchase				10/03/2017	136978	Transfer	67833972	1.30
	Sale				10/03/2017	-135125	Transfer	67698847	1.29
	Purchase				17/03/2017	1868115	Transfer	69566962	1.33
	Sale				17/03/2017	-581	Transfer	69566381	1.33
	Purchase				24/03/2017	213680	Transfer	69780061	1.33
	Sale				24/03/2017	-6458	Transfer	69773603	1.33
	Purchase				31/03/2017	470818	Transfer	70244421	1.34
	Sale				31/03/2017	-411	Transfer	70244010	1.34
	Closing Balance				31/03/2017			70244010	1.34

(v) Shareholding of Directors & KMP
1. Shri I.S. Jha, Director (Chairman & Managing Director)

	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
For Each of the Directors & KMP				
At the beginning of the year 01/04/2016	2,998	0	2,998	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2017	2,998	0	2,998	0

2. Shri K. Sreekant, Director (Finance) (w.e.f. 01/09/2016)

	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
For Each of the Directors & KMP				
At the beginning of the year 01/04/2016	1,029	0	1,029	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2017	1,029	0	1,029	0

3. Shri Ravi P. Singh, Director (Personnel)

	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
For Each of the Directors & KMP				
At the beginning of the year 01/04/2016	9,016	0	9,016	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2017	9,016	0	9,016	0

4. Shri R. P. Sasmal, Director (Operations)

	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
For Each of the Directors & KMP				
At the beginning of the year 01/04/2016	1,798	0	1,798	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2017	1,798	0	1,798	0

5. Shri Prabhakar Singh, Director (Projects) (w.e.f. 08/02/2017)

	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
For Each of the Directors & KMP				
At the beginning of the year 01/04/2016	2,526	0	2,526	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2017	2,526	0	2,526	0

6. Dr. Pradeep Kumar, Govt. Director

	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
For Each of the Directors & KMP				
At the beginning of the year 01/04/2016	0	0	0	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2017	0	0	0	0

7. Smt. Jyoti Arora, Govt. Director

	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
For Each of the Directors & KMP				
At the beginning of the year 01/04/2016	0	0	0	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2017	0	0	0	0

8. Shri Jagdish I. Patel, Independent Director

	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
For Each of the Directors & KMP				
At the beginning of the year 01/04/2016	0	0	0	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2017	0	0	0	0

9. Shri Tse Ten Dorji, Independent Director (w.e.f. 16/02/2017)

	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
For Each of the Directors & KMP				
At the beginning of the year 01/04/2016	0	0	0	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2017	0	0	0	0

10. Ms. Jyotika Kalra, Independent Director (w.e.f. 16/02/2017)

	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
For Each of the Directors & KMP				
At the beginning of the year 01/04/2016	0	0	0	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2017	0	0	0	0

11. Smt. Divya Tandon, Company Secretary

	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
For Each of the Directors & KMP				
At the beginning of the year 01/04/2016	15,337	0	15,337	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2017	15,337	0	15,337	0

12. Shri R. T. Agarwal, Director (Finance) (superannuated on 31/08/2016)

For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year 01/04/2016	3,056	0	3,056	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2017	3,056	0	3,056	0

V. INDEBTEDNESS (As on 31.03.2017)

Indebtedness of the Company including interest outstanding/accrued but not due for payment					
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtedness at the beginning of the financial year			N/A		
i) Principal Amount	99,926.67	8,328.24			1,08,254.91
ii) Interest due but not paid					
iii) Interest accrued but not due	2636.71	32.49			2,669.20
Total (i+ii+iii)					
Change in Indebtedness during the financial year					
Additions	16,528.24	2,814.61			19,342.85
Reduction	5,826.34	2,265.90			8,092.24
Net Change					
Indebtedness at the end of the financial year					
i) Principal Amount	1,10,169.27	8,528.64			1,18,697.91
ii) Interest due but not paid					
iii) Interest accrued but not due	3136.57	34.26			3,170.83
Total (i+ii+iii)	1,13,305.84	8,562.90			1,21,868.74

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (2016-17)
A. Remuneration to Managing Director, Whole Time Director and/or Manager:

Sl. No.	Particulars of Remuneration	Shri I. S. Jha, CMD	Shri K. Sreekant, Director (Finance) & CFO (w.e.f. 31.08.2016)	Shri Ravi P. Singh, Director (Personnel)	Shri R. P. Sasmal, Director (Operations)	Shri Prabhakar Singh Director (Projects) (w.e.f. 08.02.2017)	Shri R. T. Agarwal, Director (Finance) (Ceased w.e.f. 31.08.2016)	Total Amount
1	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	4753687.15	1569189.15	4685448.22	4894503.37	783601.17	3740486.97	20426916.03
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	849817.44	242580.41	805888.11	799580.29	78424.17	548335	3324625.42
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0	0	0	0
2	Stock option	0	0	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0	0	0
4	Commission	0	0	0	0	0	0	0
	as % of profit	0	0	0	0	0	0	0
	others (specify)	0	0	0	0	0	0	0
5	Others, please specify	0	0	0	0	0	0	0
	Total (A)	5603504.59	1811769.56	5491336.33	5694083.66	862025.34	4288821.97	23751541.45
	Ceiling as per the Act							

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of the Directors				Total Amount
1	Independent Directors	Shri J.I.Patel	Shri Tse Ten Dorji (w.e.f. 16.02.2017)	Ms. Jyotika Kalra (w.e.f. 16.02.2017)		
	(a) Fee for attending board committee meetings	580000	20000	40000	640000	
	(b) Commission	0	0	0	0	0
	(c) Others, please specify	0	0	0	0	0
	Total (1)	580000	20000	40000	640000	
2	Other Non Executive Directors					
	(a) Fee for attending board committee meetings	0	0	0	0	0
	(b) Commission	0	0	0	0	0
	(c) Others, please specify.	0	0	0	0	0
	Total (2)	0	0	0	0	0
	Total (B) = (1+2)	580000	20000	40000	640000	
	Total Managerial Remuneration	580000	20000	40000	640000	
	Overall Cieling as per the Act.	₹. 100,000/- per Board Meting or Committee Meeting				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/ WTD (2016-17)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0.00	3322944.34	0.00	3322944.34
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.00	125112.52	0.00	125112.52
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00	0.00
	as % of profit	0.00	0.00	0.00	0.00
	others, specify	0.00	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00	0.00
	Total	0.00	3448056.86	0.00	3448056.86

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES
NOT APPLICABLE**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance.

1. THE COMPANY'S GOVERNANCE PHILOSOPHY:

Corporate Governance is about promoting corporate fairness, transparency and accountability in the best interest of various stakeholders in a Company. It is a system by which business corporations are directed and controlled. Power Grid Corporation of India (POWERGRID or the Company) believes that good governance should entail trusteeship, empowerment and accountability of the management while remaining proactive to the Government policies. POWERGRID's Governance process is focused towards its Vision of "World Class, Integrated, Global Transmission Company with Dominant Leadership in Emerging Power Markets Ensuring Reliability, Safety and Economy" and its mission i.e. "We will become a Global Transmission Company with Dominant Leadership in Emerging Power Markets with World Class Capabilities by:

1. Setting superior standards in capital project management and operations for the industry and ourselves.
2. Leveraging capabilities to consistently generate maximum value for all stakeholders in India and in emerging and growing economies.
3. Inspiring, nurturing and empowering the next generation of professionals.
4. Achieving continuous improvements through innovation and state-of-the-art technology.
5. Committing to highest standards in health, safety, security and environment.

The Corporate Governance of POWERGRID is geared by the following:

- (i) To meet the short term, medium term & long term objectives and specific targets every year set by the Government of India and by the Board, by empowering people at the most appropriate levels keeping the job profile/functions in view.
- (ii) To respond to the challenges and the emerging opportunities and to play a pivotal role in the economic development of the country.

The corporate governance structure specifies the distribution of rights, responsibilities and powers among different participants in the corporation. All strategic decisions regarding investment, diversification, major decisions regarding procurement, commercial and finance are implemented after approval by the Board.

POWERGRID is a "NAVRATNA PSE" since May 2008. The NAVRATNA status has provided the Company more flexibility and autonomy in terms of making investments and operational decisions. The Board of Directors of POWERGRID has been delegated the powers to approval capital schemes, incur capital expenditure on purchase of new items or for replacement without any monetary ceiling. The ceiling on equity investment to establish joint ventures and wholly owned subsidiaries in India or abroad is 15% of the net worth of POWERGRID. However, in one project the ceiling on equity investment is limited to ₹1000 crore. The overall ceiling on such investment in all projects put together is 30% of the net worth of POWERGRID.

The Board of Directors comprises Chairman and Managing Director, Functional Directors, Govt. Nominee Directors and Non-Official Part Time Directors. The rights and obligations of the employees are delineated in the policy manuals published and the amendments are notified, from time to time. The powers of the internal participants i.e. top executives and below are laid down in the well-established and practiced "Delegation of Powers". POWERGRID has implemented "Works and Procurement Policy and Procedure for Pre-award and Post-award Stages" with a view to making the policies and procedures more systematic, transparent and easy to administer with major thrust on expeditious and decentralized decision making coupled with accountability and responsibility. The Board has also constituted several Committees, viz. Audit Committee; Stakeholders Relationship Committee; Nomination and Remuneration Committee; Risk Management Committee; Committee on Investment on Projects; Committee on Award of Contracts; Committee for Bonds; Committee for Award of Contracts relating to Rural Electrification (RE) and other Deposit Works; CSR Committee etc. to have better and more focused attention. Advisory Boards of eminent persons are in place for Environment and Social Policy and Procedures, R&D and for Telecom to advise POWERGRID on critical issues/consensus building in these areas.

Besides requiring to adhere to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, POWERGRID is required to follow the Guidelines on Corporate Governance issued by Department of Public Enterprises, Government of India.

Your Company was awarded as 'Best Governed Co.' in 2014 & Certificate of Recognition for 'Excellence in Corporate Governance' by ICISI in 2013.

The compliance of the Company with the conditions of the Corporate Governance and the disclosure requirements for the Year 2016-17 are given below:

2. Board of Directors:

2.1 Size of the Board

POWERGRID is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 (the Act) and the President of India presently holds 57.90% of the total paid-up share capital. As per Articles of Association, the power to appoint Directors rests with the President of India.

In terms of Articles of Association of the Company, the strength of Board of Directors of the Company shall not be less than four Directors and not more than eighteen Directors. These Directors may be either whole-time Directors or part-time Directors.

2.2 Composition of the Board

As on 31st March, 2017, the Board comprised ten Directors out of which five were Whole Time Directors including the Chairman & Managing Director, two Government Nominee Directors and three Independent Directors. The Board composition also comprised a Woman Director.

Sub-section (4) of section 149 of the Act stipulates that every listed company should have at least one-third of the total number of Directors as independent Directors.

All the Independent Directors have met the requirements specified under Section 149 (6) of the Act for holding the position of 'Independent Director'.

SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the SEBI Regulations), stipulates that half of the Board members of Company should be Independent Directors. For the Financial Year 2016-17 the number of Independent Directors as per the foregoing requirements was not met.

2.3 Age Limit and Tenure of Directors

The age limit for the Chairman & Managing Director and other Whole Time Directors is 60 years.

The Chairman & Managing Director and other whole-time Directors are appointed for a period of five years from the date of taking over of charge or till the date of superannuation of the incumbent or till further orders from the Government of India, whichever event occurs earlier. On appointment by the Government of India, as POWERGRID is a listed Company, these Directors are co-opted as Additional Directors and the appointment is regularized at the following Annual General Meeting.

Government Nominee Directors representing the Ministry of Power, Government of India retire from the Board after completion of tenure of three years from the date of appointment unless their tenure is extended by Government of India.

The tenure of appointment of Independent Directors is generally for three years.

The details of Directors as on 31 March, 2017 were as follows:

Details of Directors		Name	Date of Joining on the Board	Date of superannuation/ completion of Tenure
Category (Functional/ Official/ Non-official)	Designation			
1. Whole Time Directors	Chairman & Managing Director	Shri I. S. Jha	10.11.2015	Date of superannuation - 30.06.2019.
	Director (Finance)	Shri K. Sreekant ^	01.09.2016	Completion of tenure – 31.08.2021. Date of superannuation – 31.12.2023.
	Director (Personnel)	Shri Ravi P. Singh	01.04.2012	Completion of tenure – 31.01.2020. Date of superannuation – 31.01.2020.
	Director (Operations)	Shri R. P. Sasmal	01.08.2012	Completion of tenure – 31.07.2017. Date of superannuation – 28.02.2018.
	Director (Projects)	Shri Prabhakar Singh^^	08.02.2017	Completion of tenure – 31.07.2018. Date of superannuation – 31.07.2018.
2. Govt. Nominees Part – time Directors	JS & FA, Ministry of Power	Dr. Pradeep Kumar	10.09.2013	Till the President desires.
	JS (Trans.) Ministry of Power	Smt. Jyoti Arora^^^	20.03.2014	Till the President desires.

Details of Directors		Name	Date of Joining on the Board	Date of superannuation/ completion of Tenure
Category (Functional/ Official/ Non-official)	Designation			
3. Non-official Part-time Directors*	Non-official Part-time Director (Independent Director)	Shri Jagdish I. Patel	17.11.2015	Completion of tenure – 16.11.2018
	Non-official Part-time Director (Independent Director)	Smt. Jyotika Kalra ^{^^^}	16.02.2017	Completion of tenure – 15.02.2020
	Non-official Part-time Director (Independent Director)	Shri Tse Ten Dorji ^{^^^^}	16.02.2017	Completion of tenure – 15.02.2020

*The composition of the Board is not in accordance with the provisions of Section 149 of the Act and the SEBI Regulations.

[^]Shri K. Sreekant has taken charge of Director (Finance) w.e.f. 1st September, 2016. Shri R. T. Agarwal held the position of Director (Finance) till 31st August, 2016 i.e. the date of his superannuation.

^{^^}Shri Prabhakar Singh has taken charge of Director (Projects) w.e.f. 8th February, 2017. Shri R. P. Sasmal, Director (Operations) was holding additional charge of Director (Projects) till 7th February, 2017.

^{^^^}The term of Smt. Jyoti Arora and Dr. Pradeep Kumar, Government Nominee Directors, ceased w.e.f. 5th July, 2017 (A/N) and 31st July, 2017 (A/N) respectively. Ministry of Power has conveyed appointment of Smt. Shalini Prasad as Part-time Director (Government Nominee Director) in place of Smt. Jyoti Arora vide order dated 3rd August, 2017.

^{^^^^}Smt. Jyotika Kalra was appointed as an Independent Director by the Board on her nomination by the Ministry of Power vide Office Order dated 16th February, 2017. She has resigned as Independent Director of POWERGRID w.e.f. 6th April, 2017.

^{^^^^^}Shri Tse Ten Dorji was appointed as an Independent Director by the Board on his nomination by the Ministry of Power vide Office Order dated 16th February, 2017.

2.4 Board Meetings and Attendance:

The meetings of the Board of Directors are normally held at the Registered Office of the Company. Meetings are generally scheduled well in advance and the Notice, detailed Board agenda, management reports and other explanatory Board notes are circulated to the Directors. The members of the Board have complete access to all information of the Corporation. Senior management is also invited to the Board meetings to provide additional input to the items being discussed by the Board. In case of urgency, resolutions are passed by circulation.

During the financial year ended 31st March, 2017 thirteen Board meetings were held on 02nd April 2016, 05th May 2016, 26th May 2016, 20th July 2016, 05th August 2016, 16th August 2016, 16th September 2016, 22nd October 2016, 09th November 2016, 06th December 2016, 09th February, 2017, 10th March, 2017 and 29th March, 2017. The maximum interval between any two meetings during this period was 65 days. Detail of number of Board meetings attended by Directors, attendance at last AGM, number of other Directorship / committee membership [viz. Audit Committee and Stakeholders' Relationship Committee as per SEBI Regulations] held by them during the year 2016-17 are tabulated below:

Name of the Director	Meeting held during respective tenure of Directors	No. of Board Meetings attended	Attendance at the last AGM (held on 16.09.16)	No. of other Directorship held on 31.03.17	No. of Other Committee Membership held on 31.03.2017*	
					Chairman	Member
Whole Time Directors						
Shri I. S. Jha, Chairman & Managing Director	13	13	Yes	9	NIL	NIL
Shri R. T. Agarwal Director (Finance) (upto 30.08.2016)	6	6	N/A	N/A	N/A	N/A
Shri K. Sreekant Director (Finance) (w.e.f. 01.09.2016)	7	7	Yes	NIL	NIL	1

Name of the Director	Meeting held during respective tenure of Directors	No. of Board Meetings attended	Attendance at the last AGM (held on 16.09.16)	No. of other Directorship held on 31.03.17	No. of Other Committee Membership held on 31.03.2017*	
					Chairman	Member
Shri Ravi P. Singh Director (Personnel)	13	13	Yes	7	NIL	2
Shri R. P. Sasmal Director (Operations)	13	13	Yes	10	NIL	1
Shri Prabhakar Singh Director (Projects) (w.e.f. 08.02.2017)	3	3	N/A	2	NIL	NIL
Non-executive Directors (Government Nominees)						
Dr. Pradeep Kumar Jt. Secy.& Fin. Adv., Ministry of Power	13	11	Yes	1	NIL	3
Smt. Jyoti Arora Jt. Secy. (T), Ministry of Power	13	12	No	2	NIL	1
Independent Directors						
Shri Jagdish I. Patel (w.e.f. 17.11.2015)	13	13	Yes	3	2	1
Smt. Jyotika Kalra (w.e.f. 16.02.2017)	2	2	N/A	1	NIL	1
Shri Tse Ten Dorji (w.e.f. 16.02.2017)	2	1	N/A	NIL	NIL	1

N/A indicates that concerned person was not a Director on POWERGRID's Board on the relevant date.

*In line with SEBI (Listing obligations and disclosure requirements) Regulations, 2015, only the Audit Committee and Stakeholders' Relationship Committee have been taken into consideration in reckoning the number of committee memberships of Directors as Chairman and as Member including committee position in POWERGRID. None of the Directors of the company are in any way related with each other.

2.5 Information to be placed before the Board of Directors, inter alia, includes:

The Board has complete access to all information with the Company. The information regularly supplied to the Board includes:

1. Annual operating plans and budgets and any updates.
2. Annual Accounts, Directors' Report, etc.
3. Quarterly financial results of the company.
4. Minutes of meetings of Audit Committee and other committees of the Board including minutes of Subsidiary Companies.
5. Major Investments, formation of Subsidiaries and Joint Ventures, Strategic Alliances, etc.
6. Award of large Contracts.
7. Disclosure of Interest by Directors about directorship and committee positions occupied by them in other Companies.
8. Monthly Report on Commercial Status of the Company.
9. Report on the status of various ongoing projects/Scheme and Budget Utilization.
10. Report on the O&M Review.
11. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, etc.
12. Non-compliance of any Regulatory, statutory or listing requirements and shareholders' service such as non-payment of dividend, delay in share transfer etc.
13. Short-Term investment of surplus funds.
14. Other materially important information.

Post meeting follow-up system:

15. The Governance process in the Company includes an effective post-meeting follow-up, review and reporting process for action taken on decisions of the Board and the Board Committee(s).

3. Committees of the Board of Directors:

The Board has constituted the following Committees:

- i) Audit Committee
- ii) Stakeholders' Relationship Committee
- iii) Nomination and Remuneration Committee
- iv) Committee on Investment on Projects
- v) Committee on Award of Contracts
- vi) Committee for Transfer/Split/Rematerialisation etc. of Shares
- vii) Committee for Bonds
- viii) Committee for Award of Contracts relating to RE and other Deposit Works
- ix) CSR Committee
- x) Risk Management Committee

3.1 Audit Committee:

As on 31 March, 2017, the Audit Committee comprised the following Directors:

(i)	Shri Jagdish I. Patel	Non-official Part-time Director	Chairman
(ii)	Shri Tse Ten Dorji [^]	Non-official Part-time Director	Member
(iii)	Smt. Jyotika Kalra ^{^^}	Non-official Part-time Director	Member
(iv)	Dr. Pradeep Kumar ^{^^^}	Nominee Director-Ministry of Power	Member

[^]Appointed as member of the Audit Committee on 29th March, 2017.

^{^^}Appointed as member of the Audit Committee on 29th March, 2017. She resigned as an Independent Director on 06th April, 2017

^{^^^}Ceased to be a Director w.e.f. 31st July, 2017 (A/N).

Note: In addition to the above, Shri R.P. Sasmal, Director (Operations) was member of the Audit Committee upto 29th March, 2017.

The Company Secretary is the Secretary of the Committee.

During most part of the year, the composition of the Audit Committee did not meet with the stipulated requirements of the Act and in the SEBI Regulations.

Meetings of Audit Committee

The Audit Committee meets at least four times in a year and not more than one hundred twenty days elapse between two meetings in that year. The quorum for the Audit Committee meetings is either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present.

Powers of Audit Committee

The powers of the Audit Committee include the following:

1. To investigate any activity within its terms of reference.
2. To seek information on and from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. To protect whistle blowers
6. To consider other matters as referred by the Board.

Role of Audit Committee

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommending to the Board regarding fixation of audit fee to be paid to statutory auditors appointed by the Comptroller & Auditor General under the Companies Act and approval for payment with respect to any other services rendered by the statutory auditors.
3. Reviewing, with the management, the annual financial statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications/modified opinions in the draft audit report.
4. Reviewing/examining, with the management, the quarterly financial statements before submission to the board for approval.
5. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the end use/ utilization of proceeds of a public or rights issue & related matters and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
8. Discussing with internal auditors and / or auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors/auditors/agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review / oversee the functioning of vigil mechanism / Whistle Blower mechanism of the Company;
13. To review the follow up action on the audit observations in the Comptroller & Auditor General audit.
14. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
15. Provide an open avenue of communication between the independent auditor, internal auditor and the Board.
16. Approval or any subsequent modification of transactions of the company with related parties;
17. Review all related party transactions in the Company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions;

The term "related party transactions" shall have the same meaning as provided in Regulation 2 (zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
18. Reviewing with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
19. Considering and review the following with the independent auditor and the management:
 - a. The adequacy of internal controls including computerized information system controls and security; and
 - b. Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
20. Considering and reviewing the following with the management, internal auditor and the independent auditor:
 - a. Significant findings during the year, including the status of previous audit recommendations; and
 - b. Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.

21. Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process.
22. Scrutiny of inter-corporate loans and investments.
23. Valuation of undertakings or assets of the Company, wherever it is necessary.
24. Evaluation of Internal Financial Controls and Risk Management Systems.
25. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance for CPSEs, as amended from time to time.

Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions submitted by management.
3. Management letters / letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the chief internal auditor.
6. Certification/declaration of financial statements by the Chief Executive Officer/Chief Financial Officer.
7. Statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Attendance:

During the financial year ended 31st March, 2017, nine meetings of the Audit committee were held on 26th May 2016, 05th August 2016, 16th August 2016, 16th September 2016, 22nd October 2016, 09th November 2016, 06th December 2016, 09th February, 2017 and 29th March, 2017 respectively.

Attendance at Audit Committee Meetings during the Financial Year 2016-17:

Name of the Audit Committee Member	Meetings held during respective tenure of Members	No. of Meetings attended
Shri Jagdishbhai Ishwarbhai Patel	9	9
Smt. Jyotika Kalra [^]	N/A	N/A
Shri Tse Ten Dorji [^]	N/A	N/A
Dr. Pradeep Kumar	9	7
Shri Rajendra Prasad Sasmal	9	9

N/A indicates that concerned person was not a Member of the Audit Committee of POWERGRID on the relevant date.

[^]Appointed as members of the Audit Committee on 29th March, 2017 by the Board. Smt. Jyotika Kalra has resigned as Director w.e.f. 06th April, 2017.

In view of only one Independent Director on the Board of the Company during April 2016 to mid-February, 2017, the requirement of two Independent Directors attending the Audit Committee meeting could not be met.

3.2 Stakeholders' Relationship Committee.

The Company has constituted Stakeholders' Relationship Committee in line with the provisions of Section 178 (5) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Scope of the Committee

The scope of the Committee is to specifically consider and resolve the grievances of shareholders, debenture-holders, and other security holders of the company including the complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. of the Company.

Composition of Stakeholders' Relationship Committee during the F.Y. 2016-17

As on 31 March, 2017, the Stakeholder Relationship Committee comprised the following Directors:

Shri Jagdish I. Patel	Non Official Part time Director	Chairman
Shri Ravi P. Singh	Director (Personnel)	Member
Shri K. Sreekant^	Director (Finance)	Member

^Appointed as Director (Finance) w.e.f. 01st September 2016. He became member of the committee w.e.f. 22 October 2016.

The Company Secretary is the Secretary of the Committee.

Changes in the composition of the Stakeholder Relationship Committee during the financial year 2016-17 was as under:

Shri Jagdish I. Patel	Non Official Part time Director	Chairman
Shri Ravi P. Singh	Director (Personnel)	Member
Shri R. T. Agarwal^	Director (Finance)	Member
Shri K. Sreekant^^	Director (Finance)	Member

^Ceased to be Director (Finance) w.e.f. 31st August 2016 consequent to his superannuation.

^^Appointed as Director (Finance) w.e.f. 01st September 2016. He became member of the committee w.e.f. 22 October 2016.

Two meetings of the Stakeholders' Relationship Committee were held during the financial year 2016-17 i.e. on 07th December 2016 and 29th March, 2017.

Attendance at Stakeholders' Relationship Committee meeting during the Financial Year 2016-17:

Name	Shareholders'/Investors' Grievance Committee Meeting held during the tenure	
	Held	Attended
Shri Jagdish I. Patel	2	2
Shri Ravi P. Singh	2	2
Shri K. Sreekant	2	2

Name and designation of Compliance Officer

Smt. Divya Tandon, Company Secretary is the Compliance Officer in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Investors' Grievances

During the financial year ending 31st March, 2017, the Company has attended to investors' grievances expeditiously except for the cases constrained by disputes or legal impediment. The details of the complaints received and disposed of during the year are as under:

S. No.	Description	Opening Balance	Received	Attended	Pending
1	Non receipt of refund orders	0	10	10	0
2	Non receipt of dividend warrants	0	503	503	0
3	Non receipt of share certificate	0	40	40	0
4	SEBI	0	7	5	2
5	Stock Exchange	0	2	2	0
6	Advocate Notices	0	0	0	0
7	Consumer Forum/Court cases	0	0	0	0
	Total	0	562	560	2

Investors' complaints pending as on 31st March, 2017 have been subsequently attended to.

Shares lying in Share Escrow Account

In pursuance of Schedule V (F) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of shares lying in the shares escrow account are as under:

SHARES IN THE SHARE ESCROW ACCOUNT						
Event	IPO		FPO [2010]		FPO [2013]	
	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares
As on 01.04.2016	181	35,095	18	3,439	NIL	NIL
As on 31.03.2017	177	34,112	18	3,439	NIL	NIL
Transfers during the year 2016-17	4	983	NIL	NIL	NIL	NIL

The voting rights on the shares in the Escrow Account will remain frozen till the rightful owner of such shares claims the shares. These shares are lying in Demat form in a Pool Account with the Registrars i.e. M/s Karvy Computershare Private Limited and the benefits accrued on them are being properly accounted for.

Centralized Web Based Complaint Redressal System- SCORES.

The centralized web based Complaint Redressal System of SEBI i.e. SCORES (SEBI Complaints Redress System) is in place since June, 2011. Through SCORES, shareholders can register their complaints against the Company for redressal. When the complaint is registered, a unique complaint registration number is allotted for future reference and tracking. Status of every complaint lodged can also be viewed online and the Shareholder can send reminder for their complaint. Your Company takes action for redressal of the complaints and uploads Action Taken Report on line. SEBI disposes off the complaints if it is satisfied that the complaints have been redressed adequately. A Shareholder, who is not accessing SCORES can lodge his/her complaint in physical form also.

3.3 Nomination and Remuneration Committee

POWERGRID had constituted Nomination and Remuneration Committee in line with the requirements of Section 178 of the Companies Act, 2013.

As on 31 March, 2017, the Nomination and Remuneration Committee comprised the following Directors:

Shri Jagdish I. Patel	Non-official Part-time Director	Chairman
Shri Tse Ten Dorji	Non-official Part-time Director	Member
Smt. Jyotika Kalra [^]	Non-official Part-time Director	Member
Shri I. S. Jha	Chairman & Managing Director	Member
Dr. Pradeep Kumar ^{^^}	JS & FA, Govt. Nominee Director	Member
Smt. Jyoti Arora ^{^^^}	Jt. Secy., Govt. Nominee Director	Member

[^]Resigned as Director w.e.f. 6th April, 2017.

^{^^}Ceased to be a Director w.e.f. 31st July, 2017 (A/N).

^{^^^}Ceased to be a Director w.e.f. 5th July, 2017 (A/N).

Changes in the composition of the Nomination and Remuneration Committee during the financial year 2016-17 was as under:

Shri Jagdish I. Patel	Non-official Part-time Director	Chairman
Shri Tse Ten Dorji [^]	Non-official Part-time Director	Member
Smt. Jyotika Kalra [^]	Non-official Part-time Director	Member
Shri I. S. Jha	Chairman & Managing Director	Member
Dr. Pradeep Kumar	JS & FA, Govt. Nominee Director	Member
Smt. Jyoti Arora	Jt. Secy., Govt. Nominee Director	Member

[^]Shri Tse Ten Dorji and Smt. Jyotika Kalra were appointed as members of the Nomination and Remuneration Committee on 29th March, 2017.

The Nomination and Remuneration Committee decides the annual bonus/variable pay pool and policy for its distribution across the employees within the prescribed limits.

Two meetings of the Nomination and Remuneration committee were held during the Financial Year 2016-17 on 05th August 2016 and 09th February, 2017 respectively.

Attendance at Nomination and Remuneration Committee meeting during the Financial Year 2016-17:

Name	Nomination and Remuneration Committee meeting held during the tenure	
	Held	Attended
Shri Jagdishbhai Ishwarbhai Patel	2	2
Shri Tse Ten Dorji^	N/A	N/A
Smt. Jyotika Kalra^	N/A	N/A
Shri Indu Shekhar Jha	2	2
Dr. Pradeep Kumar	2	2
Smt. Jyoti Arora	2	2

^Appointed as members of the nomination and remuneration committee w.e.f. 29th March, 2017.

The Company was non-compliant with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2013 up to the fourth quarter of Financial Year 2016-17.

The Independent Directors are nominated by the administrative ministry i.e. the Ministry of Power (MOP). Term of five Independent Directors expired in January 2016. Post said event there was only one Independent Director till February, 2017 wherein two Independent Directors were nominated by the MOP. Therefore, from January 2016 to February, 2017 there was only one Independent Director on the Board of the Company which was inadequate in terms of the requirements of the Act and SEBI Regulations.

Performance Evaluation of Directors:

The requirement of performance evaluation of Directors under Section 178(2) of the Companies Act, 2013 has been done away with for Government Companies vide Ministry of Corporate Affairs' (MCA) Notification dt. 5th June 2015. Further, MCA vide its notification dated 05th July, 2017 has made an amendment in the Schedule IV of the Act, whereby it has exempted Government Companies from complying with the requirement of performance evaluation by the Independent Director of Non-Independent Directors and Chairman and performance evaluation of the independent Directors by the Board, if the concerned departments or ministries have specified these requirements.

The appointment, tenure and remuneration of Directors on the Board of POWERGRID are decided by the President of India. Remuneration paid to Chairman & Managing Director and Functional Directors are as per terms and conditions determined by the Department of Public Enterprises, Government of India. Independent Directors are paid only sitting fee per Board / Committee attended. POWERGRID enters into Memorandum of Understanding (MoU) with Ministry of Power every year wherein Company is evaluated on various financial and non-financial parameters.

Remuneration of Directors

POWERGRID, being a Government Company, the appointment, tenure and remuneration of Directors is decided by the President of India. Remuneration paid to Chairman & Managing Director and Functional Directors during the Year 2016-17 was as per terms and conditions of their appointment. Independent Directors are paid only sitting fee per Board / Committee meeting attended {rate fixed by the Board within the ceiling fixed for payment of sitting fee without Government approval under the Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with the Section 197 of the Companies Act, 2013} and in accordance with the Government Guidelines for attending the Board Meeting as well as Committee Meetings.

The remuneration paid to the Whole time Directors during the year 2016-17 is as under:

S No.	Directors	Designation	Salary (in ₹)	Benefits (in ₹)	Bonus / Commission (in ₹)	Performance Linked Incentive (in ₹)	Total (in ₹)
1.	Shri I. S. Jha	Chairman & Managing Director	3,228,296	788,452	-	1,875,171	5,891,919
2.	Shri Prabhakar Singh^	Director (Projects)	6,34,189	92,522	-	3,71,137	10,97,848
3.	Shri R. T. Agarwal^^	Director (Finance)	1,424,663	2,585,109	-	726,891	4,736,663
	Shri K. Sreekant^^^	Director (Finance)	1,538,553	284,060	-	38,357	1,860,970
4.	Shri Ravi P. Singh	Director (Personnel)	3,100,555	592,692	-	1,930,641	5,623,888
5.	Shri R. P. Sasmal	Director (Operations)	3,072,993	1,144,604	-	1,598,885	5,816,482

^w.e.f. 08th February, 2017.

^^upto 31st August 2016.

^^^w.e.f. 01st September 2016.

The Government Nominee Directors on the POWERGRID's Board do not draw any remuneration/sitting fee for attending Board/Committee meetings from the Company. The Independent Directors were paid sitting fee of ₹20,000/- per meeting for attending Board/Committee Meetings.

Details of Payment made towards sitting fee to Independent Directors during the year 2016-17 are given below:

(₹ in lacs.)

Name of Non-official Part-time Directors	Sitting Fee		Total (₹)
	Board Meeting (₹)	Committee of Board of Directors Meeting (₹)	
Shri Jagdish I. Patel	2.80	3.00	5.80
Shri Tse Ten Dorji	0.20	NIL	0.20
Smt. Jyotika Kalra	0.40	NIL	0.40

As on 31.03.2017, the Directors' Shareholding were as under:

S. No.	Name of Directors	No. of Equity Shares Held
	Shri I. S. Jha	2,998
	Shri K. Sreekant	1,029
	Shri Ravi P. Singh	9,016
	Shri R. P. Sasmal	1,798
	Shri Prabhakar Singh	2,526
	Dr. Pradeep Kumar	NIL
	Smt. Jyoti Arora	NIL
	Shri Jagdish I. Patel	NIL
	Shri Tse Ten Dorji	NIL
	Smt. Jyotika Kalra	NIL

3.4 Committee on Investment on Projects

The Board has constituted this Committee of Directors to consider investment sanction for new projects and Revised Cost Estimate proposals of ongoing projects as may be required from the Board.

As on 31 March, 2017, the Committee on Investment on Projects comprised the following Directors:

Shri I. S. Jha	Chairman and Managing Director	Chairman
Shri R. P. Sasmal	Director (Operations)	Member
Shri K. Sreekant	Director (Finance)	Member
Shri Prabhakar Singh	Director (Projects)	Member
Dr. Pradeep Kumar [^]	JS & FA, Govt. Nominee Director	Member
Smt. Jyoti Arora ^{^^}	Jt. Secy., Govt. Nominee Director	Member

[^]Ceased to be a Director w.e.f. 31st July, 2017 (A/N).

^{^^}Ceased to be a Director w.e.f. 05th July, 2017 (A/N).

Changes in the composition of Committee on Investment on Projects during the financial year 2016-17 was as under:

Shri I. S. Jha	Chairman and Managing Director	Chairman
Shri R. T. Agarwal [^]	Director (Finance)	Member
Shri K. Sreekant ^{^^}	Director (Finance)	Member
Shri R. P. Sasmal	Director (Operations)	Member
Shri Prabhakar Singh ^{^^^}	Director (Projects)	Member
Dr. Pradeep Kumar	JS & FA, Govt. Nominee Director	Member
Smt. Jyoti Arora	Jt. Secy., Govt. Nominee Director	Member

[^]Ceased to be Director (Finance) w.e.f. 31st August, 2016 consequent to his superannuation.

^{^^}Appointed as Director (Finance) w.e.f. 01st September, 2016. He became member of the committee w.e.f. 22 October, 2016.

^{^^^}Appointed as Director (Projects) w.e.f. 08th February, 2017.

Seven meetings of the Committee on Investment on Projects were held during the financial year 2016-17.

3.5 Committee on Award of Contracts

This Committee of Directors has been constituted for approval of award of contracts of value more than ₹30 Cr. but not exceeding ₹100 Cr. As on 31 March, 2017, the following Directors were members of the Committee:

Shri I. S. Jha	Chairman and Managing Director	Chairman
Shri K. Sreekant	Director (Finance)	Member
Shri R. P. Sasmal	Director (Operations)	Member
Shri Prabhakar Singh	Director (Projects)	Member
Smt. Jyoti Arora^	JS (Trans.), Govt. Nominee Director	Member

^Ceased as Director w.e.f. 05th July, 2017 (A/N).

Changes in the composition of Committee on Award of Contracts during the financial year 2016-17 was:

Shri I. S. Jha	Chairman and Managing Director	Chairman
Shri R. T. Agarwal^	Director (Finance)	Member
Shri K. Sreekant^^	Director (Finance)	Member
Shri R. P. Sasmal^^^	Director (Operations)	Member
Shri Prabhakar Singh^^^^	Director (Projects)	Member
Smt. Jyoti Arora	JS (Trans.), Govt. Nominee Director	Member

^Ceased to be Director (Finance) effective from 31st August, 2016.

^^Appointed as Director (Finance) effective from 01st September, 2016. He became member of the Committee w.e.f. 22nd October, 2016.

^^^Was having additional charge of Director (Projects) till 07th February, 2017.

^^^^Appointed as Director (Projects) effective from 08th February, 2017.

Eleven meetings of the Committee on Award of Contracts were held during the financial year 2016-17.

3.6 Committee for Transfer/Split/Rematerialization etc. of Shares

The Company has a Committee of Directors for Transfer/ Split/ Rematerialisation etc. As on 31 March, 2017, the following Directors were members of the Committee:

Shri Ravi P. Singh	Director (Personnel)	Chairman
Shri K. Sreekant	Director (Finance)	Member
Shri Prabhakar Singh	Director (Projects)	Member

Changes in the composition of Committee for Transfer/Split/Rematerialization etc. of Shares during the financial year 2016-17 was:

Shri Ravi P. Singh	Director (Personnel)	Chairman
Shri R. T. Agarwal^	Director (Finance)	Member
Shri K. Sreekant^^	Director (Finance)	Member
Shri R. P. Sasmal^^^	Director (Operations)	Member
Shri Prabhakar Singh^^^^	Director (Projects)	Member

^Ceased to be Director (Finance) effective from 31st August, 2016.

^^Appointed as Director (Finance) effective from 01st September, 2016. He became member of the Committee w.e.f. 22nd October, 2016

^^^Was having additional charge of Director (Projects) till 07th February, 2017.

^^^^Appointed as Director (Projects) effective from 08th February, 2017.

Share Transfers effected during the year have been well within the time prescribed by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Fourteen meetings of the Committee for Transfer/Split/Rematerialization etc. of Shares were held during the financial year 2016-17.

3.7 Committee for Bonds

The Board of Directors of the Company has constituted a Committee of Directors to consider and approve allotment, transfer, transmission, splitting and consolidation of POWERGRID Bonds/Allotment Letters and other matters relating to the Bonds including appointment of Merchant Bankers, Registrar to the Issue etc. As on 31 March, 2017, the Committee for Bonds comprised following Directors as members:

Shri I. S. Jha	Chairman and Managing Director	Chairman
Shri K. Sreekant	Director (Finance)	Member
Shri R. P. Sasmal	Director (Operations)	Member
Shri Prabhakar Singh	Director (Projects)	Member

Changes in the composition of Committee for Bonds during the financial year 2016-17 was:

Shri I. S. Jha	Chairman and Managing Director	Chairman
Shri R. T. Agarwal [^]	Director (Finance)	Member
Shri K. Sreekant ^{^^}	Director (Finance)	Member
Shri R. P. Sasmal	Director (Operations)	Member
Shri Prabhakar Singh ^{^^^}	Director (Projects)	Member

[^]Ceased to be Director (Finance) effective from 31st August, 2016.

^{^^}Appointed as Director (Finance) effective from 01st September, 2016. He became member of the Committee w.e.f. 22nd October, 2016

^{^^^}Appointed as Director (Projects) effective from 08th February, 2017.

Thirty meetings of the Committee for Bonds were held during the financial year 2016-17.

3.8 Committee for Award of Contracts relating to RE and other Deposit Works

This Committee of Directors was constituted to conduct RGGVY Programme of Govt. of India. The power of this committee is to award the contracts relating to RE and other Deposit Works for more than ₹30 Cr. and up to ₹100 Cr. As on 31 March, 2017, the Committee comprised of following Directors as members:

Shri I. S. Jha	Chairman and Managing Director	Chairman
Shri K. Sreekant	Director (Finance)	Member
Shri R. P. Sasmal	Director (Operations)	Member
Shri Ravi P. Singh	Director (Personnel)	Member
Shri Prabhakar Singh	Director (Projects)	Member

Changes in the composition of this Committee of Directors during financial year 2016-17 was:

Shri I. S. Jha	Chairman and Managing Director	Chairman
Shri R. T. Agarwal [^]	Director (Finance)	Member
Shri K. Sreekant ^{^^}	Director (Finance)	Member
Shri R. P. Sasmal	Director (Operations)	Member
Shri Ravi P. Singh	Director (Personnel)	Member
Shri Prabhakar Singh ^{^^^}	Director (Projects)	Member

[^]Ceased to be Director (Finance) effective from 31st August, 2016.

^{^^}Appointed as Director (Finance) effective from 1st September, 2016. He became member of the Committee w.e.f. 22nd October, 2016.

^{^^^}Appointed as Director (Projects) effective from 8th February, 2017.

Nine meetings of the Committee for Award of Contracts relating to RE and other Deposit Works were held during the financial year 2016-17.

3.9 CSR Committee

POWERGRID has constituted a CSR Committee in line with the requirements of the Companies Act, 2013 and Department of Public Enterprises' Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises'. As on 31 March, 2017, the CSR Committee comprised following Directors as members:

Shri I. S. Jha	Chairman and Managing Director	Chairman
Shri Ravi P. Singh	Director (Personnel)	Member
Shri K. Sreekant	Director (Finance)	Member
Shri Prabhakar Singh	Director (Projects)	Member
Smt. Jyoti Arora^	JS (Trans), Govt. Nominee Director	Member
Shri Jagdish I. Patel	Non-official Part-time Director	Member

^Ceased as Director w.e.f. 05th July, 2017 (A/N).

Changes in the composition of CSR Committee during the financial year 2016-17 was:

Shri I. S. Jha	Chairman and Managing Director	Chairman
Shri Ravi P. Singh	Director (Personnel)	Member
Shri R. T. Agarwal^	Director (Finance)	Member
Shri K. Sreekant^^	Director (Finance)	Member
Shri R. P. Sasmal	Director (Operations)	Member
Shri Prabhakar Singh^^^	Director (Projects)	Member
Smt. Jyoti Arora	JS (Trans), Govt. Nominee Director	Member
Shri Jagdish. I. Patel	Non-official Part-time Director	Member**

^Ceased to be Director (Finance) effective from 31st August, 2016.

^^Appointed as Director (Finance) effective from 01st September, 2016. He became member of the Committee w.e.f. 22nd October, 2016.

^^^Appointed as Director (Projects) effective from 08th February, 2017.

Three meetings of the CSR Committee was held during the financial year 2016-17.

3.10 Risk Management Committee

POWERGRID had constituted Risk Management Committee in line with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March, 2017, the Committee comprises of following Directors as members:

Shri R. P. Sasmal	Director (Operations)	Chairman
Shri K. Sreekant	Director (Finance)	Member
Shri Ravi P. Singh	Director (Personnel)	Member

Changes in the composition of Risk Management Committee during the financial year 2016-17 was:

Shri R. P. Sasmal	Director (Operations)	Chairman
Shri R. T. Agarwal^	Director (Finance)	Member
Shri K. Sreekant^^	Director (Finance)	Member
Shri Ravi P Singh	Director (Personnel)	Member

^Ceased to be Director (Finance) effective from 31st August, 2016.

^^Appointed as Director (Finance) effective from 01st September, 2016. He became member of the Committee w.e.f. 22nd October, 2016.

Two meetings of Risk Management Committee were held during the Financial Year 2016-17.

The 'Enterprise Risk Management Framework' (ERM framework) has been implemented in POWERGRID. The details of the same are given in Management Discussion and Analysis.

4. Monitoring of Subsidiaries:

The Company does not have any material unlisted Subsidiary Company in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or the subsidiaries as defined under Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Govt. of India. However, minutes of the meeting of the Board of Directors of the subsidiaries are placed before the Company's Board periodically. Further, pursuant to Regulations 16 (c) and 43 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, POWERGRID has formulated a policy for determining 'material' subsidiaries and the policy has been disclosed on the company's website and a web link thereto is also given as under:

<https://www.powergridindia.com/code-conductpolicies>

5. General Body Meetings:

Date, time and location where the last three Annual General Meetings were held are as under:

Year	Date	Time	Venue	Special Resolution
2013-14	18 September 2014	11.00 a.m.	Air Force Auditorium, Subroto Park, New Delhi	1
2014-15	15 September 2015	11.00 a.m.	Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi	2
2015-16	16 September 2016	11.00 a.m.	Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi	1

Resolutions passed through Postal Ballot:

During the financial year 2016-17 the Company did not circulate any Postal Ballot to the Shareholders for approval.

6. Disclosures:

- (i) The transactions with related parties contain (i) payment to Companies under Joint Venture Agreement and on account of contracts for works/services, (ii) remuneration to key management personnel and (iii) equity contribution to subsidiaries, which are not in the nature of potential conflicts of interest of the Company at large. Details of related party transactions are included in the Notes to the Accounts as per Indian Accounting Standards – IndAS-24 notified by the Central Government.
- (ii) The CEO & Director (Finance) of the Company have certified to the Board, the specified matters as specified in Part B of Schedule II of Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iii) POWERGRID do not have any material non listed Indian Subsidiary Company.
- (iv) POWERGRID established Enterprise Risk Management Framework and Internal Control Framework for CEO/CFO Certification. General Manager (Corporate Planning) has been appointed as Chief Risk Officer of the Company.
- (v) There are no material individual transactions with related parties which are not in the normal course of business.
- (vi) There are no material individual transactions with related parties or others, which are not on an arm's length basis. Further, pursuant to Regulation 23 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, POWERGRID has formulated a policy on materiality of related party transactions and disclose the same on the website of POWERGRID and a web link is provided as under:
<https://www.powergridindia.com/code-conductpolicies>
- (vii) The Company has complied with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India as well as Regulations and Guidelines prescribed by SEBI. POWERGRID is non-compliant w.r.t. composition of (i) Board of Directors (ii) Audit Committee and (ii) Nomination and Remuneration Committee due to vacant posts of six Independent Directors on the Board of POWERGRID, which are to be filled up by the Government of India. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related to capital markets, during the year.
- (viii) The Company has separate Vigilance Department which deals with fraud or suspected fraud involving employees/representatives of suppliers, contractors, consultants, service provider or any other party doing business with POWERGRID. Whistle Blower and Fraud Prevention Policy have been approved by the Board of Directors and the same has been uploaded on the website of POWERGRID. The web link of the Whistle Blower and Fraud Prevention Policy is as under:
<https://www.powergridindia.com/code-conductpolicies>
- (ix) The Financial Statements for the financial year 2016-17 have been prepared as per the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013.
- (x) Information on adoption (and compliance) / Non-adoption of the non-mandatory requirements is at Annexure - A.
- (xi) The compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 have been made.

**CEO/CFO Certification**

As required by Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Compliance Certificate as specified in Part B of Schedule II of the said Regulation duly signed by Shri Indu Shekhar Jha, Chairman & Managing Director and Shri K. Sreekant, Director (Finance) was placed before the Board of Directors at the meeting held on 29th May, 2017.

7. Means of Communication

The Company communicates with its shareholders through its Annual Report, General Meeting, Newspapers and disclosure through website.

The Company also communicates with its Institutional shareholders through Analysts and Investors meets held during the end of each quarter where Directors and Senior Officials of the Company interact with the investing community.

Information and latest updates and announcements made by the Company can be accessed at Company's website: www.powergridindia.com including the following:

- Quarterly /Half-Yearly /Annual Financial Results
- Quarterly Shareholding Pattern
- Quarterly Corporate Governance Report
- Corporate disclosures made from time to time to Stock Exchanges

In order to save trees and environment by cutting down the consumption of costly paper, your Company has started sending the Annual Report and other communications through email to the shareholders from the Financial Year 2010-2011 onwards after seeking their consent.

Quarterly Results

Publication of Financial Results in Newspapers			
Sl. No.	Publication of Financial Results for the quarter ended	Date(s) of publication	Newspapers
	30.06.2016	17.08.2016 & 18.08.2016	Times of India, Economic Times, Hindustan Times, Mint, Financial Express, Indian Express, The Statesman, Hindu Business Line, Business Standard, Financial Chronicle, Divya Bhaskar, Amar Ujala, Hindustan
	30.09.2016	10.11.2016 & 11.11.2016	Times of India, Economic Times, Hindustan Times, Mint, Financial Express, New Indian Express, The Telegraph, Rajasthan Patrika, Dainik Jagran
	31/12/2016	10.02.2017 & 11.02.2017	Times of India, Economic Times, Hindustan Times, Mint, Financial Express, Hindu Business Line, Hindustan, Amar Ujala, Business Standard, Divya Bhaskar
	31.03.2017	30.05.2017 & 31.05.2017	Times of India, Economic Times, Hindustan Times, Mint, Pioneer, New Indian Express, Financial Express, Telegraph, Dainik Jagran, Rajasthan Patrika, Jansatta

These Results are also displayed at Company's website www.powergridindia.com

Official Releases and Presentations

The Company's official news releases, other press coverage, presentations made to institutional investors or to the analysts are also hosted on the Website.

8. Code of Conduct

The Board of Directors have laid down two separate Codes of Conduct – one for Board Members and another for Senior Management Personnel in alignment with Company's Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. The 'Code of Business Conduct and Ethics for Board members' and the 'Code of Business and Ethics for Senior Management Personnel' are available at the website of the Company.

Declaration required under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

All the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Business Conduct and Ethics for the financial year ended 31st March, 2017.

Place: New Delhi
Date: 21st July, 2017

(I. S. Jha)
Chairman & Managing Director

9. Code of Insider Trading

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, POWERGRID Board has laid down "Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Conduct for Regulating, Monitoring & Reporting of Trading by Insiders of Power Grid Corporation of India Limited with an aim that 'Designated Persons' shall not derive any benefit or assist others to derive any benefit from the access to and possession of Unpublished Price Sensitive Information about the Company which is not in the public domain and thus constitutes insider information. Company Secretary has been designated as Compliance Officer for this Code.

10. Separate Meeting of Independent Directors:

POWERGRID's Board had only one Independent Director during the year 2016. Independent Directors are appointed by the President of India. Since there was only one Independent Director during the year 2016, therefore the aforesaid meeting could not be convened.

11. Familiarization programme for Independent Directors:

The Company familiarizes the independent Directors with the activities and functioning of the company and their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes and presentations. The details of such familiarization programmes are disclosed on the company's website and a web link thereto is also given as under:

<https://www.powergridindia.com/familiarisation-programme-independent-Directors>

12. General Shareholders' Information

i) Annual General Meeting

Date : 19th September, 2017

Time : 11:00 AM

Venue : Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi

ii) Financial Year

The Company's Financial Year is from 1st April to 31st March.

iii) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from 13th September, 2017 to 19th September, 2017 (both days inclusive).

iv) Payment of dividend

The Board of Directors of the Company has recommended declaration of a final Dividend of ₹3.35 per share (33.50%) for the financial year ended 31st March, 2017. In addition, an Interim Dividend of ₹1 per share (10%) was paid on 2nd March, 2017. [Dividend paid in the Previous Year was ₹2.31 per share (23.10%)].

v) The record date for the payment of Dividend is 12th September, 2017.

Dividend History

Year	Total Paid-up Capital as on 31 st March of the Year (₹ in crore)	Total Amount of Dividend Paid for the Financial Year (₹ in crore)	Date of AGM in which dividend was declared	Date of Payment of Final Dividend
2009-10	4208.84	631.34	24.09.2010	19.10.2010
2010-11	4629.73	810.23	19.09.2011	07.10.2011
2011-12	4629.73	976.87	19.09.2012	08.10.2012
2012-13	4629.73	1,273.17	19.09.2013	10.10.2013
2013-14	5231.59	1,349.75	18.09.2014	09.10.2014
2014-15	5231.59	1,046.32	15.09.2015	06.10.2015
2015-16	5231.59	1,208.50	16.09.2016	06.10.2016
2016-17	5231.59	^523.16	^^09.02.2017	^^^02.03.2017

^Amount of Interim Dividend

^^Date of Board Meeting declaring Interim Dividend

^^^ Date of Payment of Interim Dividend

vi) Listing on Stock Exchange

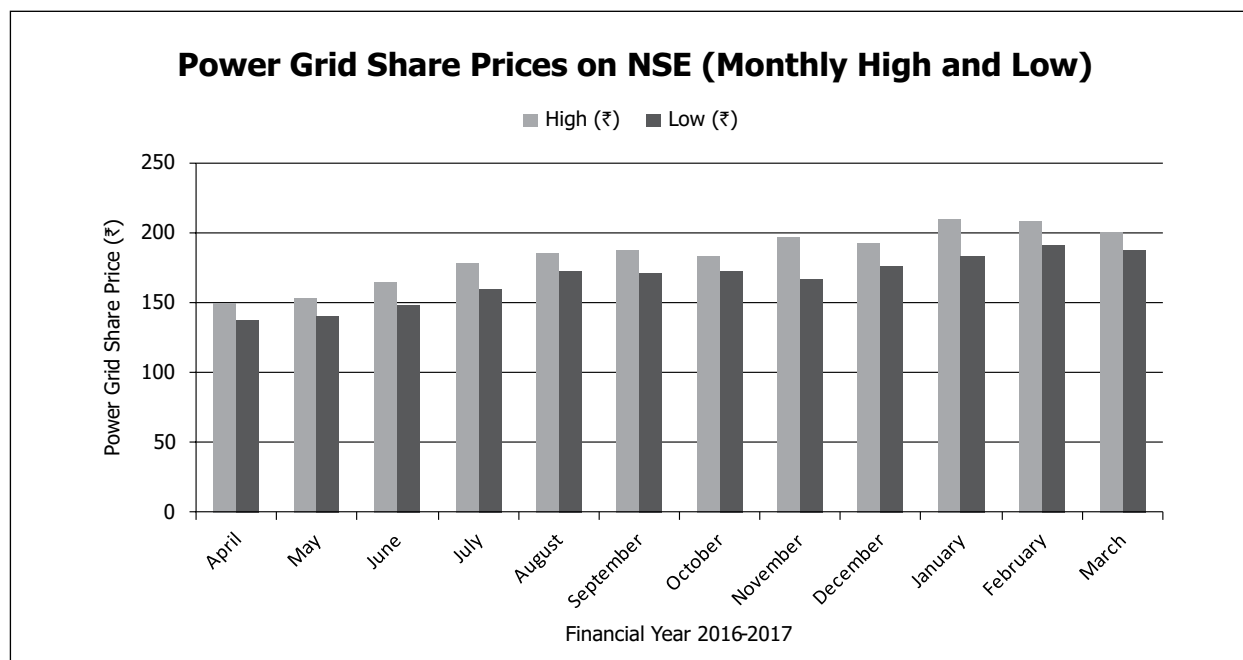
POWERGRID equity shares are listed on the following Stock Exchanges:

National Stock Exchange of India Limited. Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
Scrip Code : POWERGRID EQ	Scrip Code: 532898
Stock Code: ISIN – INE752E01010	

The payment of annual listing fee for the Financial Year 2016-17 has been made to National Stock Exchange of India Limited and BSE Ltd.

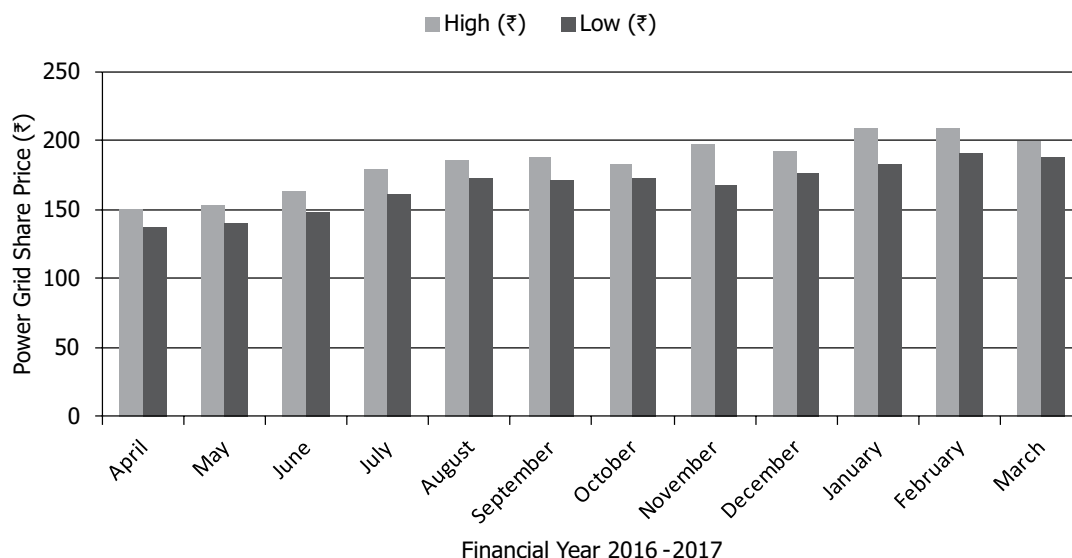
vii) POWERGRID's Shares Market Price Data - NSE

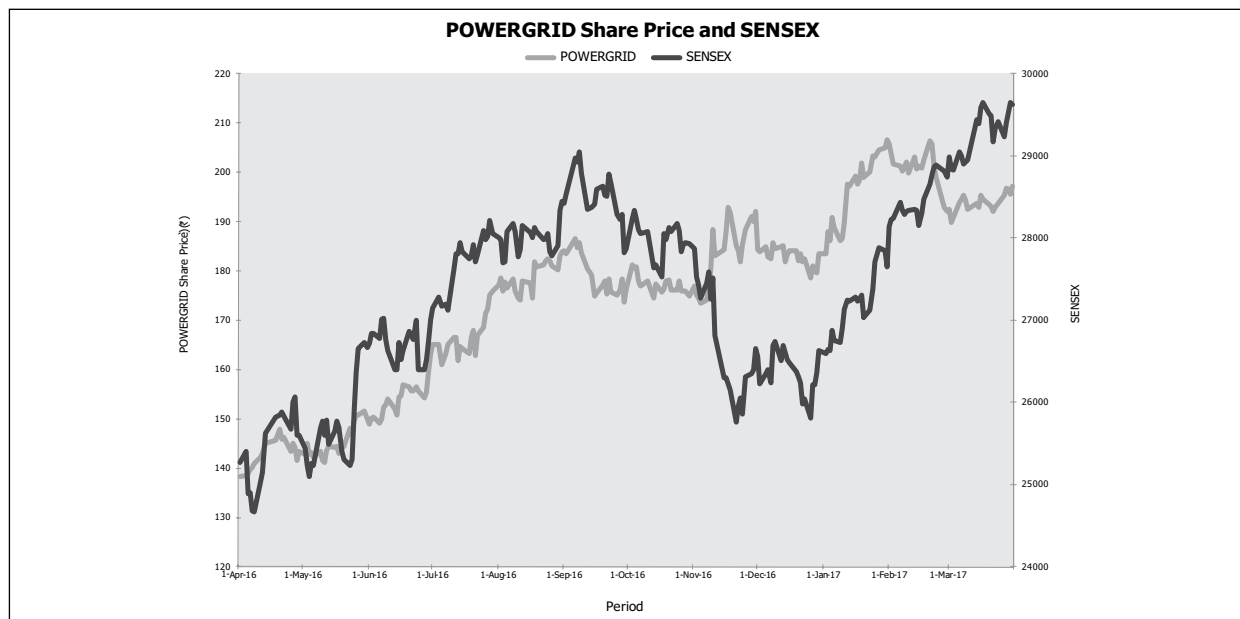
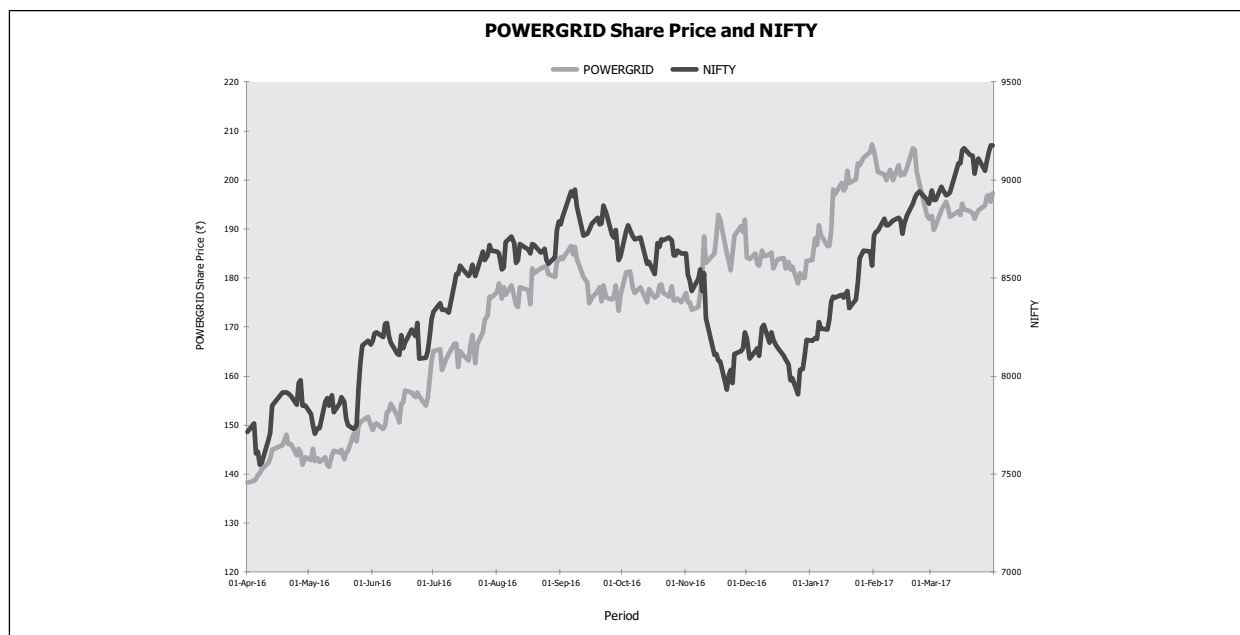
	High (₹)	Low (₹)	Sum of Turnover in Lac (₹) during the Month
April, 2016	149.90	138.10	105,358.78
May, 2016	152.95	139.50	97,588.54
June, 2016	163.85	148.10	114,673.37
July, 2016	178.85	160.20	164,965.82
August, 2016	185.00	172.45	207,980.60
September, 2016	187.70	171.55	145,953.39
October, 2016	183.40	172.05	113,212.64
November, 2016	196.40	166.95	221,965.46
December, 2016	192.50	176.55	157,887.05
January, 2017	209.25	182.60	244,714.55
February, 2017	208.90	191.55	215,872.99
March, 2017	199.90	188.00	221,770.03



viii) POWERGRID's Shares Market Price Data - BSE

	High (₹)	Low (₹)	Sum of Turnover in Lac (₹) during the Month
April, 2016	149.90	137.50	10,115.22
May, 2016	152.85	139.55	11,821.81
June, 2016	163.65	148.05	6,549.23
July, 2016	178.70	160.30	17,254.50
August, 2016	185.00	172.60	17,645.72
September, 2016	187.70	171.50	8,522.37
October, 2016	183.20	173.00	8,140.31
November, 2016	196.40	167.40	11,219.49
December, 2016	192.00	176.65	17,541.13
January, 2017	208.85	182.90	17,386.06
February, 2017	209.00	191.00	22,974.87
March, 2017	199.60	188.05	22,957.41

Power Grid Share Prices on BSE (Monthly High and Low)

**ix) Performance in comparison to indices NSE NIFTY, BSE Sensex and POWERGRID****x) Registrar and Transfer Agents.****EQUITY SHARES**

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli,
Financial District, Nanakramguda, Serilingampally, Hyderabad
- 500 032. Tele: +91-40-67162222, Fax: +91-40-23420814,
Toll free No.1800-345-4001.
E-mail: einward.ris@karvy.com

BONDS

MCS Limited,
F-65, Okhla Industrial Area,
Phase-I, New Delhi- 110 020.
Ph: 011-41406148/49/51
Telefax.: 011-41406148
E-mail : admin@mcsdel.com

xi) Share Transfer System

Entire share transfer activities under physical segment are being carried out by Karvy Computershare Private Limited. The share transfer system consists of activities like receipt of shares along with transfer deed from transferees, its verification, preparation of Memorandum of Transfer, etc. Share transfers are approved by Committee of the Board for Transfer/Split/Rematerialization etc. of Shares.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchange, certificate on half-yearly basis confirming due compliance of shares transfer formalities by the Company from Practicing Company Secretary have been submitted to Stock Exchanges within stipulated time.

xii) Shareholding as on 31st March, 2017

Shares held by different categories of shareholders and according to the size of the holdings as on 31st March, 2017 are given below:

According to Size

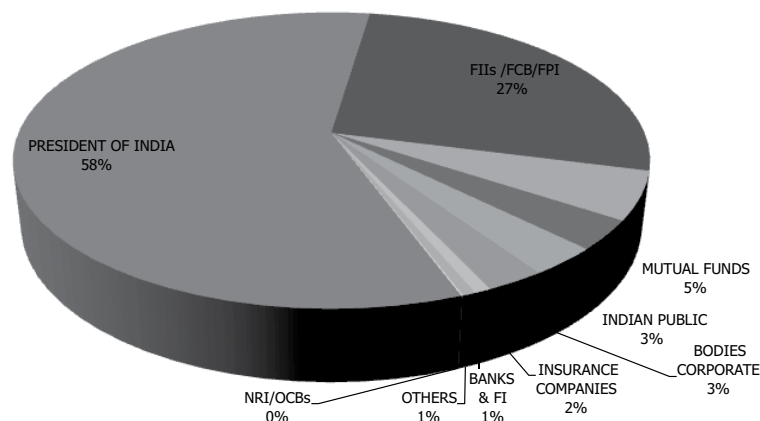
a) Distribution of shareholding according to size, % of holding as on 31st March, 2017:

Category	Total Cases	Total Cases %	Total Shares	Total Amount (₹)	Total Amount %
1 – 5000	607,450	90.49	91,006,075	910,060,750	1.74
5001 – 10000	40,177	5.98	27,619,012	276,190,120	0.53
10001 – 20000	17,787	2.65	22,844,598	228,445,980	0.44
20001 – 30000	2,112	0.31	5,206,875	52,068,750	0.10
30001 – 40000	850	0.13	3,012,478	30,124,780	0.06
40001 – 50000	578	0.09	2,671,069	26,710,690	0.05
50001 – 100000	873	0.13	6,174,164	61,741,640	0.11
100001 & Above	1,450	0.22	5,073,055,377	50,730,553,770	96.97
TOTAL	671,277	100.00	5,231,589,648	523,158,964,80	100.00

b) Shareholding pattern as on 31st March, 2017

Sl. No.	Category	Total Shares	% To Equity
1	President of India	3,028,835,198	57.90
2	FII's /FCB/FPI	1,398,060,722	26.72
3	Mutual Funds	273,960,101	5.24
4	Indian Public	166,159,670	3.18
5	Bodies Corporate	161,403,440	3.09
6	Insurance Companies	131,716,517	2.52
7	Banks & FIs	38,191,291	0.73
8	Others	29,331,573	0.56
9	NRI/OCBs	3,931,136	0.08
Total		5,231,589,648	100.00

Shareholding Pattern as on 31 March 2017



c. Major Shareholders

Details of Shareholders holding more than 1% of the paid-up capital of the Company as on 31 March 2017 are given below:

S. No.	Name of the shareholder	Shares	% equity	Category
1	President of India [^]	2,927,565,398	55.96	POI
2	Europacific Growth Fund	19,194,666	3.67	FII
3	Life Insurance Corporation of India	121,201,400	2.32	INS
4	President of India ^{^^}	101,269,800	1.94	POI
5	ICICI Prudential Life Insurance Company Limited	72,558,444	1.39	LTD
6	Capital World Growth and Income Fund	64,038,000	1.22	FII
7	Comgest Growth PLC - Comgest Growth Emerging Market	63,434,144	1.21	FPI

[^] represented through Ministry of Power

^{^^} represented through Ministry of DoNER

xiii) Dematerialization of Shares

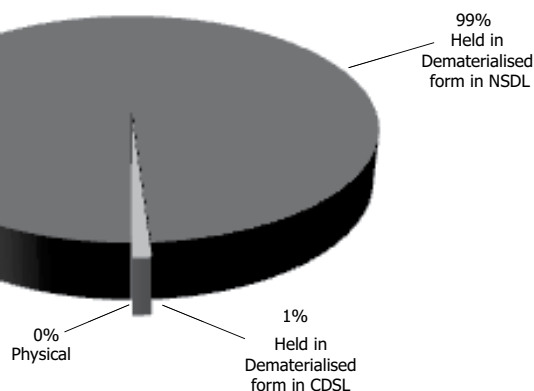
The shares of the Company are in compulsory dematerialized segment and are available for trading system of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Secretarial Half-yearly Audit Reports for reconciliation of the share capital of the Company obtained from Practicing Company Secretary have been submitted to Stock Exchange within stipulated time.

No. of shares held in dematerialized and physical mode:

S. No	Physical/Demat	Number of Holders	Number of Shares	% of total capital issued
1	Physical	27,705	44,112	0.00
2	Held in dematerialized form in NSDL	445,045	5,176,891,744	98.95
3	Held in dematerialized form in CDSL	198,527	54,653,792	1.05
	Total	671,277	5,231,589,648	100.00

Number of shares held in Dematerialised and Physical mode



The name and addresses of the Depositories are as under:

1. National Securities Depository Limited
Trade World, 4th Floor,
Kamala Mills Compound, Senapathi Bapat Marg,
Lower Parel, Mumbai – 400 013.
2. Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers,
17th Floor, Dalal Street, Mumbai – 400 023.

xiv) Outstanding GD₹AD₹Warrants or any Convertible instruments, conversion date and likely impact on equity

No GD₹AD₹Warrants or any Convertible instruments have been issued by the Company.

xv) Location of POWERGRID Plants

POWERGRID has no plants as it is in the business of Transmission of Power.

xvi) Address for correspondence:

Power Grid Corporation of India Limited,
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi – 110 016.

	Telephone No.	Fax No.
Registered Office	011-26560112, 26560121, 26564812, 26564892	011-26601081
E-mail ID	investors@powergridindia.com	
Public Spokesperson (w.e.f. 21.05.2012) Shri Ravi P. Singh, Director (Personnel)	0124-2571901-02	0124-2571903
E-mail ID	ravisingh@powergridindia.com	
Company Secretary: Ms. Divya Tandon	0124-2571968	0124-2571969
E-mail ID	dtandon@powergridindia.com	

Dispatch of Documents in electronic form:

Sections 101 and 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed companies are required to supply soft copies of the said documents to all the shareholders who have registered their email address(es) for the purpose.

Accordingly, the said documents will be sent by e-mail to those members who have registered their e-mail address(es) with their DP/ the company, in terms of the said clause.

Annexure-A

Non-Mandatory Requirements

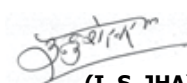
1. **The Board:** The Company is headed by an executive Chairman. No person has been appointed as independent Director who has been a Director, in the aggregate, exceeding a period of nine years on the Board of POWERGRID.
2. **Shareholder Rights:** The financial results for the half year ended 30th September, 2016 were published in Times of India and Economics Times dated 10th November, 2016 and also put up on website. Separate half year report has, however, not been sent to each household of shareholders. Significant events have been disclosed on the Company website: www.powergridindia.com.
3. **Audit qualifications:** There are no audit qualifications on the financial statement for the year 2016-17 as detailed in the 'Independent Auditors' report.
4. **Separate posts of Chairman and CEO:** POWERGRID being a Government Company, Chairman and Managing Director is appointed by the President of India. There is no separate post of CEO.
5. **Reporting of Internal Auditor:** The Internal auditor directly report to the Audit Committee.

Certificate on Corporate Governance:

The Certificate on Corporate Governance is being published as an annexure to the Directors' Report.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 9th August, 2017


(I. S. JHA)
 Chairman & Managing Director



Certificate on Corporate Governance

To

The Members,

Power Grid Corporation of India Limited

I have examined the compliance of conditions of corporate governance by Power Grid Corporation of India Limited, for the year ended on 31st March 2017 as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations) in respect of Equity Shares of the said Corporation with Stock Exchanges and in the DPE Guidelines.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to the procedures and implementation thereof, adopted by the Corporation for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Corporation.

In my opinion and to the best of my information and according to the explanation given to me, I certify that, the Corporation has generally complied with all the conditions of Corporate Governance as stipulated in the Regulations and wherever there are deviations, the same have been indicated in the Report.

I further state that such compliance is neither an assurance as to the future viability of the Corporation nor the efficiency or effectiveness with which the management has conducted the affairs of the Corporation.

Place: New Delhi

Date: 9th August, 2017

Sd/-

(T.V. NARAYANASWAMY)

COMPANY SECRETARY

C.P. No. 203

FORM NO. AOC -2

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

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

1	Details of contracts or arrangements or transactions not at arm's length basis	
	a) Name(s) of the related party and nature of relationship	-
	b) Nature of contracts / arrangements / transactions	-
	c) Duration of the contracts / arrangements / transactions	-
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	-
	e) Justifications for entering into such contracts or arrangements or transactions	-
	f) Date(s) of approval by the Board	-
	g) Amount paid as advances, if any :	-
	h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	-
2	Details of material contracts or arrangement or transactions at arm's length basis	
(A)	a) Name(s) of the related party and nature of relationship	1. POWERGRID NM Transmission Limited 2. POWERGRID Vizag Transmission Limited 3. POWERGRID Unchahar Transmission Limited 4. POWERGRID Kala Amb Transmission Limited 5. POWERGRID Jabalpur Transmission Limited 6. POWERGRID Warora Transmission Limited 7. POWERGRID Parli Transmission Limited 8. POWERGRID Southern Interconnector Transmission System Limited 9. POWERGRID Medinipur Jeerat Transmission Limited The aforementioned Project SPVs are wholly owned subsidiaries of POWERGRID acquired under Tariff Based Competitive Bidding (TBCB).
	b) Nature of contracts / arrangements / transactions	Part (A) POWERGRID to provide security (ies) / guarantee(s) in connection with loan (s) an / or any form of debt including ECBs and / or to provide inter corporate loan (s) on cost to cost basis, or a combination thereof, upto an amount of ₹ 13924 crore (Rupees Thirteen Thousand Nine Hundred Twenty Four crore only) to aforementioned Project SPVs . However, the agreements entered into are presently limited to ₹ 13464 crore as per the following amounts: 1. POWERGRID NM Transmission Limited ₹ 950Cr 2. POWERGRID Vizag Transmission Limited ₹ 1200Cr 3. POWERGRID Unchahar Transmission Limited ₹ 90Cr 4. POWERGRID Kala Amb Transmission Limited ₹300Cr 5. POWERGRID Jabalpur Transmission Limited ₹ 1400Cr

		6. POWERGRID Warora Transmission Limited ₹ 2020Cr 7. POWERGRID Parli Transmission Limited ₹ 1780Cr 8. POWERGRID Southern Interconnector Transmission System Limited ₹ 2924Cr 9. POWERGRID Medinipur Jeerat Transmission Limited ₹ 2800Cr Part (B) POWERGRID to render all inputs and services as may be required by the aforementioned Projects SPVs at Sl. 1 and 2 on cost to cost basis and for Project SPVs at Sl. 3 to 9 @ 5% of the actual project cost (excl. IDC and Consultancy Fee) plus service tax as applicable. Part (C) POWERGRID to provide O&M consultancy as may be required by the Project SPVs at Sl.1, 2, 3 whose elements /projects have been completed based on rates notified by CERC with appropriate changes
	c) Duration of the contracts / arrangements / transactions	Part (A) As mutually agreed Part (B) Commissioning of the TBCB Project including associated reconciliation activities. Part (C) As mutually agreed
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Refer (b)
	e) Date(s) of approval by the Board, if any	29 th May, 2014; 4 th March, 2015; 27 th January, 2016; 5 th August, 2016 & 29 th March, 2017.
	f) Amount paid as advances, if any:	NIL
(B)	a) Name(s) of the related party and nature of relationship	Bihar Grid Company Limited(BGCL), Joint Venture Company
	b) Nature of contracts / arrangements / transactions	Consultancy for Pre-award Techno Managerial services for Strengthening of Transmission System in Bihar-Phase-IV, (Part-1).
	c) Duration of the contracts / arrangements / transactions	9 months from Jan'15 (Extendable automatically in case of delay till completion of the scope as per Agreement)
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Providing all services for finalization and appointment of agency/contractor by BGCL for Strengthening of Transmission System in Bihar-Phase-IV (Part-1). Agreement signed on 21 st Nov'13 with lump sum service charges of ₹14.0 Cr.
	e) Date(s) of approval by the Board, if any	Not applicable
	f) Amount paid as advances, if any:	Received ₹ 11.24 Cr. including ₹ 1.4 Cr. towards first installment from BGCL in Jan'15. However, no amount was paid to BGCL as advance for this contract.
(C)	a) Name(s) of the related party and nature of relationship	Bihar Grid Company Limited(BGCL), Joint Venture Company
	b) Nature of contracts / arrangements / transactions	Consultancy for Post-award Techno Managerial services (Post-award Engineering & QA&I only) for Strengthening of Transmission System in Bihar-Phase-IV (Part-1).
	c) Duration of the contracts / arrangements / transactions	24 months from Mar'15 (Extendable automatically in case of delay till completion of the scope as per Agreement).
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Providing post-award engineering, quality assurance & inspection related services for the packages awarded by BGCL under strengthening of Transmission System in Bihar-Phase-IV, (Part-1). Agreement signed on 1 st Jan'15. The estimated cost of the project is ₹ 1700.0 Cr. and service charges @ 2% of the actual executed cost of the project.
	e) Date(s) of approval by the Board, if any	24 th Dec'14 (308 th Board meeting of POWERGRID)
	f) Amount paid as advances, if any:	Received ₹ 10.63 Cr. as advance from BGCL in FY-16-17. However, no amount was paid to BGCL as advance for this contract.

(D)	a) Name(s) of the related party and nature of relationship	Teestavalley Power Transmission Company Limited(TPTL), Joint Venture Company
	b) Nature of contracts / arrangements / transactions	Consultancy for execution of 2 nos. 400 kV AIS bays and 2x63 MVAR Reactors at Kishenganj POWERGRID S/S (Subsequently, scope revised to GIS from AIS)
	c) Duration of the contracts / arrangements / transactions	26 months from Mar'10 (Extendable automatically in case of delay till completion of the scope as per Agreement)
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Providing all services i.e. procurement, engineering, implementation including testing and commissioning for 2 nos. 400 kV GIS bays and 2x63 MVAR reactors at Kishenganj. Agreement signed on 1 st Sep'09 having estimated project cost of ₹ 26.78 Cr. and consultancy fee @15% of the actual executed cost of the project.
	e) Date(s) of approval by the Board, if any	Not applicable
	f) Amount paid as advances, if any:	Fund received from TPTL during 2016-17 amounting to ₹ 58625000 as on 01.06.16. However, no amount was paid to TPTL as advance for this contract.
(E)	a) Name(s) of the related party and nature of relationship	Teestavalley Power Transmission Company Limited(TPTL), Joint Venture Company
	b) Nature of contracts / arrangements / transactions	Consultancy for Engineering services for execution of 400 kV D/C Teesta III-Kishenganj line (about 211 km) associated with Teesta-III HEP(1200 MW) in Sikkim.
	c) Duration of the contracts / arrangements / transactions	Mutually agreed (Matching with commissioning of the transmission line)
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Providing all services for finalization and appointment of agency/contractor by TPTL, pre-award and post-award engineering, quality assurance & inspection related services (except issue of NIT, placement of award, payment towards project cost to contractors, supervision of erection, testing & commissioning) for execution of 400 kV D/C Teesta III-Kishenganj line (about 211 km) associated with Teesta- III HEP (1200 MW) in Sikkim. Work order date 21 st Apr'09 and lumpsum consultancy fee is ₹16.0 Cr.
	e) Date(s) of approval by the Board, if any	Not applicable
	f) Amount paid as advances, if any:	Received ₹ 14.4 Cr. as advance from TPTL in till March'17. However, no amount was paid to TPTL as advance for this contract.
(F)	a) Name(s) of the related party and nature of relationship	North East Transmission Company Limited(NETC), Joint Venture Company
	b) Nature of contracts / arrangements / transactions	Consultancy for execution of 400 kV D/C Palatana- Silchar-Byrnihat-Bongaigaon line (about 661km) associated with 726.6 MW Palatana GBPP in Tripura.
	c) Duration of the contracts / arrangements / transactions	36 months from May'07 (Extendable automatically in case of delay till completion of the scope as per Agreement)
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Providing all services i.e. procurement, engineering, implementation including testing and commissioning (except placement of award & payment towards project cost to contractors) for 400 kV D/C Palatana-Silchar-Byrnihat-Bongaigaon line (about 661km) associated with Palatana GBPP in Tripura. Agreement signed on 16 th Mar'07 having estimated project cost of ₹1195.2 Cr. and consultancy fee @ 10% of the actual executed cost of the project.
	e) Date(s) of approval by the Board, if any	Not applicable
	f) Amount paid as advances, if any:	Received ₹ 73.55 Lakhs as advance from NETC in FY: 2016-17. However, no amount was paid to NETC as advance for this contract.

(G)	a) Name(s) of the related party and nature of relationship	North East Transmission Company Limited(NETC), Joint Venture Company
	b) Nature of contracts / arrangements / transactions	Consultancy for Operation & Maintenance of 400 KV D/C Pallatana-Silchar Byrnihat-Bongaigaon line (about 661 km).
	c) Duration of the contracts / arrangements / transactions	3 years from June'16
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Providing all services for Operation & Maintenance of 400 KV D/C Pallatana-Silchar-Byrnihat-Bongaigaon line (about 661 km). Original agreement signed on 16 th Jan'13 and same is renewed on 30 th May'2016. The consultancy fee is as per CERC tariff norms.
	e) Date(s) of approval by the Board, if any	Not applicable
	f) Amount paid as advances, if any:	No advances received. However, ₹ 5.94 Cr. received as payment towards bills raised for above maintenance work. No amount was paid to NETC as advance for this contract.
(H)	a) Name(s) of the related party and nature of relationship	National High Power Test Laboratory Pvt. Ltd.(NHPTL), Joint Venture Company
	b) Nature of contracts / arrangements / transactions	Consultancy for establishment of On-line High Power Short Circuit Test Facility at Bina Substation.
	c) Duration of the contracts / arrangements / transactions	Mutually agreed
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Providing all services i.e. procurement, engineering, implementation including testing and commissioning for establishment of On-line High Power Short Circuit Test Facility at Bina Substation. Agreement signed on 25 th Nov'10 having estimated project cost of ₹ 247.06 Cr. and consultancy fee @ 10% of the actual executed cost of the project.
	e) Date(s) of approval by the Board, if any	Not applicable
	f) Amount paid as advances, if any:	Fund of ₹ 58345527.57 received from NHPTL in FY 2016-17.
(I)	a) Name(s) of the related party and nature of relationship	Power System Operation Corporation Ltd(POSOCO), Subsidiary Company(100%)
	b) Nature of contracts / arrangements / transactions	Consultancy for expansion/replacement of SCADA/EMS system and associated IT Infrastructure at 5-RLDCs & NLDC.
	c) Duration of the contracts / arrangements / transactions	5 years from Apr'11 (Extendable automatically in case of delay till completion of the scope as per Agreement).
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Providing all services i.e. procurement, engineering, implementation including testing and commissioning (except payment towards project cost to contractors) for expansion/replacement of SCADA/EMS system and associated IT Infrastructure at 5-RLDCs & NLDC. Agreement signed on 31 st Mar'11 & amended on 2 nd May'12. The estimated cost of the project worked out subsequent to signing of the Agreement as per the provision in the Agreement is ₹ 65.16 Cr. and consultancy fee @ 12% of the actual executed cost of the project.
	e) Date(s) of approval by the Board, if any	Not applicable
	f) Amount paid as advances, if any:	Received ₹ 1.15 Cr. from POSOCO in FY16-17. However, no amount was paid to POSOCO as advance for this contract.

(J)	a) Name(s) of the related party and nature of relationship	Power Transmission Company Nepal Ltd, JV Company
	b) Nature of contracts / arrangements / transactions	To provide Project Management Consultancy for execution of 400kV D/C Dhalkebar Bittamod (42.1 km) section (Nepal Portion) of 400kV D/C Muzaffarpur (India)- Dhalkebar (Nepal) Transmission Line.
	c) Duration of the contracts / arrangements / transactions	24 months from 13-Aug-2012 (Extended automatically in case of delay till completion of the scope as per agreement)
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Providing project management consultancy i.e. preparation of Master N/w design & Engineering, Preparation of technical specifications including BOQ, NIT and cost estimate; preparation of technical & commercial bid documents, preparation of draft NIT, evaluation of bid draft LOA, post contract Engg. and project management activities and supervision of site work, opening of site offices and other work incidental to execution of work. Value: Consultancy fee shall be 10% of the final actual executed cost of the project plus applicable taxes/duties in India/ Nepal.
	e) Date(s) of approval by the Board	6-Jan-2010
	f) Amount paid as advances, if any :	INR 52,60,000 received on 25-Jul-2014. No amount paid as advance thereafter.
(K)	a) Name(s) of the related party and nature of relationship	Cross-Border Power Transmission Company Ltd, JV Company
	b) Nature of contracts / arrangements / transactions	To provide Project Management Consultancy for execution of 400kV D/C Muzaffarpur-Sursand (86.13 km) section (India Portion) of 400kV D/C Muzaffarpur (India)- Dhalkebar (Nepal) Transmission Line
	c) Duration of the contracts / arrangements / transactions	30 months from 10-Aug-2012 (Extended automatically in case of delay till completion of the scope as per agreement)
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Providing project management consultancy i.e. preparation of Master N/w design & Engineering, Preparation of technical specifications including BOQ, NIT and cost estimate; preparation of technical & commercial bid documents, preparation of draft NIT, evaluation of bid draft LOA, award of the Contract, post contract Engg. and project management activities and supervision of site work, opening of site offices and other work incidental to execution of work Value: Consultancy fee shall be 12% of the final actual executed cost of the project plus applicable taxes/duties in India/ Nepal.
	e) Date(s) of approval by the Board, if any	24-Aug-2009
	f) Amount paid as advances, if any:	INR 1,31,30,000 received on 19-Apr-2013. No amount paid as advance thereafter.

Form No AOC 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures
Part "A": Subsidiaries

(Amounts in ₹ crore)												
1.	Sl. No.	1	2	3	4	5	6	7	8	9	10	11
2.	Name of Subsidiaries	Powergrid NM Trans- mission Limited	Powergrid Vemagiri Trans- mission Limited	Powergrid Vizag Trans- mission Limited	Powergrid Unchahar Trans- mission Limited	Powergrid Kala Amb Trans- mission Limited	Powergrid Jabalpur Trans- mission Limited	Powergrid Warora Trans- mission Limited	Powergrid Parli Trans- mission Limited	Powergrid Southern Interconnector Transmission System Limited	Grid Conductor Limited	Medinipur Jeerat Transmission Limited
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
5.	Share capital	162.00	0.05	209.73	12.96	1.05	0.15	25.10	0.10	0.05	0.05	0.01
6.	Reserves & surplus	(21.39)	(19.43)	(25.46)	(0.05)	-	-	1.32	-	(0.02)	(0.05)	-
7.	Total assets	1092.47	0.02	1309.36	79.73	227.91	264.79	852.91	567.53	581.57	-	19.50
8.	Total Liabilities	951.86	19.40	1125.09	66.82	226.86	264.64	826.49	567.43	581.54	-	19.49
9.	Investments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
10.	Turnover	18.91	Nil	67.59	4.08	Nil	Nil	3.66	Nil	Nil	Nil	Nil
11.	Profit before taxation	(28.97)	Nil	(30.34)	(0.08)	Nil	Nil	3.05	Nil	(0.02)	(0.02)	Nil
12.	Provision for taxation	(10.03)	Nil	(8.53)	(0.03)	Nil	Nil	1.73	Nil	Nil	Nil	Nil
13.	Profit after taxation	(18.94)	Nil	(21.81)	(0.05)	Nil	Nil	1.32	Nil	(0.02)	(0.02)	Nil
14.	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
15.	% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Names of subsidiaries which are yet to commence operations

Powergrid Vemagiri Transmission Limited
Powergrid Kala Amb Transmission Limited
Powergrid Jabalpur Transmission Limited
Powergrid Parli Transmission Limited
Powergrid Southern Interconnector Transmission System Limited
Grid Conductor Limited
Medinipur Jeerat Transmission Limited
Names of subsidiaries which have been liquidated or sold during the year
Power System Operation Corporation Limited

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Amounts in ₹ crore)

Name of Associates/Joint Ventures	Powerlinks Trans-mission Limited	Torrent Power Grid Limited	Jaypee Powergrid Limited	Parbati Koldam Trans-mission Company Limited	Teestavalley Power Trans-mission Limited	North East Trans-mission Company Limited	National High Power Test Laboratory Private Limited	Kalinga Vidyut Prasaran Nigam Private Limited	Bihar Grid Company Limited	Cross Border Power Trans-mission Company Limited	RINL Powergrid TLT Pvt Limited	Power Trans-mission Company Nepal Ltd
1. Latest audited Balance Sheet Date	31.03.2017	Unaudited	Unaudited	Unaudited	Unaudited	31.03.2017	Unaudited	Unaudited	Unaudited	Unaudited	31.03.2017	Unaudited
2. Shares of Associate / Joint Ventures held by the company on the year end												
Number	229320000	23400000	78000000	70937620	94277820	106964000	30400000	5000	148500000	12612473	3400000	780000
Amount of Investment in Associates / Joint Venture	229.32	23.40	78.00	70.94	94.28	106.96	30.40	0.01	148.50	12.61	3.40	4.88
Extend of Holding %	49%	26%	26%	26%	26%	26%	20%	50%	50%	26%	50%	26%
3. Description of how there is significant influence	Share holding is more than 20%	Share holding is more than 20%	Share holding is more than 20%	Share holding is more than 20%	Share holding is more than 20%	Share holding is more than 20%	Share holding is more than 20%	Share holding is more than 20%	Share holding is more than 20%	Share holding is more than 20%	Share holding is more than 20%	Share holding is more than 20%
4. Reason why the associate/joint venture is not consolidated	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	408.69	26.48	94.43	92.70	93.65	98.45	29.97	NIL	147.46	18.19	3.40	7.34
6. Profit / Loss for the year												
i. Considered in Consolidation	96.00	0.89	13.06	18.65	0.34	8.17	NIL	NIL	(1.05)	3.60	NIL	2.09
ii. Not Considered in Consolidation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Names of associates or joint ventures which are yet to commence operations

National High Power Test Laboratory Private Limited
Kalinga Vidyut Prasaran Nigam Private Limited
Bihar Grid Company Limited
Cross Border Power Trans-mission Company Limited
RINL Powergrid TLT Pvt Limited

Names of associates or joint ventures which have been liquidated or sold during the year
Energy Efficiency Services Limited (ceased to Joint Venture)

As per our report of even dated
For and on behalf of the Board of Directors

(Divya Tandon) Company Secretary
(K Sreekanth) Director (Finance)
(I. S. Jha) Chairman & Managing Director

For S. K. Mittal & Co.

Chartered Accountants
Firm Regn. No. 001135N

(CA S. K. Mittal) Partner
M. No. 008506

For R.G.N Price & Co

Chartered Accountants
Firm Regn. No. 002785S

(CA R. Rangarajan) Partner
M. No. 041883

For Kothari & Co.

Chartered Accountants
Firm Regn. No. 301178E

(CA Manaswy Kothari) Partner
M. No. 064601

For Parakh & Co.

Chartered Accountants
Firm Regn. No. 001475C

(CA Indra Pal Singh) Partner
M. No. 410433

Place : New Delhi
Date : 29th May, 2017

Annual Report on Corporate Social Responsibility

The CSR Policy of the company was approved by the Board of Directors in its 307th meeting held on 11.11.2014 and was modified in its 323rd meeting held on 30th November, 2015. Major changes were incorporated in the Name of the Policy, inclusion of Vision and Mission Statements, defining local area and communication strategy. The Policy is available on company's website:

http://10.100.18.171/sites/default/files/CSR_Policy_2015_0.pdf

1. The main features of the Policy are:

The Policy is named as POWERGRID's Corporate Social Responsibility and Sustainability Policy

Vision:

To be a Corporate that sets a long term strategy for Social & Economic Development of communities through initiatives in rural development, education, skill development, health and other areas of national importance and adhere to sustainable environmental practices.

Mission

To align CSR and Sustainability policy with the business policy so as to conduct business in a sustainable manner adhering to the principles of Avoidance, Minimization and Mitigation in dealing with environmental and social issues and to undertake high impact community development projects of national and local importance in consultation with stakeholders.

Activities under CSR:

The activities proposed to be undertaken under CSR shall include all the activities mentioned in Schedule VII mentioned in Section 135 (3) (a) of the Companies Act, 2013.

The Corporation will give preference to the stakeholders directly impacted by its operation for CSR activities. Since such stakeholders are generally located in the periphery of the commercial operations of the Corporation, POWERGRID will accord priority for CSR activities in the local areas and neighbourhood areas of its operations.

The Geographical limits of a district where POWERGRID has its presence shall be considered as local area for CSR&S activities. In addition, POWERGRID shall also undertake CSR activities outside it. The ratio of CSR spends between the local areas and outside would be approximately 75:25. However, projects/ activities executed under the directives of GoI or of foremost concern in the national development agenda will be outside the purview of this ratio. The CSR committee is authorized to approve any project, irrespective of the amount involved, which is beyond the above ratio.

Priority will be given for CSR activities to the stakeholders directly impacted by the operations of the Corporation.

CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.

Endeavour shall be made to promote sustainable development through initiatives by conducting business in a manner that is beneficial to both business and society.

Mode of Execution of CSR activities:

The CSR activities shall preferably be implemented in project mode. The implementation of various activities will be normally done through placement of award by the Corporation as per Works & Procurement Policy of the Corporation. Services of various departments of Central/ State Govt., Panchayati Raj Institutions etc. may also be availed for implementation of CSR activities as deposit works.

CSR activities/projects/programs may also be taken up in association with a registered trust or a registered society or a company established by the Corporation or its holding or subsidiary or associate company submitted to fulfilling requirements as mentioned in Company's Act.

Communication Strategy

The electronic media shall be used for broader communication with the stakeholders. Display in website, emails, Annual CSR booklet, Annual Report etc. will be key instruments to decipher the CSR initiatives of POWERGRID.

Funding of CSR activities:

The Corporation will be required to spend annually at least two percent of the average net profit made during the three immediately preceding financial years on CSR Policy.



2. The composition of the CSR Committee.

Shri I.S. Jha	- CMD, Chairman of the Committee
Shri R.T. Agarwal	- Director
Shri K. Sreekant	- Director
Shri Ravi P. Singh	- Director
Shri R.P. Sasmal	- Director
Shri Prabhakar Singh	- Director
Smt. Jyoti Arora	- Director (Govt. representative)
Shri Jagdish I. Patel	- Director (Independent)

3. Average Net Profit of the company for last three financial years:

₹ 6779 crore

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above:

CSR @ 2% for FY 2016-17: ₹135.58 crore

5. Details of CSR spent during the financial year :

- Total amount to be spent for the financial year:
₹ 147.27 Crs.
- Amount unspent, if any:
Nil
- Manner in which the amount spent during the financial year.
Amount spent during the year is attached at **Annexure-I**

6. The Company has spent more than two percent of the average net profit of the last three financial years or any part thereof

7. It is to state that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/-
(Chief Executive Officer or Managing Director or Director)

Sd/-
(Chairman CSR Committee)

Sd/-
(Person specified under clause (d) of sub-section (1) of section 380 of the Act)

Annexure to the Annual Report on CSR for 2016-17 to be included in the Board's Report

S. No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount Outlay (₹/lakhs)	Amount spent on the project or programme during 2016-17	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Construction of "POWERGRID Vishram Sadan" at Jai Prakash Narayan Apex Trauma Centre, AIIMS	social welfare	Local Area	New Delhi	New Delhi	2900	443.38	2,817.18	AIIMS
2	Imparting Skill Development training to 5000 youths in 33 locations across India through NSDC	Skill Development	Local Area	various parts of the country	various parts of the country	653	424.43	470.73	NSDF & NSDC
3	Skill Development Training programme for 560 nos. of Under-privileged / Unemployed youth	Skill Development	Local Area	Aurangabad, Guwahati, Hajipur, Mysore, Bhubaneswar, Hyderabad, Lucknow	Maharashtra, Assam, Bihar, Karnataka, Odisha, Telangana, Uttar Pradesh	184	163.20	163.20	CIPET
4	Distribution of aids and appliances to Persons with Disabilities	social welfare	Local Area	Thrissur, Korba, Agra, Siliguri, Vijayawada, Wardha, Kishenpur, Jamshedpur & Bina	Tamil Nadu, Chattisgarh, Uttar Pradesh, West Bengal, Telanganal, Maharashtra, Jammu & Kashmir, Bihar and Madhya Pradesh	198	154.14	157.40	ALIMCO
5	Purchase of Licenses towards digitization and implementation of ERP (Enterprise Resource planning) at AIIMS (All India Institute of Medical Sciences), New Delhi	Healthcare	Local Area	New Delhi	New Delhi	190	190.00	190.00	AIIMS

S. No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount Outlay (₹/lakhs)	Amount spent on the project or programme during 2016-17	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
6	Five months training in Tailoring for underprivileged girls / women at Sector-43, POWERGRID residential training, Gurgaon (3 rd batch)	Skill Development	Local Area	Gurgaon	Haryana	4.45	3.49	3.49	POWERGRID
7	Organising painting competition of Bureau of energy efficiency (BEE) for promoting energy Conservation (2016-17)	Environment	Others	various parts of the country	various parts of the country	126.47	80.57	125.57	POWERGRID
8	Maintenance of green Belt in Gurgaon	sanitation	Local Area	various parts of the country	various parts of the country	12.46	3.94	3.94	POWERGRID
9	Providing furniture to Govt. Primary schools in B1 and B2 Sushant Lok, Gurgaon	Education	Local Area	Gurgaon	Haryana	4.82	4.70	4.70	POWERGRID
10	Conducting "Five months certificate programme in Tailoring" at POWERGRID Township Gurgaon, Haryana (2 nd batch)	Skill Development	Local Area	Gurgaon	Haryana	4.36	3.61	3.61	POWERGRID
11	Contribution to National Sports Development Fund (NSDF) for promotion and development of sports in the country	sports	Others	New Delhi	New Delhi	50	50.00	50.00	National Sports Development Fund
12	Plantation and Blood Donation camp on 17.09.2016 in various locations	Healthcare	Local Area	Gurgaon	Haryana	28.63	0.07	28.63	POWERGRID
13	Purchase & Distribution of 500 nos. blankets to deprived persons	social welfare	Local Area	Gurgaon	Haryana	2.73	2.73	2.73	POWERGRID

S. No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount Outlay (₹/lakhs)	Amount spent on the project or programme during 2016-17	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
14	"POWERGRID Subroto Scholarship" to 75 talented youth footballers.	sports	Local Area	New Delhi	New Delhi	16.25	16.25	16.25	SMSSE, Indian Air force
15	Financial Assistance for education of 1150 Students of Assam and Manipur	Education	Local Area	Assam, Manipur	Assam, Manipur	145.38	100.00	100.00	NFCH
16	Purchase & Distribution of 500 nos. of pressure cooker at Gurgaon.	Environment	Local Area	Gurgaon	Haryana	5.36	5.27	5.36	POWERGRID
17	Adjustment of payment towards Imparting skill Development to 1500 Persons with Disabilities (PwD)	Skill Development	Local Area	various parts of the country	various parts of the country	180	18.00	18.00	NHFDC
18	Collection and disposal of Municipal Solid Waste in 25 wards of Varanasi	Swachh Bharat Abhiyan	Local area	varanasi	Uttar Pradesh	1000	558.31	558.31	Varanasi Nagar Nigam
19	Contribution to "Swachh Bharat Kosh"	sanitation	Local Area	New delhi	New Delhi	3000	3,000.00	3000	Govt. of India
20	Balance payment towards construction of toilets under "Swachh Vidyalaya Abhiyaan"	Swachh Bharat Abhiyan	Local Area	various parts of the country	various parts of the country	6157.13	1136.93	6093.41	M/s Ircon ISL, HPL & GVT
21	Administrative overhead	Overhead	Local Area	various parts of the country	various parts of the country		517.68	520.36	POWERGRID
22	Health Check up camps" in 97 locations in the vicinity of POWERGRID's establishments	Healthcare	Local Area	various parts of the country	various parts of the country	180	149.85	151.01	HLL Lifecare Ltd.
23	Construction of community Center at Topchachi Dhanbad Distt.	Rural Development	Local Area	Dhanbad	Jharkhand	43.64	4.38	4.38	POWERGRID

S. No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount Outlay (₹/lakhs)	Amount spent on the project or programme during 2016-17	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
24	Installation of 65 nos. handpumps in various locations	Drinking water	Local Area	Giridih	Jharkhand	45.86	45.77	45.77	POWERGRID
25	Development of Playground with all necessary facilities at K.B.Women's Govt. College, Hazaribagh District, Jharkhand	Education	Local Area	Hazaribagh	Jharkhand	155.88	0.97	3.24	POWERGRID
26	Imparting Skill Development Training Programme to 360 youths at Indo-Danish Tool Rooms at Jamshedpur (Jharkhand)	Skill Development	Local Area	West Singhbhum	Bihar	199.92	87.16	178.20	IDTR, Jamshedpur
27	Providing 01 no. ambulance and school furniture to Govt. High School Danda Block in Garwah District, Jharkhand	Education	Others	Garwah	Jharkhand	16.05	11.73	11.88	POWERGRID
28	Providing 05 nos. Advanced Life Support Ambulance (ALSA) to Govt. Hospitals in the State of Bihar,	Healthcare	Local Area	various parts of the State	Bihar	134.39	126.71	126.71	POWERGRID
29	Supply & installation of 300 Solar Photovoltaic LED Street Lighting Systems in Purnea District (Bihar)	Rural Development	Local Area	Purnea	Bihar	73.36	73.36	73.36	REIL
30	Providing simulator and vehicle for LMV Driver Training school at ITI Marhowrah, saran District, Bihar	Skill Development	Local Area	Saran	Bihar	11.34	0.82	10.60	POWERGRID
31	Construction of Namma Toilets at Sitamathi, Jaynagar, Madhubani and Darbhanga Railway Station in Bihar	sanitation	Others	Darbanga	Bihar	106.79	26.45	26.45	Indian Railways

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
32	Construction of Bazar Samiti Road at Mathurapur in Samastipur town in Bihar	Rural Development	Others	Samastipur	Bihar	101.95	20.39	20.39	POWERGRID
33	Providing 20 nos. of Patient transfer ambulances to Govt. Hospitals / Community Health centres at different locations in Jharkhand State	Healthcare	Local Area	various parts of the State	Jharkhand	165.69	164.79	164.79	POWERGRID
34	Providing 20 nos. of Patient transfer ambulances to Govt. Hospitals in Bihar State	Healthcare	Local Area	various parts of the State	Bihar	193.65	193.65	193.65	POWERGRID
35	Providing school bag and stationary to students of Govt. schools in District Darbhanga, Bihar	Education	Others	Darbanga	Bihar	0.57	0.54	0.54	POWERGRID
36	Supply of furniture and other items for project "Mission Shanty Doot"	Education	Local Area	Gaya	Bihar	11.95	11.95	11.95	POWERGRID
37	Renovation & Fabrication infrastructure for 4 bedded modular ICU unit at District Hospital Aurangabad, Bihar	Healthcare	Local Area	Aurangabad	Bihar	177.68	168.57	168.57	HLL Lifecare Ltd.
38	Construction of play ground Stadium at Board colony Patna	sports	Local Area	Patna	Bihar	50.00	25.00	50.00	BSPHCL
39	Construction of check dam at Aurey village, near Lakhisarai S/s, Bihar	Rural Development	Local Area	Lakhisarai	Bihar	13.19	13.06	13.06	POWERGRID
40	Providing Tarpaulin Sheet in 12 flood affected districts of Bihar	Healthcare	Local Area	Various parts of the State	Bihar	23.63	23.63	23.63	POWERGRID

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
41	Distribution of Study material in Deaf & Dumb School Patna	Education	Local Area	Patna	Bihar	0.50	0.50	0.50	POWERGRID
42	Health camp	Healthcare	Local Area	Various parts of the state	Bihar	2.40	1.34	1.34	POWERGRID
43	Tree Plantation	Environment	Local Area	Patna	Bihar	0.60	0.60	0.60	POWERGRID
44	Capacity Building Programme in Transmission line tower erection	Skill Development	Local Area	Kokrajhar, Nagaon, Mariani, Imphal, Srikona, Jalpaiguri, Malda & South 24 Parganas	West Bengal	761.00	283.79	655.77	POWERGRID
45	Renovation of Govt. FP School, Nachan, Durgapur	Education	Local Area	Burdwan	West Bengal	16.68	8.34	16.68	POWERGRID
46	Construction of Multipurpose Hall at Govt. Secondary school, Kitam, South Sikkim	Education	Local Area	South Sikkim	Sikkim	23.67	21.91	23.67	POWERGRID
47	Construction of balance portion of Boundary wall at Baram Hat LP School and Widening and development of the balance portion of existing road to Sepaipara More, Jalpaiguri	Rural Development	Local Area	Jalpaiguri	West Bengal	14.95	7.64	14.95	POWERGRID
48	Supply of hospital bed with table for Namthang PHC, South Sikkim	Healthcare	Local Area	South Sikkim	Sikkim	6.72	5.16	5.16	POWERGRID
49	Road repair & premix carpeting area frp, Dabor more to Brindaboni village near Maithon Station.	Rural Development	Local Area	Burdwan	West Bengal	29.36	26.20	26.20	POWERGRID

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
50	Construction of 02 nos. class rooms with furnitures, toilets at Dhanguri upper primary school. Burdwan near Maithon Substation	Education	Local Area	Burdwan	West Bengal	21.66	9.15	21.60	POWERGRID
51	Providing one no. ambulance for Rongli PHC, east Sikkim	Healthcare	Local Area	East Sikkim	Sikkim	6.96	5.38	6.96	POWERGRID
52	Construction of additional Patient's ward, Laboratory Room, X-Ray Room, Dressing Room, Nurse's Room and Waiting Hall for patients with toilets	Healthcare	Local Area	Jalpaiguri	West Bengal	25.65	21.56	21.56	POWERGRID
53	Construction / Development of village road at Dakshingram village, Murshidabad District, West Bengal	Rural Development	Local Area	Murshidabad	West Bengal	23.38	21.56	21.56	POWERGRID
54	Repair of damaged road & drain from Jalipool more to POWERGRID Gangtok substation complex	Rural Development	Local Area	East Sikkim	Sikkim	39.33	36.30	36.30	POWERGRID
55	Providing ambulance for General Public in South Sikkim	Healthcare	Local Area	South Sikkim	Sikkim	8.37	5.20	5.20	POWERGRID
56	Construction of Community Hall cum Marriage Hall at Birpara Park Ground	Rural Development	Local Area	Jalpaiguri	West Bengal	32.93	17.71	17.71	POWERGRID
57	Providing Furniture and Biology Lab equipments to Arniyabala Balika Vidyalaya (H.S) School, South Garia	Education	Local Area	South 24 Parganas	West Bengal	11.03	0.50	11.03	POWERGRID

S. No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount Outlay (₹/lakhs)	Amount spent on the project or programme during 2016-17	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
58	Providing drinking water facility by providing 13 handpumps at Amriti & Kazigram G.P and 5 handpumps at Kotwali G.P, Malda	Drinking water	Local Area	Malda	West Bengal	4.09	4.09	4.09	POWERGRID
59	Adjustment of advance payment to M/s Webcon & M/s HARDICON for skill development programme	Skill Development	Local Area	Various parts of state	West Bengal, Odisha, Sikkim	14.99	14.99	14.99	WEBCON Consulting Ltd
60	Adjustment of advance payment for procurement of 26 ambulances provided to WB Health Deptt.	Healthcare	Local Area	Various parts of state	West Bengal	140.86	138.33	138.33	POWERGRID
61	Tree Plantation	Environment	Local Area	Burdwan	West Bengal	0.11	0.11	0.11	POWERGRID
62	Tree Plantation	Environment	Local Area	Murshidabad	West Bengal	0.15	0.15	0.15	POWERGRID
63	Health checkup camp	Healthcare	Local Area	East & South Sikkim	Sikkim	0.53	0.53	0.53	POWERGRID
64	Blood Donation camp	Healthcare	Local Area	Kolkata	West Bengal	0.43	0.43	0.43	POWERGRID
65	Community Development projects in Alipurduar	Rural Development	Local Area	Alipurduar	West Bengal	70.69	70.69	70.69	POWERGRID
66	Renovation of Katta (Pond) construction of boundary wall and approach road to school, Sundergarh	Rural Development	Local Area	Sundergarh	Odisha	11	2.52	11.00	BDO/ DRDA
67	Renovation of pond at Benagadia in Fulpada Village with wide embankment for plantation around the pond & two nos. bathing ghat	Rural Development	Local Area	Angul	Odisha	14.89	14.89	14.89	DRDA, Angul

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
68	Community Heritage Centre at Jajpur	Protection of national heritage, art & culture	Local Area	Jajpur	Odisha	402	50.00	50.00	District Administration, Govt. of Odisha
69	Construction of Community centre at Tirimal village, Pandiabili	Rural Development	Local Area	Khordha	Odisha	8.45	7.50	7.50	BDO, Khordha
70	Pre-recruitment Army & Para Military Training to unemployed tribal youths in Sambalpur District	Skill Development	Local Area	Sambalpur	Odisha	11.75	9.70	9.70	POWERGRID
71	Providing Power Supply to Takarla High school, Takrala, Indrawati	Education	Local Area	Kalahandi	Odisha	5.57	4.68	4.68	DRDA, Kalahandi
72	Providing 01 No. water cooler with water purifier to TPS High School, Bandhapali, Sundergarh	Education	Local Area	Sundergarh	Odisha	0.58	0.48	0.48	POWERGRID
73	Community Development projects in Angul District	Rural Development	Local Area	Angul	Odisha	485.25	312.01	473.72	DRDA, Angul
74	Helath camp at Kaniha, Baripada, Bolangir, Sundergarh, Rourkela	Healthcare	Local Area	Various Districts	Odisha	1.5	1.49	1.49	POWERGRID
75	Providing 01 No. CNC Lathe machine to ITI Talcher	Education	Local Area	Talcher	Odisha	21.51	18.50	18.50	POWERGRID
76	Distribution of School Kit	Education	Local Area	Various Districts	Odisha	6.06	6.06	6.06	POWERGRID
77	Construction of RCC Staging Cum Overload water tank for providing water supply & construction of Cycle Stand at Govt. Middle School, Roing	Education	Local Area	Lower Dibang Valley	Arunachal Pradesh	12	2.62	11.82	PWD

S. No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount Outlay (₹/lakhs)	Amount spent on the project or programme during 2016-17	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
78	Providing of Roof Truss with CGI Sheet & Other Allied Repairing Works of Daimu ME School at Hairgaon Village, near Salakati S/S	Education	Local Area	Kokrajhar	Assam	12	11.70	11.70	POWERGRID
79	Construction of Boundary Wall & Waiting shed near graveyard	Rural Development	Local Area	Cachar	Assam	7	-0.98	6.53	POWERGRID
80	Setting Up of Toll Free Help Line and a website for students	Education	Local Area	Entire Assam	Assam	50	17.96	49.96	Govt. of Assam
81	Providing Water Supply In School Complex of Halam Basti Sr:Basic School, Unakoti, Knight, Tripura	Education	local Area	Kumarghat	Tripura	11	0.63	10.33	POWERGRID
82	Const.of 01no. Library room & 02nos.classrooms at Late Gaya Prasad Gaur ME School Sarupathar, Misa	Education	local Area	Nagaon	Assam	20	4.06	16.40	POWERGRID
83	Sponsoring 05 nos. Skill Development Training programs at Sualkuchi Institute of Fashion Technology (SIFT), Govt. of Assam, Kamrup Dist	Education	local Area	Kamrup	Assam	10	6.04	6.04	DC, Kamrup
84	Providing 15 nos ambulance	Healthcare	local Area	Dima Hasao, Sonitpur, Imphal West, Bishnupur, Thoubal, Churachandpur, Chandel, Ukhrul, Senapati, Tamenglong, Jiribam	Assam, Manipur	101	86.92	86.92	POWERGRID

S. No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount Outlay (₹/lakhs)	Amount spent on the project or programme during 2016-17	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
85	Cabins at Hospital & road in B.Chariali	Healthcare	local Area	Sonitpur	Assam	10	9.28	9.28	POWERGRID
86	Construction of Chatrabash (Hostel) & Library at Haflong	Education	local Area	Dima Hasao	Assam	1	0.65	0.65	POWERGRID
87	Supply of 30 Nos Water Filter 18 Ltrs Capacity	Healthcare	Local Area	Hailakandi	Assam	1	0.29	0.29	POWERGRID
88	Medical Camps at Imphal,	Healthcare	Local Area	Imphal East, Unakoti, East Jaintia Hills	Manipur, Tripura, Meghalaya	2	2.19	2.19	POWERGRID
89	Plantation	Environment	local Area	East Khasi Hills, Nagaon	Meghalaya, Assam	0	0.15	0.15	POWERGRID
90	Organising Yoga camps in various parts of Assam,	Healthcare	Local Area	Sonitpur, Tuivamit, Kokrajhar, Dimapur, Jiribam, Imphal west, Papumpare, Nagaon, Cachar, East Khasi hills	Assam, Manipur, Meghalaya, Mizoram	3	3.09	3.09	POWERGRID
91	Social works during Independence day	Healthcare	local Area	Cachar, Nagaon, East Khasi Hills, Sonitpur	Assam, Manipur, Meghalaya	1	0.56	0.56	POWERGRID
92	Construction of "Centre for Capacity Development in Oncology" at Dr. B.Borooah Cancer Institute, Guwahati	Healthcare	Local Area	Kamrup	Assam	398	104.20	104.20	Dr.B.Borooah Cancer Institute
93	Construction of water storage tank at Shantipur village, Dist. Dima Hasao, Assam	Rural Development	Local Area	Assam, Haflong	Assam	3	2.90	2.90	POWERGRID
94	Construction of Boundary Wall and Room at Graveyard in B.Chariali, Assam	Rural Development	local Area	Sonitpur	Assam	18	7.54	17.53	POWERGRID

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
95	Providing Medical Equipment for General Hospital, Lohit District, Tezu, Arunachal Pradesh	Rural Development	Local Area	Tezu	Assam	12	4.72	4.72	Dist. Hospital, Tezu
96	02 Nos Class Room each in 04 Schools of Sonitpur district	Rural Development	Local Area	Sonitpur	Assam	40	11.00	14.20	POWERGRID
97	Community Development Works in Simlaguri village, Bishwanath Chariali.	Rural Development	local Area	Sonitpur	Assam	207	45.38	116	POWERGRID
98	Augmentation of water distribution system for village Dhana Narsan	Drinking water	Local Area	Bhiwani	Haryana	197.5	78.55	78.55	PHED , Bhiwani
99	Construction of Phirni/Rasta at village Nimdiwali District, Bhiwani (Haryana)	Rural Development	Local Area	Bhiwani	Haryana	49.85	44.87	44.865	Panchyati Raj , Bhiwani
100	Procurement of 10 nos. of Ambulances in Northern Region.	Healthcare	Local Area	Sikar, Kotputli, Jaipur, Kankroli, Allahabad, Varanasi, Orai, Chittorgarh, Ajmer	UP, Rajasthan	99.41	95.15	95.152	POWERGRID
101	Supply & Installation of LED based Solar photovoltaic Street Lighting Systems	Rural Development	Local Area	Bagpat	Uttar Pradesh	42.3	42.30	42.3	REIL
102	Supply of Sports, play equipment and furniture items in Government High School and Govt. Girls Elementary School, Khatkar (Distt.-Jind)	Education	Local Area	Jind	Haryana	4.28	4.28	4.28	POWERGRID
103	Construction of CC Road in Village Naya Kunda	Rural Development	Local Area	Kunda	Uttar Pradesh	37.67	18.84	18.84	RED , Sharanpur

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
104	Providing table & stools to Govt. Adarsh Higher secondary School, Toda Bhata (Bassi) near Jaipur (Rajasthan)	Education	Local Area	Jaipur	Rajasthan	1.15	1.14	1.14	POWERGRID
105	Providing 3 portable mobile labs to 3 Community Health Centres, Govt. of Uttarakhand.	Healthcare	Local Area	Dehradun, Tehri , Pithoragarh	Uttarakhand	13.11	12.96	12.96	Department of Health, Govt. of Uttarakhand
106	Supply and installation of a Porta cabin in New Delhi for yoga	Healthcare	Local Area	New Delhi	Delhi	16.97	16.97	16.97	POWERGRID
107	Supply & installation of solar lights in village Nagalmaphi, near Shivalik forest division, tehsil Behar, dist. Saharanpur, Uttar Pradesh	Rural Development	Local Area	Saharanpur	Uttar Pradesh	2.1	2.06	2.06	POWERGRID
108	Procurement of Physiotherapy equipment for Government Hospital Roorkee, Dist-Haridwar in Uttarakhand	Healthcare	Local Area	Haridwar	Uttarakhand	4	3.91	3.9	POWERGRID
109	Renovation and beautification of Dastkari Haat at Rampur, Uttar Pradesh	social welfare	Local Area	Rampur	Uttar Pradesh	30	15.00	30	PWD Rampur
110	Construction of link road from NH-1A to Village Jatwal and Const. of internal road in Village Jatwal at Samba, J&K	Rural Development	Local Area	Samba	Jammu & Kashmir	124.75	9.04	110.56	POWERGRID
111	Providing 30 nos. of Solar Street Lights for Kuthar and Kanayala in Dist. Jammu, J&K	Rural Development	Local Area	Jammu	Jammu & Kashmir	7.10	7.06	7.06	POWERGRID

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
112	Providing 20 nos. of computers to four Govt. schools in village Pahroo, Gangipora, Chattergam & Suthsoo alongwith the training, j&k	Education	Local Area	Jammu	Jammu & Kashmir	10.12	10.12	10.12	POWERGRID
113	Construction of passenger shed at village Korga, Jammu	Rural Development	Local Area	Jammu	Jammu & Kashmir	1.70	1.70	1.70	POWERGRID
114	Construction of Community Centre at village Kharta (Jammu)	Rural Development	Local Area	Jammu	Jammu & Kashmir	31.97	2.50	2.50	POWERGRID
115	Construction of examination hall at Govt. High School, Jandrah (Jammu)	Education	Local Area	Jammu	Jammu & Kashmir	57.50	10.15	10.15	POWERGRID
116	Providing medical equipments to Govt. Health Centres in J&K	Healthcare	Local Area	Jammu	Jammu & Kashmir	100.21	64.53	64.53	POWERGRID
117	Development of Infrastructure for Skill development in Mountaineering of local youth in Dist. Lahaul Spiti	Skill Development	Others	Lahaul Spiti	Himachal Pradesh	33.25	16.63	16.63	District Administration, Govt. of HP
118	Construction of 12 nos. toilets, 4 nos. urinals and bore well at Govt. High School, Singhawala near Moga Substation.	Education	Local Area	Moga	Punjab	13.27	2.34	2.34	POWERGRID
119	Supply of water cooler with R.O. in 4 nos. Govt. schools near POWERGRID's Kaithal S/stn	Drinking water	Local Area	Kaithal	Haryana	3.97	3.89	3.89	POWERGRID

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
120	Construction of Pucca Nallah/drain at Abdullapur, Haryana	Sanitation	Local Area	Abdullapur	Haryana	26.88	4.69	26.87	POWERGRID
121	Installation of 67 Nos. submersible pumps in and around Agra.	Drinking Water	Local Area	Agra	Uttar Pradesh	99.24	66.70	66.70	Uttar Pradesh State Agro Ltd
122	Construction of Panchayat Ghars in 06 Nos. villages around Agra S/s along with Boundary wall	Rural Development	Local Area	Agra	Uttar Pradesh	163.9	146.77	146.77	Rural Engineering Department UP
123	Supply and installation of 200 Nos. hand pumps in village of Phoolpur, Allahabad.	Drinking Water	Local Area	Allahabad	Uttar Pradesh	82.6	41.00	66.08	UP Jal Nigam
124	Installation of 10 Nos. solar PV high Mast lighting & 27 Nos. of solar PV street light system and 02 Nos. of solar submersible pump at various places at Allahabad	Environment	Local Area	Allahabad	Uttar Pradesh	24.41	5.91	19.53	UPNEDA
125	Supply & Erection of 100 Nos. solar high mast light in various villages at Basti.	Rural Development	Local Area	Basti	Uttar Pradesh	82	82.00	82.00	REIL
126	Procurement of installation of 450 Nos. of solar lights in 6 Nos. blocks Dist. San Ravidas Nagar (Bhadoi), UP.	Rural Development	Local Area	Bhadoi	Uttar Pradesh	95.18	95.18	95.18	REIL
127	Supply & installation of 139 nos. hanp pumps in villages of Balrampur Dist. of UP.	Drinking Water	Local Area	Balrampur	Uttar Pradesh	51.51	51.51	51.51	Uttar Pradesh State Agro Ltd
128	Installation of 500 Nos. solar lights	Rural Development	Local Area	Lucknow	Uttar Pradesh	112.2	55.35	89.76	UPNEDA

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
129	Supply & installation of hand pumps in various villages of chandauli & various villages of Varanasi district	Drinking Water	Local Area	Chandauli / Varanasi	Uttar Pradesh	117.94	81.85	94.35	UP Jal Nigam
130	Supply & installation of 100 nos hand pumps in various villages of Manihar Block of Ghazipur	Drinking Water	Local Area	Ghazipur	Uttar Pradesh	43.6	35.32	35.32	UP Jal Nigam
131	Supply & installation of 750 nos. solar lights in various villages of Manihari block of Ghazipur	Rural Development	Local Area	Ghazipur	Uttar Pradesh	158.63	140.74	140.74	REIL
132	Construction of toilets in 116 schools in Ghazipur Dist. Of Uttar Pradesh.	Sanitation	Local Area	Ghazipur	Uttar Pradesh	310.59	134.81	134.81	IrconISL
133	Providing 300 nos. of solar street lights in 11 blocks & 02 towns of Gorakhpur dist.	Rural Development	Local Area	Gorakhpur	Uttar Pradesh	67.32	62.55	62.55	REIL
134	Supply and installtion of 01 no. over head tank along with deep tube well, pump and laying of distribution of pipe line up to existing distribution system in Govt. District hospital Kushinagar, UP	Healthcare	Others	Kushinagar	Uttar Pradesh	52.23	44.71	44.71	UP Jal Nigam
135	Installation of 250 nos. India marks-II handpumps in the various villages under Kushinagar district, UP.	Drinking Water	Others	Kushinagar	Uttar Pradesh	90.18	31.34	31.34	UP Jal Nigam
136	Construction of 142 bedded, Dharamsala/Night Shelter with Large Cafeteria/Kitchen facility in KGMU Campus chowk, Lucknow.	Healthcare	Local Area	Lucknow	Uttar Pradesh	760.63	76.00	511.94	King George's Medical University

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
137	Supply and installation of 150 nos hand pumps and 150 solar street lights at Distt. Pratapgarh (UP)	Drinking Water	Local Area	Pratapgarh	Uttar Pradesh	95.61	58.22	58.22	UP Jal Nigam
138	Supply and installation of 134 nos. Hand Pumps in Pratapgarh, Uttar Pradesh	Drinking Water	Local Area	Pratapgarh	Uttar Pradesh	55.34	31.28	31.28	REIL
139	Part cost towards implementation of Integrated Power Development Scheme work in old Kashi Area of Varanasi	Art & Culture	Local Area	varanasi	Uttar Pradesh	2515.00	511.94	511.94	POWERGRID
140	Supply & Installation of 200 nos. hand pumps in various villages of Akbarpur, Kanpur, UP	Drinking Water	Local Area	Akbarpur, Kanpur	Uttar Pradesh	117.76	11.72	11.72	UP Jal Nigam
141	Promotion of Art & Culture during Taj Mahotsav 2017	Art & Culture	Local Area	Agra	Uttar Pradesh	4.6	4.60	4.60	District Admn., Agra
142	Supply and installation of water cooler & water purifier (RO) for TB Sapru Hospital, Allahabad & Swaroopnani Nehru Hospital, Allahabad	Healthcare	Local Area	allahabad	Uttar Pradesh	3	3.00	3.00	POWERGRID
143	Supply of High speed Ceiling Fans for Swaroopnani Nehru Hospital, Allahabad	Healthcare	Local Area	allahabad	Uttar Pradesh	5.43	5.43	5.43	POWERGRID
144	Setting up of Yoga Centre at various places	Healthcare	Local Area	Gorakhpur, Kanpur, Agra, Bareilly	Uttar Pradesh	15.59	15.59	15.59	POWERGRID
145	Renovation of Dastkari hatt at Rampur.	Rural Development	Local Area	rampur	Uttar Pradesh	15	15.00	15.00	POWERGRID
146	Distribution of Books, stationery Bags etc at various district of UP	Education	Local Area	Various District of UP	Uttar Pradesh	1.18	1.18	1.18	POWERGRID

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
147	Tree Plantation	Environment	Local Area	Gorakhpur	Uttar Pradesh	3.1	3.10	3.1	
148	"Improving Rural Livelihoods through Farmer-centric Integrated Watershed Management" near Kurnool by ICRISAT	Rural Development	Local Area	Kurnool	Andhra Pradesh	901.00	296.68	677.63	ICRISAT, Hyderabad
149	Installing 1000 LPH capacity R.O Units in Rural areas under "NTR Sujala Pathakam"	Drinking water	Local Area	Kadapa	Andhra Pradesh	50.00	25.00	50.00	Govt. of Andhra Pradesh
150	Establishment of 2 nos. synthetic surface tennis courts at Vizzy sports complex, Vizianagaram,	sports	Local Area	Vishakapatnam	Andhra Pradesh	30.00	30.00	30.00	APMSIDC, Govt. of AP
151	Providing facilities for Care Centre for Orphan children of Nizamabad Dist at Dichpally Mandal, Telangana State	social welfare	Local Area	Dichpally	Telangana	23.35	14.80	14.80	POWERGRID
152	Skill Deveopment Programmes for unemployed youths at IGIAT, Vishakapatnam	Skill Development	Local Area	Vishakapatnam	Andhra Pradesh	41.98	38.82	38.82	IGIAT, Vishakapatnam
153	Construction of compound wall for Govt. Schools at Ramesampeta and at Kottamuru Village, Venagiri, Andhra Pradesh.	Education	Local Area	Venagiri	Andhra Pradesh	11.66	5.83	5.83	PR dept., Kakinada
154	Construction of toilets and painting school buildings for Govt. Schools at Kottamuru Village, Venagiri, Andhra Pradesh.	Education	Local Area	East Godavari	Andhra Pradesh	12.66	12.66	12.66	PR dept., Kakinada

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
155	Construction of compound wall, toilets, providing benches and desks, play equipments and office furniture for Govt. schools in Vemagiri, Andhra Pradesh	Education	Local Area	Vemagiri	Andhra Pradesh	31.91	31.21	31.21	PR depl., Kakinada
156	Supply of Solar Street Light in Surampalem. A.P.	Rural Development	Local Area	Surampalem	Andhra Pradesh	27.96	25.13	25.13	"NERDCAP Govt. of AP."
157	Construction of Compound wall around Panchayat office in Surampalem. A.P.	Rural Development	Local Area	Surampalem	Andhra Pradesh	4.93	4.93	4.93	"PR Deptt. Govt. of AP."
158	Construction of boundary wall and cement concrete wall at Z.P.High School, N.P.Kunta, Ananthapur dist, A.P.	Education	Local Area	Ananthapur	Andhra Pradesh	13.56	11.60	11.60	"PR Deptt. Govt. of AP."
159	Providing of Drinking Water facility to Paudivani Palem village, Kallepalli grammm Panchayat, Kota Mandal, Vizianagaram Dist. AP.	Drinking water	Local Area	Vishakapatnam	Andhra Pradesh	8.50	4.25	4.25	" RWS&S Govt. of AP."
160	Construction of community hall at Karuvada Village Panchayat, K Katapadu Mandal, Visakhapatnam Dist, Andhra Pradesh	Rural Development	Local Area	Vishakapatnam	Andhra Pradesh	36.55	10.06	10.06	APEWIDC, AP Govt..
161	Providing 1750 nos. 3 seater dual desk benches to 47 Govt. schools in 11 mandals of Vishakhapatnam dist. A.P.	Education	Local Area	various parts of the State	Andhra Pradesh	79.72	79.72	79.72	"Govt. ITI Vizag"
162	Providing of Drinking Water facility to Pasarlapadu, Renta Chinthala Mandal, Guntur Dist. A.P.	Drinking water	Local Area	Guntur	Andhra Pradesh	20.00	13.00	13.00	" RWS&S Govt. of AP."

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
163	Community CCTV Surveillance System project alongwith Integrated Command control centre cum Disaster Management Centre	social welfare	Local Area	Hyderabad	Telangana	74.98	74.97	74.97	"Police Deptt., Govt. of Andhra Pradesh"
164	construction of community hall at Mamillapalli (village), Santhamaguluru mandal, Prakasan District, Andhra Pradesh	Rural Development	Local Area	Prakasan	Andhra Pradesh	36.55	31.03	36.51	"PR Deptt. Govt. of AP."
165	Conducting Vocational Training through M/S. KVK, Utkuru, Kadapa district for 500 rural woman	Skill Development	Local Area	Kadapa	Andhra Pradesh	19.66	4.64	11.16	"KVK Govt. of AP."
166	Laying of internal road in Musunuruvari Palem, Mulhukur Mandal, Nellore district, Andhra Pradesh	Rural Development	Local Area	Nellore	Andhra Pradesh	85.50	42.67	85.42	"PR Deptt. Govt. of AP."
167	Part funding of Construction of Football stadium in Areaacode Panchayat, Kozhikode	sports	Local Area	Malappuram	Kerala	50.00	50.00	50.00	M/s National Games Secretariat, Trivandrum
168	Construction of community hall at Attikattanur Village of Salem	Rural Development	Local Area	Salem	Tamil Nadu	30.00	21.00	21.00	DRDA, SALEM
169	Constn of School building with Toilet complex along with compund wall in Govt. High School, Somanahalli, Dharmapuri, TN	Education	Local Area	Dharmapuri	Tamil Nadu	30.00	15.00	30.00	DRDA

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
170	Construction of compound wall for panchayat union middle school Mallapuram and Panchayat union middle school Somanahalli, Dharmapuri Dist, TN	Education	Local Area	Dharmapuri	Tamil Nadu	6.00	3.00	6.00	DRDA
171	Renovation works at freedom Fighter Subramaniya Siva Govt. Boys Hr.Sec.School at Pappalapatti , Dharmapuri Dist. TN	Education	Local Area	Dharmapuri	Tamil Nadu	3.73	1.98	3.73	DRDA
172	Construction of community hall at Yelahanka	social welfare	Local Area	Bangalore urban	Karnataka	75.00	30.07	45.07	NIRMITI KENDRA, BENGALURU URBAN
173	Procurement and supply of 15 nos. Medical Ambulances	Healthcare	Local Area	Madurai, TVM, Palakkad, Kozhikode, Pondy, Ernakulam, Dared, Kolar, Tumkur, Trichur, Trichy, Dharmapuri, Ariyalur, Tirupur,	Karnataka, Tamilnadu, Kerala & Pondy	117.00	116.06	116.06	POWERGRID
174	"Improving Rural Livelihoods through Farmer-centric Integrated Watershed Management" near Kudgi S/S, by ICRISAT	Rural Development	Local Area	Bijapur	Karnataka	901.00	374.43	418.43	ICRISAT, Hyderabad
175	Mid term Impact Assessment of "Improving Rural Livelihoods through Farmer-centric Integrated Watershed Management" near Kudgi S/S, by ICRISAT	Rural Development	Local Area	Bijapur	Karnataka	0.46	0.46	0.46	ASCI, Hyderabad

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
176	Construction of Community Hall at Medikeri	Rural Development	Local Area	Kodagu	Karnataka	50.00	20.00	20.00	NIRMITI KENDRA, MADIKERI
177	Installation of Drinking Water Purification Plants at 14 villages	Rural Development	Local Area	Kolar	Karnataka	150.00	34.41	34.41	Rural Drinking Water & Sanitation Dept., Kolar
178	Supply of Medical Equipments and Construction of Labour-Patient Attender Waiting Hall and Outdoor Patient (OP) Waiting Shed at Govt. District Headquarters Hospital, Ariyalur	Healthcare	Local Area	Ariyalur	Tamil Nadu	38.62	0.21	0.21	POWERGRID
179	Highmast light, Alappuzha Town	Community Development	Local Area	Alappuzha	Kerala	6.20	0.09	5.79	POWERGRID
180	Varda Cyclone Relief Operation in Chennai Coastal Areas	Healthcare	Local Area	Kanchipuram	Tamil Nadu	10.89	10.89	10.89	POWERGRID
181	Construction of Culvert, Widening of Road & Construction of Drain from NTPC Shaktidwar to Tolokbeda Village	Rural Development	Local Area	Angul	Odisha	16.01	14.00	14.00	POWERGRID
182	Various Development works in Kadegaon Tahsil, Dist. Sangli.	Rural Development	Local Area	Sangli & Pune	Maharashtra	50.97	7.28	34.62	POWERGRID
183	Development of Road joining Bamani (Taluka Khanapur) to Padli (Udgiri Karkhana)	Rural Development	local Area	Sangli & Pune	Maharashtra	74.81	1.35	9.25	POWERGRID
184	Hutatma Smriti Mandir - Auditorium, Solapur	Art & Culture	Local Area	Solapur	Maharashtra	207.01	2.78	167.23	POWERGRID

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
185	Community Development works in Bhendra and Barpali Villages, Raigarh	Rural Development	Local Area	Raigarh	Chhattisgarh	33.00	19.05	20.51	POWERGRID
186	Construction of a Boys Hostel for Pt.Ravishankar Shukla University, Raipur, Chattisgarh	Education	Local Area	Raipur	Chhattisgarh	400.00	22.66	357.66	POWERGRID
187	Construction of "Sikshan Prashikshan Sah Punarwas Sanshan" building for school cum hostel building for physically challenged children, at Rajnandgaon, Chattisgarh	Education	Local Area	Rajnandgaon	Chhattisgarh	350.00	123.54	158.54	Collector, Rajnandgaon
188	Supply & Installation of 03 nos. water ATMs for arrangement of pure drinking water at District Hospital and Public Places in District Jashpur of Chattisgarh	Drinking Water	Local Area	Jashpur	Chhattisgarh	22.50	11.25	22.50	Collector, Jashpur
189	Construction of Community Centre at Urla Village, Durg, Raipur, CG	Rural Development	Local Area	Durg	Chhattisgarh	30.00	0.38	22.40	POWERGRID
190	Construction of Public Toilets at Salsur, Wardha	sanitation	Local Area	Wardha	Maharashtra	7.59	1.30	1.30	POWERGRID
191	Construction of common toilets at Khanivali Village, Bhiwandi	sanitation	Local Area	Ratnagiri	Maharashtra	54.50	15.76	15.76	POWERGRID
192	Procurement & Supply of 2000 nos. Transistors, Speakers, Adaptors etc to Anganwadi Centres of Chandrapur Distt.	Education	Local Area	Chandrapur	Maharashtra	29.96	27.36	27.36	POWERGRID

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
193	Procurement & Supply of 06 nos. Ambulances to various Govt. Hospitals/Centres	Healthcare	Local Area	Nagpur, Parli, Padghe etc	Maharashtra	37.93	37.93	37.93	POWERGRID
194	Deployment of 5 nos. JCB for desilting operation in Solarpur under Jaluykt Shiwar Abhiyan	Healthcare	Local Area	Solapur	Maharashtra	3.38	2.48	2.48	POWERGRID
195	Construction of 2.5 Km long Bituminous Road & RCC Culvert in Ganegaon Village near 765/400 kV Substation, Shikarapur, Pune	Rural Development	Local Area	Pune	Maharashtra	147.00	94.46	94.44	POWERGRID
196	Various development works at Samsanghat at Kasari and construction of Community Centre at Kanhumesai village near 765/400 kV Substation, Shikarapur, Pune.	Rural Development	Local Area	Pune	Maharashtra	42.50	40.22	40.22	POWERGRID
197	Supply and Installation of water cooler with RO & UV facilities in various locations near Wardha substation & TLC, Wardha.	Healthcare	Local Area	Wardha	Maharashtra	4.16	3.61	3.61	POWERGRID
198	Supply & installation of Water Cooler with Filter at ZP School Ghodpeth, Bhadrawati and Gavrala villages near Bhadrawati Substation	Healthcare	Local Area	Bhadrawati	Maharashtra	1.96	1.37	1.37	POWERGRID
199	Construction of 7 Nos Bore-well with hand-pump and one number bore-well with submersible pump at Village Ghotnimbala, Mohabala, Chekbaranj and Ghodpeth in Bhadrawati.	Rural Development	Local Area	Bhadrawati	Maharashtra	5.93	4.72	4.72	POWERGRID

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
200	Proposal for construction of Open Hall for Mid-day meal and Strengthening of Stage and Paver Blocks in front of stage including canteen at Z.P. School at Ghodpeth Near Bhadrawati substation.	Education	Local Area	Bhadrawati	Maharashtra	53.10	11.43	11.43	POWERGRID
201	Procurement and supply of 02 nos. of ALS Ambulance and 01 no. of Patient Transfer Ambulance WR-I and Installation of life saving equipments.	Healthcare	Local Area	Nagpur	Maharashtra	59.74	49.92	49.92	POWERGRID
202	Deployment of Proclaim machines at Katol, Nagpur under Jalyukt Shiwar Abhiyan	Healthcare	Local Area	Nagpur	Maharashtra	11.00	11.00	11.00	POWERGRID
203	Construction of Fencing & Gate at Babariya Pond, Seoni (M.P)	Rural Development	Local Area	Seoni	Madhya Pradesh	10.00	10.00	10.00	POWERGRID
204	Housekeeping work at surrounding of Shivaji peth, Kolhapur	Swachh Bharat Abhiyan	Local Area	Kolhapur	Maharashtra	6.00	5.79	5.79	POWERGRID
205	Supply of Furniture for Boys Hostel for Pt.Ravishankar Shukla University, Raipur, Chhattisgarh	Education	Local Area	Raipur	Chhattisgarh	17.26	17.26	17.26	Raipur Central Jail
206	Supply of Furniture for Girls Hostel for Pt.Ravishankar Shukla University, Raipur, Chhattisgarh	Education	Local Area	Raipur	Chhattisgarh	18.05	17.98	17.98	Raipur Central Jail
207	Hariyar Chhattisgarh - Tree Plantation in Chattisgarh.	Environment	Local Area	Raipur	Chhattisgarh	57.80	57.79	57.79	Forest Deptt., Govt. of Chhattisgarh

S. No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount Outlay (₹/lakhs)	Amount spent on the project or programme during 2016-17	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
208	Construction of Foot Over Bridge on NH-6, Rajnandgaon	social welfare	Local Area	Rajnandgaon	Chhattisgarh	115.39	13.21	93.60	Collector, Rajnandgaon
209	Procurement of Dustbin for Govt. Certified school for Girls, Katol, Nagpur & Ramakrishna Sarada Mission, Kamptee, nagpur under Swachh Bharat Abhiyan	Environment	Local Area	Nagpur	Maharashtra	0.49	0.49	0.49	POWERGRID
210	Procurement of Yoga Mat for regular Yoga classes	Healthcare	Local Area	Nagpur	Maharashtra	0.31	0.31	0.31	POWERGRID
211	Construction of Labour Room at Community Health Centre at Bhatapara	Rural Development	Local Area	Bhatapara	Chhattisgarh	4.57	0.78	0.78	POWERGRID
212	Supply & Installation of Furniture for Central School	Education	Local Area	Champa	Chhattisgarh	8.76	8.48	8.48	POWERGRID
213	Tree Plantations	Environment	Local Area	Various Parts of the State	CG, MP, MH, Goa	0.59	0.59	0.59	POWERGRID
214	Supply of miscellaneous Education item	Education	Local Area	Various Parts of the State	CG, MP, MH, Goa	0.88	0.88	0.88	POWERGRID
215	Health Check Up Camps	Healthcare	Local Area	Various Parts of the State	CG, MP, MH, Goa	3.59	3.59	3.59	POWERGRID
216	Health/blood donation camps	Healthcare	Local Area	Various Parts of the State	CG, MP, MH, Goa	0.87	0.87	0.87	POWERGRID
217	Installation of water supply scheme and associated distribution system at village Beriste, Palghar district, Maharashtra	Drinking water	Local Area	Boisar	Maharashtra	69	45.00	45.00	District Administration, Govt. of Maharashtra

S. No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount Outlay (₹/lakhs)	Amount spent on the project or programme during 2016-17	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
218	Supply of Advance Life support System Ambulance in Tehsil- District- Palghar, Maharashtra	Healthcare	Local Area	Boisar	Maharashtra	25	11.31	11.31	POWERGRID
219	Provide 1250 nos. of solar lanterns at 6 villages of / inside of reserve forest area comes Thane Circle, Thane District, Maharashtra	Environment	Local Area	Boisar	Maharashtra	18	17.91	17.91	POWERGRID
220	Skill Development Training for Tribal Youths for Apparal Making at Palghar dist.	Skill Development	Local Area	Boisar	Maharashtra	49.82	40.51	40.51	District Administration, Govt. of Maharashtra
221	Construction of CC Road in PARDHI colony for rehabilitation of Pardhi community in Village Chauthiya Teh. Multai, Betul	Rural Development	Local Area	Betul	MP	7.69	7.67	7.67	PWD Betul/Exe Eng. RES
222	Construction of 4 no. additional classrooms, 15 electric street lights, 500 mtr drain & community Centre for comprehensive village at Village Sehra of District Betul of MP.	Rural Development	Local Area	Betul	MP	120	82.99	96.99	POWERGRID
223	Providing 12 Ambulances for various Govt. Hospitals/ PHCs near POWERGRID Establishments in Madhya Pradesh & Gujarat	Healthcare	Local Area	Various parts of the states	MP & Gujarat	187	82.17	173.86	POWERGRID
224	Construction of RCC drain, PCC Road & Hand pump at village panchayat Karsara & Semariya of District Satna at Madhya Pradesh	Rural Development	Local Area	Satna	MP	70.86	52.92	52.92	CEO Zilla Panchayat

S. No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount Outlay (₹/lakhs)	Amount spent on the project or programme during 2016-17	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
225	Construction of Sub Health Centre at Village Kelhora of Satna district	Healthcare	Local Area	Satna	MP	15.6	3.90	3.90	MOU
226	Sports event for promotion of Rural Sports at Satna by Nehru Yuva Kendra Sangathan	Sports	Local Area	Satna	MP	13	12.26	12.26	POWERGRID
227	Construction of School Rooms with stair & Girls Toilet for disabled children in 4 no. of Govt. Schools of Dolvan Tehsil of District. Tapi	Education	Local Area	Vapi	Gujarat	42.68	26.56	26.56	MOU
228	Modernization of Government ITIs of Daman & Silvassa under UT of DNH under SKILL INDIA initiative.	Education	Local Area	Vapi	Gujarat	54	44.86	44.86	POWERGRID
229	330 school desks for Govt. schools in khandwa district.	Education	Local Area	Khandwa	MP	17.65	16.57	16.57	POWERGRID
230	Installation of 61 no. Solar Street lights (LED) at villages of Parsoriya Gram Panchayat, Kunwarpur Khejra Gram Panchayat & Barwansa Gram Panchayat of Damoh	Rural Development	Local Area	Damoh	MP	14.5	13.27	13.27	POWERGRID
231	providing 500 metal single Bed for Govt. Girls Hostels of Damoh district of Madhya Pradesh	Education	Local Area	Damoh	MP	11.4	8.98	8.98	POWERGRID
232	School Furniture (10 Almira, 78 Desks, 10 Table, 10 chairs, 10 Book Shelf etc.) for school children at Sanwer district of Indore	Education	Local Area	Indore	MP	9.6	7.88	7.88	POWERGRID

S. No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount Outlay (₹/lakhs)	Amount spent on the project or programme during 2016-17	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
233	Furniture (75 dual desk, 10 almira, 10 chair, 10 table) at Govt. Higher Secondary school, Nanded Dist. Ujjain, Madhya Pradesh	Education	Others	Ujjain	MP	6.82	5.97	5.97	POWERGRID
234	Cremation Shed at Dharampura, Hirapur Bandha Gram Panchayat, Jabalpur, MP	Rural Development	Local Area	Jabalpur	MP	4.3	3.16	3.16	POWERGRID
235	54 solar street lights at Village Sukha of Jabalpur district	Rural Development	Local Area	Jabalpur	MP	14.96	11.36	11.36	POWERGRID
236	Providing school furniture to Primary and Middle School of Village Khairi, Heerapur bandha and Sukha of Dist. Jabalpur	Education	Local Area	Jabalpur	MP	6	4.93	4.93	POWERGRID
237	Providing 2 nos of Mortuary Van to district Hospital Bina	Healthcare	Local Area	Bina	MP	8.84	7.58	7.58	POWERGRID
238	Skill Development programme for 125 under privileged children in MP & Gujarat through Indo German Tool Room, Indore	Skill Development	Local Area	Indore	MP	130.58	87.38	130.38	IGTR, Indore
239	Projectors to Govt. Schools of in Bhopal	Education	Local Area	Bhopal	MP	53.75	53.75	53.75	RK Mission
240	500 LPH capacity RO water purifier plant and water cooler at Primary Health Centre Sanwer, indore	Drinking water	Local Area	indore	MP	5.1	3.44	3.44	POWERGRID
241	SPV Solar Plant	Environment	Local Area	Bhopal	MP	58	1.03	58.00	KEC International
242	40000 ltr overhead water tank	Drinking water	Local Area		Gujarat	8	1.50	7.50	POWERGRID

S. No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount Outlay (₹/lakhs)	Amount spent on the project or programme during 2016-17	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
243	15 no. Samaj Mandir at villages of Palghar District of Maharashtra	Rural Development	Local Area	Palghar	Maharashtra	150	84.70	84.70	MOU
244	Mobile Dental Van at Health department of DNH	Healthcare	Local Area	Daman	DNH	22.81	6.68	6.68	POWERGRID
245	Construction of Meal Building for School at Ahmedabad	Education	Local Area	Ahmedabad	Gujarat	8.55	1.12	1.12	POWERGRID
246	Providing one no. of school bus for Jalad Trimurti college, Nagod, Satna.	Education	Local Area	Satna	MP	18.57	16.30	16.30	POWERGRID
247	Multipurpose Community Centre at Narsinghpur.	Rural Development	Local Area	Jabalpur	MP	26.29	1.35	1.35	POWERGRID
248	Mattresses, pillow, bed sheets, Mosquito nets etc. at Govt. Blind School Vadodara	Education	Local Area	Vadodara	Gujarat	0.81	0.81	0.81	POWERGRID
249	Swatchh Bharat Abhiyan	Swachh Bharat Abhiyan	Local Area	various parts of the country	various parts of the country	180.45	127.85	133.92	POWERGRID
Total						32062.06	14727.96	25159.67	



Balance Sheet as at 31st March, 2017

(₹ in crore)

Particulars	Note No	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	134252.57	113991.76	88765.71
(b) Capital work-in-progress	5	35806.80	43623.04	52711.12
(c) Investment Property	6	0.03	0.03	0.03
(d) Other Intangible assets	7	1255.39	950.54	783.70
(e) Intangible assets under development	8	77.33	172.11	211.29
(f) Financial Assets				
(i) Investments	9	1355.55	836.08	826.07
(ii) Loans	10	3618.41	1304.81	370.33
(iii) Other non-current financial assets	11	793.55	880.78	576.41
(g) Other non-current assets	12	6347.52	6960.18	6234.81
		183507.15	168719.33	150479.47
Current assets				
(a) Inventories	13	906.95	707.43	625.60
(b) Financial Assets				
(i) Investments	14	2.50	5.00	185.43
(ii) Trade receivables	15	3221.10	2737.97	2118.65
(iii) Cash and cash equivalents	16	3228.43	1540.64	2052.59
(iv) Bank balances other than (iii) above	17	112.16	699.76	10.39
(v) Loans	18	35.14	30.72	25.49
(vi) Other current financial assets	19	3334.43	3361.90	2541.04
(c) Other current assets	20	224.00	538.19	278.72
(d) Asset classified as held for Sale	21	-	30.64	-
		11064.71	9652.25	7837.91
Regulatory Deferral Account Balances	22	107.60	37.67	37.72
Total Assets		194679.46	178409.25	158355.10
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	23	5231.59	5231.59	5231.59
(b) Other Equity	24	44575.66	38579.64	33968.09
		49807.25	43811.23	39199.68
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	25	110963.17	100173.31	89311.79
(ii) Other non-current financial liabilities	26	352.24	870.90	654.31
(b) Provisions	27	789.56	650.45	580.23
(c) Deferred tax liabilities(Net)	28	2550.54	2489.38	2472.16
(d) Other non-current liabilities	29	575.20	431.58	401.05
		115230.71	104615.62	93419.54
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	30	1500.00	2000.00	1200.00
(ii) Trade payables	31	413.98	313.89	392.97
(iii) Other current financial liabilities	32	19324.61	17840.21	16599.75
(b) Other current liabilities	33	2566.00	3532.56	2418.10
(c) Provisions	34	537.21	297.93	249.74
(d) Current Tax Liabilities (Net)	35	417.33	299.67	140.47
		24759.13	24284.26	21001.03
Deferred Revenue	36	4882.37	5698.14	4734.85
Total Equity and Liabilities		194679.46	178409.25	158355.10

The accompanying notes (1 to 71) form an integral part of financial statements

For and on behalf of the Board of Directors

(Divya Tandon)

Company Secretary

K. Sreekant

Director (Finance)

I. S. Jha

Chairman & Managing Director

As per our report of even date

For S.K. Mittal & Co.
Chartered Accountants
Firm Regn No. 001135N

(CA S. K. Mittal)

Partner

Membership No. 008506

Place: New Delhi

Date: 29th May, 2017

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No. 002785S

(CA R. Rangarajan)

Partner

Membership No. 041883

For Kothari & Co.
Chartered Accountants
Firm Regn No. 301178E

(CA Manaswy Kothari)

Partner

Membership No. 064601

For Parakh & Co.
Chartered Accountants
Firm Regn No. 001475C

(CA Indra Pal Singh)

Partner

Membership No. 410433

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

(₹ in crore)

Particulars	Note No.	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
I Revenue From Operations	37	25716.54	20665.81
II Other Income	38	864.92	577.49
III Total Income (I+II)		26581.46	21243.30
IV EXPENSES			
Employee benefits expense	39	1377.13	993.72
Finance costs	40	6303.83	5134.93
Depreciation and amortization expense	41	7662.80	6179.80
Other expenses	42	1737.87	1394.29
Total expenses (IV)		17081.63	13702.74
V Profit before tax (III-IV)		9499.83	7540.56
VI Tax expense:			
Current tax - Current Year		1988.45	1574.81
- Earlier Years		-	(0.02)
Deferred tax	28	2680.23	1828.64
Less: Deferred Asset for deferred tax liability		2619.07	1811.42
		2049.61	1592.01
VII Profit for the period before Regulatory Deferral Account Balances (V-VI)		7450.22	5948.55
VIII Net movement in Regulatory Deferral Account Balances- Income/(Expenses)	43	69.93	(0.05)
IX Profit for the period (VII+VIII)		7520.15	5948.50
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss	44	49.83	(11.97)
XI Total Comprehensive Income for the period (IX+X)		7569.98	5936.53
XII Earnings per equity share including movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):	65		
Basic & Diluted (₹)		14.37	11.37
XIII Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):	65		
Basic & Diluted (₹)		14.24	11.37

The accompanying notes (1 to 71) form an integral part of financial statements

(Divya Tandon)
Company Secretary

For and on behalf of the Board of Directors
K. Sreekant
Director (Finance)

I. S. Jha
Chairman & Managing Director

For S.K. Mittal & Co.
Chartered Accountants
Firm Regn No. 001135N

(CA S. K. Mittal)
Partner
Membership No. 008506

Place: New Delhi
Date: 29th May, 2017

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No. 002785S

(CA R. Rangarajan)
Partner
Membership No. 041883

For Kothari & Co.
Chartered Accountants
Firm Regn No. 301178E

(CA Manaswy Kothari)
Partner
Membership No. 064601

For Parakh & Co.
Chartered Accountants
Firm Regn No. 001475C

(CA Indra Pal Singh)
Partner
Membership No. 410433

Cash Flow Statement for the year ended 31st March, 2017

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	9569.76	7540.51
Add: Other Comprehensive Income / (Expense)	49.83	(11.97)
Less: Rate Regulated Income / (Expenditure)	69.93	(0.05)
	9549.66	7528.59
Adjustment for :		
Depreciation & amortization expenses	7662.80	6179.80
Transfer from Grants in Aid	(21.89)	(21.95)
Deferred revenue - Advance against Depreciation	(145.85)	(140.84)
Provisions	9.02	7.41
Changes in fair value of financial assets through profit or loss	(47.53)	(73.65)
Profit on Sale of Investments	(50.57)	-
Net Loss on Disposal / Write off of Property, Plant & Equipment	3.80	(1.10)
Finance Costs	6303.83	5134.93
Provisions Written Back	(3.98)	(3.90)
FERV loss / (gain)	(27.34)	4.51
Interest received on Deposits, Bonds and loans to Subsidiaries	(266.54)	(123.78)
Dividend received	(62.73)	(84.77)
	13353.02	10876.66
Operating profit before Changes in Assets and Liabilities	22902.68	18405.25
Adjustment for Changes in Assets and Liabilities:		
(Increase)/Decrease in Inventories	(196.61)	(81.83)
(Increase)/Decrease in Trade Receivables	(485.92)	(621.61)
(Increase)/Decrease in Financial Assets	733.08	(1713.07)
(Increase)/Decrease in Other Non-current Assets	(202.47)	(30.19)
(Increase)/Decrease in Other Current Assets	314.19	(259.47)
Increase/(Decrease) in Liabilities & Provisions	8.99	792.14
(Increase)/Decrease in Deferred Foreign Currency Fluctuation Asset/Liability(Net)	141.81	44.13
	313.07	(1869.90)
Cash generated from operations	23215.75	16535.35
Direct taxes paid	(1870.79)	(1415.59)
Net Cash from operating activities	21344.96	15119.76
B. CASH FLOW FROM INVESTING ACTIVITIES		
Property, Plant & Equipment and Capital Work-in-Progress	(21099.53)	(20607.81)
Advances for Capital Expenditure	(37.73)	328.77
Receipt of Grant	63.02	58.00
(Increase)/Decrease in Assets held for Sale	81.21	(30.64)
(Increase)/Decrease in Investments	(513.59)	170.42
(Increase)/Decrease in Long Term Loans under Securitisation Scheme	7.71	15.43
Loans & Advances to Subsidiaries	(2326.33)	(930.02)
Lease receivables	43.94	(100.03)
Interest received on Deposits, Bonds and loans to Subsidiaries	190.87	106.70
Dividend received	62.73	84.77
Net cash used in investing activities	(23527.70)	(20904.41)

Cash Flow Statement for the year ended 31st March, 2017 (Contd.)

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loans raised during the year	19342.85	17199.23
Loans repaid during the year	(8092.24)	(5774.45)
Interest and Finance Costs Paid	(5802.20)	(4826.80)
Dividend paid	(1313.12)	(1103.87)
Dividend Tax paid	(264.76)	(221.41)
Net Cash from Financing Activities	3870.53	5272.70
D. Net change in Cash and Cash equivalents(A+B+C)	1687.79	(511.95)
E. Cash and Cash equivalents(Opening balance)	1540.64	2052.59
F. Cash and Cash equivalents(Closing balance)	3228.43	1540.64

Notes:

Previous year figures have been re-grouped / re-arranged wherever necessary.

(Divya Tandon)
Company Secretary

K. Sreekant
Director (Finance)

For and on behalf of the Board of Directors

I. S. Jha
Chairman & Managing Director

As per our report of even date

For S.K. Mittal & Co.
Chartered Accountants
Firm Regn No. 001135N

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No. 002785S

For Kothari & Co.
Chartered Accountants
Firm Regn No. 301178E

For Parakh & Co.
Chartered Accountants
Firm Regn No. 001475C

(CA S. K. Mittal)
Partner
Membership No. 008506

(CA R. Rangarajan)
Partner
Membership No. 041883

(CA Manaswy Kothari)
Partner
Membership No. 064601

(CA Indra Pal Singh)
Partner
Membership No. 410433

Place: New Delhi
Date: 29th May, 2017

Statement of Changes in Equity for the period ended 31st March, 2017

A. Equity Share Capital

(₹ in crore)

Particulars	Amount
As at 1st April, 2015	5231.59
Changes during the year	-
As at 31st March, 2016	5231.59
Changes during the year	-
As at 31st March, 2017	5231.59

B. Other Equity

(₹ in crore)

	Reserves and Surplus						Other Comprehensive Income	Total
	Securities Premium Reserve	Bond Redemption Reserve	Self Insurance Reserve	CSR Reserve	General Reserve	Retained Earnings	Fair Value through Other Comprehensive Income Equity Investment	
Balance at 1st April, 2015	9578.29	5870.47	387.18	129.52	17721.13	196.42	85.08	33968.09
Profit for the year						5948.50		5948.50
Other Comprehensive Income						8.31	(20.28)	(11.97)
Total Comprehensive Income	-	-	-	-	-	5956.81	(20.28)	5936.53
Adjustments during the year								
Transfer to General Reserve					3500.00	(3500.00)	-	-
Transfer to Bond redemption reserve		1719.88				(1719.88)	-	-
Transfer from Bond Redemption Reserve		(697.93)				697.93	-	-
Transfer to Self Insurance Reserve			102.43			(102.43)	-	-
Transfer from Self Insurance Reserve			(5.29)		5.29	-	-	-
Transfer to CSR Reserve				6.01		(6.01)	-	-
Final Dividend F.Y 2014-15						(685.34)	-	(685.34)
Tax on Final Dividend F.Y 2014-15						(136.40)	-	(136.40)
Interim Dividend F.Y 2015-16						(418.53)	-	(418.53)
Tax on Interim dividend F.Y. 2015-16						(85.01)	-	(85.01)
Other Changes					0.30	-	-	0.30
Balance at 31st March, 2016	9578.29	6892.42	484.32	135.53	21226.72	197.56	64.80	38579.64

Statement of Changes in Equity for the period ended 31st March, 2017 (Contd.)

(₹ in crore)

	Reserves and Surplus						Other Comprehensive Income	Total
	Securities Premium Reserve	Bond Redemption Reserve	Self Insurance Reserve	CSR Reserve	General Reserve	Retained Earnings	Fair Value through Other Comprehensive Income Equity Investment	
Balance at 1 st April, 2016	9578.29	6892.42	484.32	135.53	21226.72	197.56	64.80	38579.64
Profit for the year						7520.15		7520.15
Other Comprehensive Income						10.87	38.96	49.83
Total Comprehensive Income						7531.02	38.96	7569.98
Adjustments during the year								
Transfer to General Reserve					2000.00	(2000.00)		-
Transfer to Bond redemption reserve		2004.95				(2004.95)		-
Transfer from Bond Redemption Reserve		(802.28)				802.28		-
Transfer to Self Insurance Reserve			193.17			(193.17)		-
Transfer from Self Insurance Reserve			(0.85)		0.85	-		-
Transfer from CSR Reserve				(12.15)	12.15	-		-
Final Dividend F.Y 2015-16						(789.97)		(789.97)
Tax on Final Dividend F.Y 2015-16						(159.36)		(159.36)
Interim Dividend F.Y 2016-17						(523.15)		(523.15)
Tax on Interim dividend F.Y. 2016-17						(105.40)		(105.40)
Other Changes			-		3.92			3.92
Balance at 31st March, 2017	9578.29	8095.09	676.64	123.38	23243.64	2754.86	103.76	44575.66

Refer to Note No. 24 for nature and movement of Reserve and Surplus.

For and on behalf of the Board of Directors**(Divya Tandon)**

Company Secretary

K. Sreekant

Director (Finance)

I. S. Jha

Chairman & Managing Director

As per our report of even date**For S.K. Mittal & Co.**Chartered Accountants
Firm Regn No. 001135N**(CA S. K. Mittal)**

Partner

Membership No. 008506

Place: New Delhi

Date: 29th May, 2017**For R.G.N. Price & Co.**Chartered Accountants
Firm Regn No. 002785S**(CA R. Rangarajan)**

Partner

Membership No. 041883

For Kothari & Co.Chartered Accountants
Firm Regn No. 301178E**(CA Manaswy Kothari)**

Partner

Membership No. 064601

For Parakh & Co.Chartered Accountants
Firm Regn No. 001475C**(CA Indra Pal Singh)**

Partner

Membership No. 410433

Notes to Separate Financial Statements

1. Corporate and General Information

Power Grid Corporation of India Limited ('the Company') is a public company domiciled and incorporated in India under the provisions of Companies Act and its shares are listed on the National Stock Exchange (NSE) and BSE Limited (BSE) in India. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, India and its Corporate Office is located at Saudamini, Plot No. 2, Sector-29, Gurgaon, Haryana.

The Company is notified as the Central Transmission Utility (CTU) under The Electricity Act, 2003. It is principally engaged in planning, implementation, operation and maintenance of Inter-State Transmission System (ISTS), Telecom and consultancy services.

The financial statements of the company for the year ended March 31, 2017 were approved for issue by the Board of Directors on 29.05.2017.

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

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

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

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April 2015. Refer Note no. 70 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer Note no. 2.13 for accounting policy regarding financial instruments),
- Defined benefit plans – plan assets measured at fair value

iii) Functional and presentation currency

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

iv) Use of estimates

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

2.2 Property, Plant and Equipment

Measurement on transition to Ind AS

On the date of transition to Ind AS, the Company has considered the carrying value of Property, Plant and Equipment as per previous GAAP to be the deemed cost as per Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

Initial Recognition and Measurement

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

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

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

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

Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates/ assessments.

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

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

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

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

Derecognition

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

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

2.3 Capital Work-In-Progress (CWIP)

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

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

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

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

Deposit works/cost-plus contracts are accounted for on the basis of statement received from the contractors or technical assessment of work completed.

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

2.4 Intangible Assets and Intangible Assets under development

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

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

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

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

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

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

Expenditure on research shall be recognised as an expense when it is incurred.

Expenditure on development shall be recognised as Intangible asset if it meets the eligibility criteria as per Ind AS 38 'Intangible Assets', otherwise it shall be recognised as an expense.

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

2.5 Investment property

Investment property comprises portions of land and/or buildings that are held for long term rental yields and/or for capital appreciation.

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

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Transfers to or from investment property is made when and only when there is a change in use.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised as profit or loss in the period of derecognition.

2.6 Depreciation / Amortisation

Depreciation/amortisation on the assets related to transmission business is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff and on assets of telecom and consultancy business is provided on straight line method as per useful life specified in Schedule II of the Companies Act, 2013 except for assets specified in the following paragraphs.

ULDC assets commissioned prior to 1st April 2014 are depreciated on Straight Line Method @ 6.67% per annum. Such assets commissioned on or after 1st April 2014 are depreciated on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff.

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

Particulars		Useful life
a.	Computers & Peripherals	3 years
b.	Servers & Network Components	5 years

Residual value of above assets is considered as Nil.

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

Mobile phones are charged off in the year of purchase.

NLD Licence is amortised over its useful life.

Expenditure on development of 1200kv Transmission System shall be amortised over a period of 10 years and useful life shall be reviewed at the end of each financial year.

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

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

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations, except for telecom and consultancy business assets where residual life is determined on the basis of useful life of property, plant and equipment as specified in Schedule II of the Companies Act, 2013.

In the case of property, plant and equipment of National Thermal Power Corporation Limited (NTPC), National Hydro-Electric Power Corporation Limited (NHPC), North-Eastern Electric Power Corporation Limited (NEEPCO), Neyveli Lignite Corporation Limited (NLC) transferred w.e.f. April 1, 1992, Jammu and Kashmir Lines w.e.f. April 1, 1993, and Tehri Hydro Development Corporation Limited (THDC) w.e.f. August 1, 1993, depreciation is charged based on gross block as indicated in transferor's books with necessary adjustments so that the life of the assets as laid down in the CERC notification for tariff is maintained.

Depreciation on buildings held as investment property is provided on straight line method as specified in Schedule II of The Companies Act, 2013.

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

The residual values, useful lives and methods of depreciation for assets other than assets related to transmission business are reviewed at each financial year end and adjusted prospectively, wherever required.

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

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

2.7 Borrowing Costs

All the borrowed funds (except short term funds for working capital) are earmarked to specific projects. The borrowing costs (including bond issue expenses, interest, discount on bonds, front end fee, guarantee fee, management fee etc.) are allocated to the projects in proportion to the funds so earmarked.

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

Other borrowing costs are charged to revenue.

2.8 Impairment of non-financial assets, other than inventories

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

2.9 Cash and cash equivalents

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

2.10 Inventories

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

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

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

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

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

2.11 Leases

i) As A Lessor

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

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

a) Finance leases

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

State sector Unified Load Dispatch Centre (ULDC)/ Fiber Optic Communication Assets (FOC)/Bilateral line assets leased to the beneficiaries are considered as Finance Lease. Net investment in such leased assets are recorded as receivable at the lower of the fair value of the leased property and the present value of the minimum lease payments along with accretion in subsequent years is accounted for as Lease Receivables under current and non-current other financial assets. Wherever grant-in-aid is received for construction of State Sector ULDC, lease receivable is accounted for net of such grant.

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

FERV on foreign currency loans relating to leased assets is adjusted to the amount of lease receivables and is amortised over the remaining tenure of lease. FERV recovery (as per CERC norms) from the constituents is recognised net of such amortised amount.

b) Operating leases

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

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

ii) As a Lessee

Operating leases

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

2.12 Employee benefits

Company contribution paid/payable during the year to defined pension contribution scheme and provident fund scheme is recognized in the Statement of Profit and Loss. The same is paid to a fund and administered through a separate trust.

The liability for Gratuity, ascertained annually on actuarial valuation at the year end, is provided and funded separately.

The liabilities for compensated absences, leave encashment, post-retirement medical benefits, settlement allowance and long service awards to employees are ascertained annually on actuarial valuation at the year end and provided for.

Short term employee benefits are recognized at the undiscounted amount in the Statement of Profit and Loss in the year in which the related services are rendered.

Re-measurements pertaining to defined benefit obligations are recognised immediately in the other comprehensive income (OCI) in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

2.13 Financial instruments

Financial Assets

Financial assets of the Company comprise cash and cash equivalents, bank balances, investments in equity shares of companies other than in subsidiaries & joint ventures, loans to subsidiaries/employees, advances to employees, security deposit, claims recoverable etc.

Classification

The Company classifies its financial assets in the following categories:

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

The classification depends on the following:

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

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

Equity investments

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The company may, on initial recognition, make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (FVOCI) on an instrument-by-instrument basis.

For equity instruments classified as at FVOCI, all fair value changes on the instrument, excluding dividends are recognized in the OCI. There is no recycling of the amounts from OCI to Profit or Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

De-recognition of financial assets

A financial asset is derecognized only when

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

Financial Liabilities

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

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

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortised cost is calculated by taking into

account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate(EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Subsequent measurement

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

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

De-recognition of financial liability

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

Offsetting of financial instruments

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

2.14 Investment in Subsidiaries

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

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

2.15 Investment in Joint Ventures and Associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The investment in joint ventures and associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

On the date of transition to Ind AS, the Company has considered the carrying value of investment in joint ventures and associates as per previous GAAP to be the deemed cost as per Ind AS 101.

2.16 Foreign Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

Foreign currency loans outstanding as on March 31, 2016:

Foreign Exchange Rate Variation (FERV) arising on settlement / translation of such foreign currency loans relating to property, plant and equipment/ capital work-in-progress is adjusted to the carrying cost of related assets and is recoverable/payable from the beneficiaries on actual payment basis as per Central Electricity Regulatory Commission (CERC) norms w.e.f. 1st April, 2004 or Date of Commercial Operation (DOCO) whichever is later. The above FERV to the extent recoverable or payable as per the CERC norms is accounted for as follows:

- i) FERV recoverable/payable adjusted to carrying cost of property, plant and equipment is accounted for as 'Deferred foreign currency fluctuation asset/liability a/c' with a corresponding credit/debit to 'Deferred income/expenditure from foreign currency fluctuation a/c'.
- ii) 'Deferred income/expenditure from foreign currency fluctuation a/c' is amortized in the proportion in which depreciation is charged on such FERV.
- iii) The amount recoverable/payable as per CERC norms on year to year basis is adjusted to the 'Deferred foreign currency fluctuation asset/liability a/c' with corresponding debit / credit to the trade receivables.

FERV earlier charged to Statement of Profit and Loss & included in the capital cost for the purpose of tariff is adjusted against 'Deferred foreign currency fluctuation asset/liability a/c'.

FERV arising out of settlement/translation of long term monetary items (other than foreign currency loans) relating to Property, Plant & Equipment /CWIP is adjusted in the carrying cost of related assets.

FERV arising during the construction period from settlement/translation of monetary items (other than non current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC tariff Regulation are accounted as Regulatory Deferral Account Balances. Transmission charges recognised on such amount is adjusted against above account. Other exchange differences are recognized as income or expenses in the period in which they arise.

Foreign currency loans drawn on or after April 1, 2016:

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

Exchange difference to the extent recoverable as per CERC tariff regulations are recognized as Regulatory Deferral Account Balances through Statement of Profit and Loss.

2.17 Income Tax

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

Current income tax

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

Deferred tax

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

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

2.18 Rate Regulated Activities

Certain expenses and income, allowed under CERC regulations to be reimbursed by/passed on to beneficiaries in future, are to be accounted in the Statement of Profit and Loss as per the provisions of Ind AS 114 'Regulatory Deferral Accounts'. Such expenses and income, to the extent recoverable /payable as part of tariff under CERC Regulations are treated as Regulatory Deferral Assets/Liabilities.

The Company presents separate line items in the Balance Sheet for:

- (a) the total of all Regulatory Deferral Account Debit Balances; and
- (b) the total of all Regulatory Deferral Account Credit Balances.

A separate line item is presented in the profit or loss section of the Statement of Profit and Loss for the net movement in all Regulatory Deferral Account Balances for the reporting period.

2.19 Revenue Recognition and Other Income

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

Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for as per tariff regulations and orders of the CERC in similar cases. Difference, if any, is accounted on issuance of final tariff orders by the CERC. Transmission Income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on actual expenditure incurred on year to year basis as per CERC tariff regulations.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the CERC tariff regulations.

Advance against depreciation (AAD), forming part of tariff pertaining upto the block period 2004-09, to facilitate repayment of loans, was reduced from transmission income and considered as deferred income to be included in transmission income in subsequent years. The outstanding deferred income in respect of AAD is recognized as transmission income, after twelve years from the end of the financial year in which the asset was commissioned, to the extent depreciation recovered in the tariff during the year is lower than depreciation charged in the accounts.

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

Income from Telecom Services, net of downtime credit, is recognised on the basis of terms of agreements/purchase orders from the customers.

In respect of 'Cost-plus-consultancy contracts', involving execution on behalf of the client, income is accounted for (wherever initial advances received) in phased manner as under:

- a) 10% on the issue of Notice Inviting Tender for execution
- b) 5% on the Award of Contracts for execution
- c) Balance 85% on the basis of actual progress of work including supplies

Income from other consultancy contracts are accounted for on technical assessment of progress of services rendered.

Application Fees towards Long Term Open Access (LTOA) as per CERC Guidelines is accounted for on receipt.

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

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

2.20 Government Grants

Grants-in-aid received from Central Government or other authorities towards capital expenditure for projects, betterment of transmission systems and specific depreciable assets are treated as deferred income and recognized in the Statement of Profit and Loss over the useful life of related asset in proportion to which depreciation on these assets is provided.

2.21 Dividends

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

2.22 Provisions and Contingencies

a) Provisions

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

b) Contingencies

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

2.23 Share capital and Other Equity

Ordinary shares are classified as equity.

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

Self-insurance reserve is created @ 0.12% p.a. on Gross Block of Property, Plant and Equipment except assets covered under insurance as at the end of the year by appropriation of current year profit to mitigate future losses from un-insured risks. The same is shown as "Self insurance reserve" under 'Other equity'.

2.24 Prior Period Items

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

2.25 Segment Reporting

The Board of Directors is the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108 'Operating Segments'. CODM monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The operating segments have been identified on the basis of the nature of products / services.

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment transactions.
- Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

2.26 Earnings per Share

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

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

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in Regulatory Deferral Account Balances.

2.27 Cash Flow Statement

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

3 Critical Estimates and Judgements

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

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

The areas involving critical estimates or judgements are:

Revenue Recognition:

Transmission income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for as per tariff regulations and other orders of the CERC in similar cases. Differences, if any, are accounted on issuance of final tariff orders by the CERC. Transmission income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on actual expenditure incurred on year to year basis as per CERC tariff regulations.

Regulatory Deferral Balances:

Recognition of Regulatory Deferral Balances involves significant judgements including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

Estimation of defined benefit obligation

Estimation of defined benefit obligation involves certain significant actuarial assumptions which are listed in Note

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

Note 4 / Property, Plant and Equipment

(₹ in crore)

Particulars		Cost				Accumulated depreciation				Net Book Value			
		As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 31 st March, 2016	
Land													
a)	Freehold	1999.84	60.66	-	(2.09)	2062.59	-	-	-	-	2062.59	1999.84	
b)	Leasehold	237.14	12.91	-	-	250.05	9.44	9.69	-	-	230.92	227.70	
Buildings													
a)	Sub-Stations & Office	677.69	176.29	4.07	(19.98)	869.89	25.13	34.14	0.15	1.14	811.91	652.56	
b)	Township	409.79	32.67	0.50	-	441.96	20.70	21.23	0.02	-	400.05	389.09	
	Temporary Erection	0.40	0.44	-	-	0.84	0.39	0.44	-	-	0.01	0.01	
	Roads & Bridges	143.36	11.14	-	-	154.50	7.42	8.23	-	0.53	139.38	135.94	
	Water Supply Drainage & Sewerage	81.73	11.19	-	0.01	92.91	4.13	4.52	-	-	84.26	77.60	
Plant & Equipment													
a)	Transmission	79112.14	17416.10	27.77	338.05	96162.42	4051.86	4950.14	29.09	(67.16)	87122.35	75060.28	
b)	Sub-station	35721.54	10525.90	3.85	283.03	45960.56	2015.64	2508.85	5.18	36.23	41477.48	33705.90	
c)	Unified Load Despatch & Communication	485.43	122.33	-	2.34	605.42	39.83	50.38	-	-	515.21	445.60	
d)	Telecom	834.94	83.23	-	(0.70)	918.87	96.34	96.67	0.12	(0.11)	725.87	738.60	
	Furniture Fixtures	78.31	20.29	0.65	(0.13)	98.08	5.37	7.20	0.04	-	85.55	72.94	
	Vehicles	1.86	0.88	-	-	2.74	0.32	0.34	-	-	2.08	1.54	
	Office equipment	97.61	35.14	0.18	(0.02)	132.59	6.42	8.94	0.03	(0.01)	117.25	91.19	
	Electronic Data Processing & Word Processing Machines	42.12	32.68	0.53	(0.02)	74.29	19.92	16.37	0.24	0.06	38.30	22.20	
	Construction and Workshop equipment	210.86	36.96	-	(0.49)	248.31	12.09	13.97	0.01	-	222.26	198.77	
	Electrical Installation	79.97	1.91	-	(0.46)	82.34	5.81	5.79	0.06	(0.05)	70.75	74.16	
	Laboratory Equipments	38.96	2.78	-	-	41.74	3.24	3.21	-	-	35.29	35.72	
	Workshop & Testing Equipments	66.07	55.56	1.55	(0.23)	120.31	2.26	5.31	0.14	(0.13)	112.75	63.81	
	Miscellaneous Assets/Equipments	0.05	-	-	-	0.05	-	-	-	-	0.05	0.05	
Total		120319.81	28639.06	39.10	599.31	148320.46	6326.31	7745.42	35.08	(29.50)	14066.15	113993.50	
Less: Provision for assets discarded		1.74	-	-	-	1.74	-	-	-	-	1.74	1.74	
Grand Total		120318.07	28639.06	39.10	599.31	148318.72	6326.31	7745.42	35.08	(29.50)	14066.15	113991.76	

Note 4/Property, Plant and Equipment (Contd.)

(₹ in crore)

Particulars	Cost			Accumulated depreciation			Net Book Value	
	As at 1 st April, 2015	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2016	Additions during the year	Disposal	As at 31 st March, 2016
Land								
a) Freehold	1807.34	191.32	-	(1.18)	1999.84	-	-	1999.84
b) Leasehold	233.63	5.06	0.36	1.19	237.14	9.53	-	227.70
Buildings								
a) Sub-Stations & Office	483.32	195.72	-	1.35	677.69	26.28	-	652.56
b) Township	371.69	38.10	-	-	409.79	20.70	-	389.09
Temporary Erection	0.01	0.39	-	-	0.40	0.40	-	0.01
Roads & Bridges	126.42	16.94	-	-	143.36	7.42	-	135.94
Water Supply Drainage & Sewerage	76.11	5.52	-	(0.10)	81.73	4.21	-	77.60
Plant & Equipment								
a) Transmission	55863.41	22333.35	24.15	(939.53)	79112.14	4050.91	0.94	75060.28
b) Sub-station	28288.38	7201.88	17.70	(248.98)	35721.54	2008.75	-	33705.90
c) Unified Load Despatch & Communication	269.61	215.71	-	(0.11)	485.43	39.83	-	445.60
d) Telecom	793.97	40.81	-	(0.16)	834.94	96.39	-	738.60
Furniture Fixtures	51.23	27.32	0.06	0.18	78.31	5.39	-	72.94
Vehicles	2.00	0.08	0.22	-	1.86	0.34	0.02	1.54
Office equipment	62.49	35.65	0.57	(0.04)	97.61	6.45	0.02	91.19
Electronic Data Processing & Word Processing Machines	30.92	11.23	0.10	(0.07)	42.12	20.31	0.02	22.20
Construction and Workshop equipment	167.71	43.57	-	0.42	210.86	12.09	-	198.77
Electrical Installation	77.83	2.27	-	0.13	79.97	5.91	-	74.16
Laboratory Equipments	38.62	0.41	0.07	-	38.96	3.24	-	35.72
Workshop & Testing Equipments	22.70	43.37	-	-	66.07	2.27	-	63.81
Miscellaneous Assets/Equipments	0.04	-	-	(0.01)	0.05	-	-	0.05
Total	88767.43	30408.70	43.23	(1186.91)	120319.81	6320.42	1.00	113993.50
Less: Provision for assets discarded	1.72	-	-	(0.02)	1.74	-	-	1.74
Grand Total	88765.71	30408.70	43.23	(1186.89)	120318.07	6320.42	1.00	113991.76

Note:

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

Note 4/Property, Plant and Equipment (Contd.)**Additional Disclosure:**

(₹ in crore)

Particulars	As at 1 st April, 2015				Cost
	Gross Block	Accumulated depreciation	Net Block	Ind As Adjustments	
Land					
a) Freehold	1809.52	-	1809.52	(2.18)	1807.34
b) Leasehold	277.98	46.74	231.24	2.39	233.63
Buildings					
a) Sub-Stations & Office	721.74	217.74	504.00	(20.68)	483.32
b) Township	525.12	155.11	370.01	1.68	371.69
Temporary Erection	10.43	10.41	0.02	(0.01)	0.01
Roads & Bridges	179.19	54.34	124.85	1.57	126.42
Water Supply Drainage & Sewerage	110.58	34.88	75.70	0.41	76.11
Plant & Equipment					
a) Transmission	72501.33	16495.33	56006.00	(142.59)	55863.41
b) Sub-station	38313.35	10048.19	28265.16	23.22	28288.38
c) Unified Load Despatch & Communication	646.38	376.77	269.61	-	269.61
d) Telecom	1431.22	636.57	794.65	(0.68)	793.97
Furniture Fixtures	96.50	45.34	51.16	0.07	51.23
Office equipment	111.48	48.74	62.74	(60.74)	2.00
Electronic Data Processing & Word Processing Machines	117.05	86.49	30.56	31.93	62.49
Vehicles	4.60	2.60	2.00	28.92	30.92
Construction and Workshop equipment	216.61	49.07	167.54	0.17	167.71
Electrical Installation	127.31	49.06	78.25	(0.42)	77.83
Laboratory Equipments	75.59	37.20	38.39	0.23	38.62
Workshop & Testing Equipments	39.47	16.68	22.79	(0.09)	22.70
Miscellaneous Assets/Equipments	0.11	0.07	0.04	-	0.04
Total	117315.56	28411.33	88904.23	(136.80)	88767.43
Less: Provision for assets discarded	10.33	8.61	1.72	-	1.72
Grand Total	117305.23	28402.72	88902.51	(136.80)	88765.71

Notes:

- a) The Company owns 7174 hectare (6988 hectare as on 31st March, 2016; 6704 hectare as on 1st April, 2015) of land amounting to ₹ 2312.64 crore (₹ 2236.98 crore as on 31st March, 2016; ₹ 2040.97 crore as on 1st April, 2015) which has been classified into freehold land 6129 hectare (5972 hectare as on 31st March, 2016; 5714 hectare as on 1st April, 2015) amounting to ₹ 2062.59 crore (₹ 1999.84 crore as on 31st March, 2016; ₹ 1807.34 crore as on 1st April, 2015) and leasehold land 1045 hectare (1016 hectare as on 31st March, 2016; 990 hectare as on 1st April, 2015) amounting to ₹ 250.05 crore (₹ 237.14 crore as on 31st March, 2016; ₹ 233.63 crore as on 1st April, 2015) based on available documentation.
- b) i) The land classified as leasehold land held in the state of Jammu and Kashmir with area of 112.35 hectare (112.35 hectare as on 31st March, 2016; 112.35 hectare as on 1st April, 2015) amounting to ₹ 57.62 crore (₹ 57.62 crore as on 31st March, 2016; ₹ 57.62 crore as on 1st April, 2015) is acquired by state government as per procedures under State Land Acquisition Act. As per prevailing law the state government remains the owner of the land so acquired and company is only given possession for the specific use.
- ii) The transmission system situated in the state of Jammu and Kashmir have been taken over by the company w.e.f. 1st April 1993 from National Hydroelectric Power Corporation of India Limited (NHPC) upon mutually agreed terms pending completion of legal formalities.


Note 4/Property, Plant and Equipment (Contd.)

- c) Freehold land acquired by the company includes ₹ 159.75 crore (₹ 212.60 crore as on 31st March, 2016; ₹ 33.71 crore as on 1st April, 2015) in respect of which conveyance deed in favour of the company is pending and ₹ 130.78 crore (₹ 311.05 crore as on 31st March, 2016; ₹ 197.38 crore as on 1st April, 2015) in respect of land acquired by the company for which mutation in revenue records is pending.
- d) Leasehold land includes area of 2.65 hectare (2.65 hectare as on 31st March, 2016; 2.65 hectare as on 1st April, 2015) amounting to ₹ 12.36 crore (₹ 12.36 crore as on 31st March, 2016; ₹ 12.36 crore as on 1st April, 2015) in respect of land in Chamba (HP) acquired from NHPC by the company for which legal formalities are pending.
- e) Leasehold land includes area of 0.41 hectare (0.41 hectare as on 31st March, 2016; 0.41 hectare as on 1st April, 2015) amounting to ₹ 7.64 crore (₹ 7.64 crore as on 31st March, 2016; ₹ 7.64 crore as on 1st April, 2015) in respect of land acquired for office complex on perpetual lease basis and hence not amortised.
- f) Township building includes ₹ 2.95 crore (₹ 2.95 crore as on 31st March, 2016; ₹ 2.95 crore as on 1st April, 2015) for 28 flats at Mumbai, for which registration in favour of the company is pending.
- g) 5.625 hectare of land (5.625 hectare as on 31st March, 2016; 5.625 hectare as on 1st April, 2015) having value of ₹ 0.04 crore (₹ 0.04 crore as on 31st March, 2016; ₹ 0.04 crore as on 1st April, 2015) has been transferred to National High Power Test Laboratory Pvt. Ltd. on right to use without granting ownership.

Note 5/Capital work-in-progress

					(₹ in crore)
Particulars	As at 1 st April, 2016	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March, 2017
Land					
Development of land	7.79	24.19	-	6.82	25.16
Buildings					
a) Sub-Stations & Office	338.37	193.30	(0.19)	144.90	386.96
b) Township	88.05	45.56	34.04	31.98	67.59
Temporary erection	-	-	-	-	-
Roads & Bridges	15.61	19.68	3.02	11.81	20.46
Water Supply Drainage and Sewerage	2.30	0.76	-	-	3.06
Plant & Equipments (including associated civil works)					
a) Transmission	20117.84	9920.50	1.33	14587.47	15449.54
b) Sub-Station	7609.85	11937.47	2060.85	9228.76	8257.71
c) Unified Load Despatch & Communication	276.37	223.61	5.41	119.57	375.00
d) Telecom	39.96	105.41	40.65	37.73	66.99
Other office equipments	16.10	2.40	-	12.01	6.49
Electrical Installations	-	0.55	-	-	0.55
Construction Stores (Net of Provision)	9859.21	-	2195.03	-	7664.18
Expenditure pending allocation		-			
i) Survey, investigation, consultancy & supervision Charges	20.91	3.35	-	1.08	23.18
ii) Difference in Exchange on foreign currency loans	640.95	(270.30)	-	301.16	69.49
iii) Expenditure during construction period(net) (Note 45)	4593.37	2355.72	2.05	3552.96	3394.08
	<u>43626.68</u>	<u>24562.20</u>	<u>4342.19</u>	<u>28036.25</u>	<u>35810.44</u>
Less: Provision for unserviceable Assets	3.64	-	-	-	3.64
	<u><u>43623.04</u></u>	<u><u>24562.20</u></u>	<u><u>4342.19</u></u>	<u><u>28036.25</u></u>	<u><u>35806.80</u></u>

Note 5/Capital work-in-progress (Contd.)

(₹ in crore)

Particulars	As at 1 st April, 2015	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March, 2016
Land					
Development of land	4.34	58.41	-	54.96	7.79
Buildings					
a) Sub-Stations & Office	303.57	306.22	75.50	195.92	338.37
b) Township	62.54	44.06	(19.30)	37.85	88.05
Temporary erection	0.02		-	0.02	-
Roads & Bridges	5.94	10.45	-	0.78	15.61
Water Supply Drainage and Sewerage	2.26	0.04	-	-	2.30
Plant & Equipments (including associated civil works)					
a) Transmission	26,446.33	12,650.48	4.14	18,974.83	20,117.84
b) Sub-Station	6,224.13	7,367.54	-	5,981.82	7,609.85
c) Unified Load Despatch & Communication	352.30	143.51	17.18	202.26	276.37
d) Telecom	47.67	13.34	0.44	20.61	39.96
Furniture & Fixtures	0.15	-	0.15	-	-
Other office equipments	5.04	17.56	-	6.50	16.10
Electrical Installations	-	-	-	-	-
Construction Stores (Net of Provision)	13,041.96	-	3,182.75	-	9,859.21
Expenditure pending allocation					
i) Survey, investigation, consultancy & supervision Charges	25.79	6.32	-	11.20	20.91
ii) Difference in Exchange on foreign currency loans	817.05	525.95	-	702.05	640.95
iii) Expenditure during construction period(net) (Note 45)	5,375.67	2825.79	(147.43)	3,755.52	4593.37
	52714.76	23969.67	3113.43	29944.32	43626.68
Less: Provision for unserviceable Assets	3.64	-	-	-	3.64
	52711.12	23969.67	3113.43	29944.32	43623.04

Note:

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

Note 5/Capital work-in-progress (Contd.)
(Details of Construction stores) (At Cost)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Construction Stores			
Towers	1545.37	1811.68	2461.98
Conductors	2117.69	1770.88	3386.47
Other Line Materials	856.88	1183.60	1576.19
Sub-Station Equipments	1999.25	2182.37	2523.66
High Voltage Direct Current (HVDC) Equipments	708.37	2650.37	2850.07
Unified Load Despatch & Communication(ULDC) Materials	259.03	186.98	200.78
Telecom Materials	27.32	15.54	8.39
Others	150.28	57.81	34.44
	7664.19	9859.23	13041.98
Less: Provision for shortages and obsolete material	0.01	0.02	0.02
TOTAL	7664.18	9859.21	13041.96
Construction Stores include:			
i) Material in transit			
Towers	1.67	13.42	6.39
Conductors	4.42	2.23	13.35
Other Line Materials	13.81	82.53	62.93
Sub-Station Equipments	345.57	94.74	794.03
High Voltage Direct Current (HVDC) Equipments	-	267.35	413.54
Unified Load Despatch & Communication(ULDC) Materials	8.65	-	11.68
Others	60.17	-	12.05
Total	434.29	460.27	1313.97
ii) Material with Contractors			
Towers	1543.70	1798.26	2455.59
Conductors	2113.26	1768.65	3373.12
Other Line Materials	843.08	1101.06	1513.26
Sub-Station Equipments	1653.68	2087.63	1729.63
High Voltage Direct Current (HVDC) Equipments	708.37	2383.01	2436.53
Unified Load Despatch & Communication(ULDC) Materials	250.38	186.98	189.1
Telecom Materials	27.32	15.54	8.39
Others	90.10	57.81	-
Total	7229.89	9398.94	11705.62
Grand total	7664.18	9859.21	13019.59

Further Notes:

Materials with Contractors amounting to ₹385.80 crore (₹199.55 crore as on 31.03.2016 & ₹112.34 crore as on 01.04.2015) in respect of commissioned lines is pending for reconciliation. However reconciliation are carried out on ongoing basis.

Note 6/Investment Property

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value		
	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 31 st March, 2016
Land (Freehold)	0.02	-	-	-	0.02	-	-	-	-	0.02	0.02
Buildings	0.01	-	-	-	0.01	-	-	-	-	0.01	0.01
Total	0.03	-	-	-	0.03	-	-	-	-	0.03	0.03

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value	
	As at 1 st April, 2015	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2016	As at 1 st April, 2015
Land (Freehold)	0.02	-	-	-	0.02	-	-	-	-	0.02
Buildings	0.01	-	-	-	0.01	-	-	-	-	0.01
Total	0.03	-	-	-	0.03	-	-	-	-	0.03

6. Investment Property (Contd.)
(i) Amount recognised in profit and loss for investment properties

(₹ in crore)

	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Rental income	0.64	0.63
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	0.64	0.63
Depreciation	-	-
Profit from investment properties	0.64	0.63

(ii) Contractual obligations

(₹ in crore)

	31 st March, 2017	31 st March, 2016	1 st April, 2015
Contractual obligation for future repairs and maintenance-not recognised as a liability	NIL	NIL	NIL

(iii) Leasing arrangements

Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:-

(₹ in crore)

	31 st March, 2017*	31 st March, 2016	1 st April, 2015
Within one year	0.83	0.64	0.63
Later than one year but not later than 5 years	0.91	0.83	0.64
Later than 5 years	-	-	-

*Renewal of lease agreement is under process

(iv) Fair value

(₹ in crore)

	31 st March, 2017	31 st March, 2016	1 st April, 2015
Investment properties	2.87	2.75	2.60

Estimation of fair value

The fair values of investment properties have been determined by independent valuer. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 2.

Note 7/Other Intangible assets

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value		
	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 31 st March, 2016
Electronic Data Processing Software	36.97	5.24	-	-	42.21	14.67	15.54	-	-	30.21	22.30
Right of Way-Afforestation Expenses	981.78	315.63	-	0.07	1297.34	53.54	64.97	-	0.07	118.44	928.24
NLD Licence	-	-	-	(2.50)	2.50	-	0.12	-	(1.25)	1.37	-
Development of 1200 KV TS*	-	69.41	-	-	69.41	-	6.05	-	-	6.05	-
Total	1018.75	390.28	-	(2.43)	1411.46	68.21	86.68	-	(1.18)	156.07	950.54

*Internally generated intangible asset

Particulars	Cost				Accumulated Amortisation				Net Book Value	
	As at 1 st April, 2015	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2016	As at 31 st March, 2016
Electronic Data Processing Software	34.97	2.00	-	-	36.97	14.71	-	0.04	14.67	22.30
Right of Way-Afforestation Expenses	748.73	98.16	-	(134.89)	981.78	53.54	-	-	53.54	928.24
Total	783.70	100.16	-	(134.89)	1018.75	68.25	-	0.04	68.21	950.54

Note:

The Company has opted for deemed cost exemption as per Ind AS 101 'First-time Adoption of Indian Accounting Standards' of Para D7 AA. Accordingly carrying value i.e. Gross Block less Accumulated Depreciation is considered as deemed cost as on the date of transition i.e. 1st April, 2015.


Note 7/Other Intangible assets (Contd.)
Additional Disclosure:

(₹ in crore)

Particulars	As at 1 st April, 2015				
	Gross Block	Accumulated depreciation	Net Block	Ind As Adjustments	Cost
Electronic Data Processing Software	49.05	14.08	34.97	-	34.97
Right of Way-Afforestation Expenses	909.98	161.25	748.73	-	748.73
Total	<u>959.03</u>	<u>175.33</u>	<u>783.70</u>	<u>-</u>	<u>783.70</u>

Note 8/Intangible assets under development

(₹ in crore)

Particulars	As at 1 st April, 2016	Additions	Adjustments	Capitalised during the year	As at 31 st March, 2017
Electronic Data Processing Software	1.46	1.64	0.09	2.94	0.07
Right of Way-Afforestation expenses	92.19	66.00	-	96.81	61.38
Development of 1200 KV TS	78.46	13.32	6.49	69.41	15.88
Total	<u>172.11</u>	<u>80.96</u>	<u>6.58</u>	<u>169.16</u>	<u>77.33</u>

(₹ in crore)

Particulars	As at 1 st April, 2015	Additions	Adjustments	Capitalised during the year	As at 31 st March, 2016
Electronic Data Processing Software	0.09	1.67	-	0.30	1.46
Right of Way-Afforestation expenses	137.45	52.88	-	98.14	92.19
Development of 1200 KV TS	73.75	10.97	6.26	-	78.46
Total	<u>211.29</u>	<u>65.52</u>	<u>6.26</u>	<u>98.44</u>	<u>172.11</u>

Note:

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

Note 9/Investments

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
1) Investments in Equity Instruments (fully paid up)			
Quoted			
Investments at Fair Value through Other Comprehensive Income(OCI)			
PTC India Limited			
12000006 (31 st March, 2016:12000006, 1 st April, 2015: 12000006) Equity Shares of ₹10/- each	112.08	76.80	97.08
Unquoted			
a) Investments at Cost (Fully paid up)			
i) Subsidiary Companies			
Power System Operation Corporation Limited			
NIL(31 st March, 2016 NIL, 1 st April, 2015: 30640000) Equity Shares of ₹ 10 each.(Refer Note No 21)	-	-	30.64
Powergrid NM Transmission Limited			

Note 9/Investments (Contd.)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
134000000 (31 st March, 2016 24000000, 1 st April, 2015 24000000) Equity Shares of ₹10 each.	134.00	24.00	24.00
Powergrid Vemagiri Transmission Limited			
50000 (31 st March 2016 50000, 1 st April 2015 50000) Equity Shares of ₹ 10 each.	0.05	0.05	0.05
Less: Provision for diminution in the value of Investment	0.05	0.05	0.05
	-	-	-
Powergrid Vizag Transmission Limited			
209730000 (31 st March, 2016 54730000, 1 st April, 2015 54730000) Equity Shares of ₹10 each.	209.73	54.73	54.73
Powergrid Unchahar Transmission Limited			
12961067 (31 st March, 2016 50000, 1 st April, 2015 50000) Equity Shares of ₹ 10 each.	12.96	0.05	0.05
Powergrid Kala Amb Transmission Limited			
1050000 (31 st March, 2016 50000, 1 st April, 2015 50000) Equity Shares of ₹10 each.	1.05	0.05	0.05
POWERGRID-Jabalpur Transmission Limited			
150000 (31 st March, 2016 50000, 1 st April, 2015 50000) Equity Shares of ₹ 10 each.	0.15	0.05	0.05
POWERGRID Warora Transmission Limited			
25100000 (31 st March, 2016 50000, 1 st April, 2015 NIL) Equity Shares of ₹ 10 each.	25.10	0.05	-
POWERGRID Parli Transmission Limited			
100000 (31 st March, 2016 50000, 1 st April, 2015 NIL) Equity Shares of ₹ 10 each.	0.10	0.05	-
POWERGRID Southern Interconnector Transmission System Limited			
50000 (31 st March, 2016 50000, 1 st April, 2015 NIL) Equity Shares of ₹ 10 each.	0.05	0.05	-
Grid Conductor Limited			
50000 (31 st March, 2016 NIL, 1 st April, 2015 NIL) Equity Shares of ₹ 10 each.	0.05	-	-
Less: Provision for diminution in the value of Investment	0.05	-	-
	-	-	-
Medinipur Jeerat Transmission Limited			
10000(31 st March ,2016 NIL, 1 st April, 2015 NIL) Equity Shares of ₹ 10 each.	0.01	-	-
	383.15	79.03	109.52
ii) Joint Venture Companies			
Torrent Power Grid Limited			
23400000 (31 st March, 2016 23400000, 1 st April, 2015: 23400000) Equity Shares of ₹ 10/- each.	23.40	23.40	23.40
Jaypee Powergrid Limited			
78000000 (31 st March, 2016 78000000, 1 st April, 2015: 78000000) Equity Shares of ₹ 10/- each	78.00	78.00	78.00


Note 9/Investments (Contd.)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Parbati Koldam Transmission Company Limited 70937620 (31 st March, 2016 70937620, 1 st April, 2015 70937620) Equity Shares of ₹ 10/- each .	70.94	70.94	70.94
Teestavalley Power Transmission Limited 94277820 (31 st March, 2016 67115620, 1 st April, 2015 41011762) Equity Shares of ₹ 10/- each .	94.28	67.11	41.01
Powerlinks Transmission Limited 229320000 (31 st March, 2016 229320000, 1 st April, 2015 229320000) Equity Shares of ₹ 10/- each	229.32	229.32	229.32
North East Transmission Company Limited 106964000 (31 st March, 2016 106964000, 1 st April, 2015 106964000) Equity Shares of ₹ 10/- each	106.96	106.96	106.96
Energy Efficiency Services Limited NIL (31 st March, 2016 225000000, 1 st April, 2015 225000000) Equity Shares of ₹10/- each (Refer further note 5)	-	22.50	22.50
National High Power Test Laboratory Limited 304000000 (31 st March, 2016 239000000, 1 st April, 2015 239000000) Equity Shares of ₹ 10/- each	30.40	23.90	23.90
Cross Border Power Transmission Company Limited 12612473 (31 st March, 2016 10322000, 1 st April, 2015: 4940000) Equity Shares of ₹ 10/- each	12.62	10.32	4.94
Kalinga Bidyut Prasaran Nigam Private Limited 5000 (31 st March, 2016 5000, 1 st April ,2015 5000) Equity Shares of ₹ 10/- each	0.01	0.01	0.01
Less: Provision for diminution in the value of Investment	0.01	-	-
	-	0.01	0.01
Bihar Grid Company Limited 148500000 (31 st March, 2016 40309000, 1 st April, 2015 10025000) Equity Shares of ₹ 10/- each	148.50	40.31	10.02
Power Transmission Company Nepal Limited 780000 (31 st March, 2016 780000, 1 st April, 2015 156000) Equity Shares of Nepali ₹ 100/- each	4.88	4.88	0.98
RINL POWERGRID TLT Private Limited 3400000 (31 st March, 2016 100000, 1 st April, 2015 NIL) Equity Shares of ₹ 10/- each	3.40	0.10	-
	802.70	677.75	611.98
iii) Share Application Money Subsidiaries Companies Powergrid NM Transmission Limited(Refer further note 4 below) Joint Venture Companies	28.00	-	-

Note 9/Investments (Contd.)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
iv) Others			
500 (31 st March, 2016 500, 1 st April, NIL) Equity Shares of ₹ 10/- each in Employees Co-op Society Limited Rourkela (₹ 5000/-)			
1 (31 st March, 2016 1, 1 st April, 2015 1) share of ₹ 10/- each in Bharat Broadband Network Limited (₹ 10/-)			
b) Investments at Fair Value through Other Comprehensive Income (OCI)			
Energy Efficiency Services Limited			
22500000 (31 st March, 2016 NIL, 1 st April, 2015 NIL) Equity Shares of ₹10/- each	29.62	-	-
(Refer further note 5)			
2) Investments in Government Securities			
Unquoted Investments at Cost (Fully paid up)			
8.5% State Govt. Bonds (under one time settlement scheme) redeemable in 20 half yearly instalments	-	2.50	7.49
TOTAL	1355.55	836.08	826.07

Further notes:

1) a) Aggregate amount of Quoted Investments			
Book value	112.08	76.80	97.08
Market Value	112.08	76.80	97.08
b) Aggregate amount of Unquoted Investments	1243.47	759.28	728.99
c) Aggregate amount of impairment in value of Investment	0.11	0.05	0.05
2) 229319997 Equity Shares (31 March, 2016- 229319997 Equity Shares, 1 st April, 2015- 229319997 Equity Shares) of Powerlinks Transmission Limited held by the Company have been pledged as security with consortium of financial institutions against financial assistance obtained by Powerlinks Transmission Limited.			
3) Investments have been valued as per accounting policy no. 2.13, 2.14 & 2.15			
4) Equity Shares allotted on 10 th April, 2017.			
5) Ceased to be Joint Venture Company w.e.f. 25 th April, 2016			

Note 10/Loans (considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Loans to Related Parties			
Loans to Subsidiaries-Unsecured**	3486.05	1159.72	229.70
Loan to Directors & Key Managerial Personnel (KMP)			
Secured	0.08	0.12	0.08
	3486.13	1159.84	229.78
Loans to Employees (including interest accrued)			
Secured	114.09	124.25	122.27
Unsecured	18.19	20.72	18.28
	132.28	144.97	140.55
TOTAL	3618.41	1304.81	370.33

** Details of loans to related parties is provided in Note 60


Note 11/Other Non-current Financial Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Lease receivables	635.24	667.40	576.41
Bank deposits with more than 12 months maturity#	158.23	213.33	-
Advances to related parties*(Subsidiaries and Others)			
i) Considered good	0.08	0.05	-
ii) Considered doubtful**	19.39	19.39	19.37
	19.47	19.44	19.37
Less: Provision for Doubtful advances**	19.39	19.39	19.37
	0.08	0.05	-
TOTAL	793.55	880.78	576.41

Further notes:

Bank deposit is against designated accounts for consultancy work.

* Details of advances to related parties are provided in Note 60

** CERC in its Order dated 06/04/2015 in Petition Nos. 127/2012, 128/TL/2012 & 156/MP/2012 has ordered that 80% of the acquisition price incurred by PGCIL for Vemagiri Transmission Company Limited (VSTL) shall be reimbursed by the beneficiaries of Long Term Transmission Agreement(LTA) and the balance 20% and the expenditure incurred by VSTL from the date of acquisition till the liquidation of the Company shall be borne by company. The Company has filed a Review Petition dtd.28/05/2015 praying modification of the Order dtd. 06/04/2015

Note 12/Other non-current Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Advances for Capital Expenditure			
i) Secured	-	-	0.26
ii) Unsecured			
a. Against bank guarantees	2919.03	2822.15	2765.46
b. Others	138.89	198.04	583.24
iii) Unsecured considered doubtful	2.95	2.95	3.00
	3060.87	3023.14	3351.70
Less: Provision for bad & doubtful Advances	2.95	2.95	3.00
	3057.92	3020.19	3348.96
Security Deposits	5.13	4.89	9.58
Related Party	33.19	23.16	18.48
Deferred Employee Cost	56.30	51.45	49.71
Deferred Foreign currency Fluctuation Asset	2974.91	3827.77	2803.82
Advances recoverable in kind or for value to be received			
Contractors & Suppliers	120.71	0.33	1.05
Employees	0.74	0.55	-
Balance with Customs Port Trust and other authorities	76.18	20.82	-

Note 12/Other non-current Assets (Contd.)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Others*	22.44	11.02	3.21
	220.07	32.72	4.26
Considered doubtful	3.09	3.59	3.59
	223.16	36.31	7.85
Less: Provision for doubtful Advances	3.09	3.59	3.59
	220.07	32.72	4.26
TOTAL	6347.52	6960.18	6234.81

*Others include amount recoverable from State Governments, insurance claims, prepaid expenses etc.

Note 13/Inventories

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
(For mode of valuation refer Note 2.10)			
Components, Spares & other spare parts	902.26	713.04	631.61
Loose tools	12.23	8.56	9.09
Consumable stores	9.71	5.99	5.06
	924.20	727.59	645.76
Less Provision for Shortages/damages etc	17.25	20.16	20.16
TOTAL	906.95	707.43	625.60
Inventories includes material in transit			
Components, Spares & other spare parts	19.93	1.96	0.02

Note 14/Investments

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Government Securities (Unquoted at Cost)			
Investments at Cost (Fully paid up)			
8.5% fully paid up State Govt. Bonds (under one time settlement scheme) redeemable in 20 half yearly instalments	2.50	5.00	185.43
TOTAL	2.50	5.00	185.43
Further notes:			
a) Aggregate amount of unquoted Investments			
Book value	2.50	5.00	185.43


Note 15/Trade receivables

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
i) Trade receivables			
Unsecured Considered good	3110.10	2730.82	2108.1
Considered doubtful	32.41	29.62	27.33
	3142.51	2760.44	2135.43
ii) Receivable from related parties *			
Unsecured Considered good	111.00	7.15	10.55
	3253.51	2767.59	2145.98
Less: Provision for doubtful trade receivables	32.41	29.62	27.33
TOTAL	3221.10	2737.97	2118.65

*Details of trade receivables from related parties are provided in Note 60

Note 16/Cash and Cash Equivalents

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Balance with banks-			
- In Current accounts	612.16	288.70	476.45
- In designated Current accounts(For Consultancy and others)	752.88	620.17	151.36
In term deposits (with maturity less than 3 months)*	1826.86	631.75	1424.62
Drafts/Cheques in hand/Remittances in transit	36.51	-	-
Cash in hand	-	0.01	0.01
Others (Stamps and Imprest)	0.02	0.01	0.15
Total	3228.43	1540.64	2052.59

*Term deposit includes ₹1326.86 crore for Consultancy & Others (As at 31st March, 2016 ₹ 631.75 crore and as at 1st April, 2015 ₹ 1424.62 crore)

Details of Specified Bank Notes (SBN)

(Amount in ₹)

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	37,92,500	3,44,100	41,36,600
(+) Permitted receipts	-	10,000	10,000
(-) Permitted payments	-	2,12,820	2,12,820
(-) Amount deposited in Banks	37,92,500	1,41,280	39,33,780
Closing cash in hand as on 30.12.2016	-	-	-

Note 17/ Bank Balances (Other than Cash & Cash Equivalents)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Earmarked balance with bank*	11.18	10.29	10.39
In Term Deposits having maturity over 3 months but upto 12 months (For Consultancy and others)	100.98	689.47	-
Total	112.16	699.76	10.39

Further notes:

*Earmarked balance with Bank includes unpaid dividend and refund of FPO proceeds

Note 18/Loans

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Loans to Related Parties			
Loan to Directors & Key Managerial Personnel (KMP)			
Secured	0.06	0.06	0.08
Unsecured Considered good	0.01	-	-
	0.07	0.06	0.08
Loans to Employees (including interest accrued)			
Secured	22.28	18.00	14.98
Unsecured Considered good	12.79	12.66	10.39
	35.07	30.66	25.37
Others	-	-	0.04
TOTAL	35.14	30.72	25.49

Note 19/Other Current Financial Assets

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Lease Receivable	70.94	82.72	73.68
Current Maturities of Long Term Advances (Under Securitisation Scheme)	-	7.71	23.14
Unbilled Revenue*	2515.82	3023.89	2232.33
Interest accrued but not due			
Interest accrued on Investments (Bonds)	0.46	4.36	12.09
Interest accrued on Term/Fixed Deposits	0.40	0.22	0.86
Interest accrued on Others	1.13	2.38	-
Interest accrued on Loan to Subsidiaries	104.84	25.45	-
	106.83	32.41	12.95
Related Party	2.46	5.86	24.79
Others (Unsecured) **			
Considered Good	638.38	209.31	174.15
Considered Doubtful	0.86	-	-
Total	639.24	209.31	174.15
Less: Provision for doubtful Advances	0.86	-	-
	638.38	209.31	174.15
Total	3334.43	3361.90	2541.04

Further notes:

* Unbilled revenue includes transmission charges for the month of March in the financial year amounting to ₹ 1968.66 crore (31st March, 2016 ₹ 1578.65 crore and 1st April, 2015 ₹ 1285.03 crore) billed to beneficiaries in the month of April of subsequent financial year.

** Others include amount recoverable from Customers, Advance rent for Residential and Office accommodation, other advance etc.

Note 20/Other current Assets

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Advances recoverable in kind or for value to be received			
Contractors & Suppliers	127.79	158.84	27.78
Employees	6.04	7.95	10.21
Balance with Customs Port Trust and other authorities	49.81	88.17	31.98
Claims recoverable	1.12	5.80	3.85
	184.76	260.76	73.82
Advances to related parties			
Subsidiaries	4.06	137.44	127.10
Others*			
Considered Good	35.18	139.99	77.80
Considered Doubtful	0.03	0.03	-
	35.21	140.02	77.80
Less: Provision for Doubtful Advances	0.03	0.03	-
	35.18	139.99	77.80
Total	224.00	538.19	278.72

*Others include advance given for CSR activities and prepaid expenses

Note 21. Assets classified as held for sale

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Investments in Equity Instruments (fully paid up)			
Subsidiary Company			
Power System Operation Corporation Ltd.			
NIL (31 st March, 2016 30640000; 1 st April, 2015 NIL) Shares of ₹10 each.	-	30.64	-
TOTAL	-	30.64	-

Notes:

Pursuant to communication of Ministry of Power vide office memorandum 18/02/2015-PG dated 25th March, 2015 and 29th December, 2015, Board of Directors in its meeting held on 9th March, 2016 had approved to sell and transfer 3,06,40,000 equity shares of ₹ 10 each (100% shareholding) held by the company in Power System Operation Corporation Limited (POSOCO) to Government of India. Accordingly, investment in above equity shares were shown as 'Assets held for sale' as on 31st March, 2016 in accordance with IND-AS 105 "Non-current Assets held for sale and Discontinued operation"

Ministry of Power vide their order dated 23/09/2016 conveyed sanction for release of ₹ 81.21 crore to POWERGRID towards consideration for transfer of above equity shares based on the book value of POSOCO as at 31st March, 2013. The Company has taken up with the GOI for payment of ₹ 113.88 crore towards consideration for transfer of shares in POSOCO based on the book value as at 30th September, 2016.

The above shares were transferred to GOI on 2nd January, 2017 after receipt of ₹ 81.21 crore and accordingly an amount of ₹ 50.57 crore was recognized as profit on sale of investments. Matter is being pursued with Ministry of Power for payment of the balance amount of ₹ 32.67 crore (i.e. ₹ 113.88 crore - ₹ 81.21 crore).

Note 22/Regulatory Deferral Account Balances

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Assets			
For Foreign Currency Fluctuation	4.42	37.67	37.72
For Employee Benefits Expense	103.18	-	-
Total	107.60	37.67	37.72

Refer to note no 55

Note 23/Equity Share capital

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Equity Share Capital			
Authorised			
10000000000 (31 st March, 2016 10000000000; 1 st April, 2015 10000000000) equity shares of ₹ 10/- each at par	10000.00	10000.00	10000.00
Issued, subscribed and paid up			
5231589648 (31 st March, 2016 5231589648; 1 st April, 2015 5231589648) equity shares of ₹ 10/- each at par fully paid up	5231.59	5231.59	5231.59

Further Notes:

- 1) Reconciliation of number and amount of share capital outstanding at the beginning and at the end of the reporting period

Particulars	For the year ended 31 st March, 2017		For the year ended 31 st March, 2016	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Shares outstanding at the beginning of the year	5231589648	5231.59	5231589648	5231.59
Shares outstanding at the end of the year	5231589648	5231.59	5231589648	5231.59

- 2) The Company has only one class of equity shares having a par value of ₹10/- per share.
- 3) The holders of equity shares are entitled to receive dividends as declared from time to time and to voting rights proportionate to their shareholding at meetings of the Shareholders.
- 4) Shareholders holding more than 5% equity shares of the Company.

Particulars	As at 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
i) Government of India	3028835198	57.90	3028835198	57.90	3028835198	57.90
ii) Europacific Growth Fund	-	-	-	-	296023422	5.66



Note 24/Other Equity

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Reserves and Surplus			
Securities Premium Reserve	9578.29	9578.29	9578.29
Bonds Redemption Reserve	8095.09	6892.42	5870.47
Self Insurance Reserve	676.64	484.32	387.18
Corporate Social Responsibility(CSR) Activity Reserve	123.38	135.53	129.52
General Reserve	23243.64	21226.72	17721.13
Retained Earnings	2754.86	197.56	196.42
Other Reserves			
Other Comprehensive Income Reserve	103.76	64.80	85.08
Total	44575.66	38579.64	33968.09

24.1 Securities Premium Reserve

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Balance at the beginning of the year	9578.29	9578.29
Balance at the end of the year	9578.29	9578.29

24.2 Bonds Redemption Reserve

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Balance at the beginning of the year	6892.42	5870.47
Addition during the year	2004.95	1719.88
Deduction during the year	802.28	697.93
Balance at the end of the year	8095.09	6892.42

Bonds Redemption Reserve is created for the purpose of redemption of debentures in term of the Companies Act, 2013

24.3 Self Insurance Reserve

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Balance at the beginning of the year	484.32	387.18
Addition during the year	193.17	102.43
Deduction during the year	0.85	5.29
Balance at the end of the year	676.64	484.32

Self-Insurance Reserve is created @ 0.12% p.a.(0.10% p.a. in previous year) on the Original Cost of Property, Plant & Equipments not covered under insurance as at the end of the year to meet future losses which may arise from un-insured risks.

24.4 Corporate Social Responsibility (CSR) Activity Reserve

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Balance at the beginning of the year	135.53	129.52
Addition during the year	-	6.01
Deduction during the year	12.15	-
Balance at the end of the year	123.38	135.53

Corporate Social Responsibility Reserve was created to the extent of shortfall in the actual expenditure in any year vis-à-vis the amount stipulated as per the Companies Act, 2013.

24.5 General Reserve

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Balance at the beginning of the year	21226.72	17721.13
Addition during the year	2000.00	3500.00
Deduction during the year	-	-
Add/(Less): Adjustments	16.92	5.59
Balance at the end of the year	23243.64	21226.72

General Reserve are retained earnings of company which are kept aside out of company's profits. It is a free reserves which can be utilized to meet any unknown future contingencies and to pay dividends to shareholders.

24.6 Retained Earnings

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Balance at the beginning of the year	197.56	196.42
Add: Additions		
Net Profit for the period	7520.15	5948.50
Items of other comprehensive income recognised directly in surplus balance		
- Remeasurements of post employment benefit obligations	10.87	8.31
Transfer from Bond Redemption Reserve	802.28	697.93
Less: Appropriations		
General Reserve	2,000.00	3,500.00
Bonds Redemption Reserve	2004.95	1719.88
CSR Activities Reserve	-	6.01
Self Insurance Reserve	193.17	102.43
Interim dividend paid	523.15	418.53
Tax on Interim dividend	105.40	85.01
Final Dividend (refer note 64(b))	789.97	685.34
Tax on Final Dividend	159.36	136.40
Balance at the end of the year	2754.86	197.56

24.7 Other Comprehensive Income Reserve

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Balance at the beginning of the year	64.80	85.08
Addition during the year	38.96	-
Deduction during the year	-	20.28
Balance at the end of the year	103.76	64.80

Note 25/ Borrowings

(₹ in crore)

Description	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
A) BONDS			
A1) Domestic			
Secured Taxable, Redeemable, Non-Cumulative, Non-Convertible			
A1.1 i) Bonds of ₹10 Lakh each			
LV Issue-7.55% Redeemable at par on 21.09.2031	1238.62	-	-
XXXIX Issue- 9.40% redeemable at par on 29.03.2027	1799.36	1799.44	1799.08
LVIII Issue- 7.89% redeemable at par on 09.03.2027	2058.95	-	-
XXXVIII Issue- 9.25% redeemable at par on 09.03.2027	854.48	854.52	854.36
LVI Issue- 7.36% redeemable at par on 18.10.2026	1063.83	-	-
XLII Issue-8.80% redeemable at par on 13.03.2023	1989.07	1989.14	1988.77
LVII Issue- 7.20% redeemable at par on 21.12.2021	2118.27	-	-
ii) Bonds of ₹ 30 Lakh each consisting of 3 STRPPs of ₹ 10 lakh each redeemable at par in 3 (Three) equal annual installments			
LIV Issue-7.97% Redeemable on 15.07.2021, 15.07.2026 and 15.07.2031	2997.11	-	-
LII Issue-8.32% redeemable on 23.12.2020,23.12.2025 and 23.12.2030	1396.75	1396.58	-
XLIX Issue-8.15% redeemable on 09.03.2020,09.03.2025 and 09.03.2030	1304.38	1304.44	1304.24
XLVI Issue-9.30% redeemable on 04.09.2019,4.09.2024 and 04.09.2029	4357.74	4356.38	4356.05
XLIV Issue-8.70% redeemable on 15.07.2018,15.07.2023 and 15.07.2028	3962.03	3961.93	3961.47
iii) Bonds of ₹ 1.20 crore each consisting of 12 STRPPs of ₹ 10 lakh each redeemable at par in 12 (twelve) equal annual installments			
LIII Issue-8.13% Redeemable w.e.f 25.04.2020	3993.89	-	-
LI Issue-8.40% redeemable w.e.f. 14.09.2019	2996.74	2996.56	-
L Issue-8.40% redeemable w.e.f. 27.05.2019	2926.13	2926.18	-
XLVII Issue-8.93% redeemable w.e.f 20.10.2018	2636.90	2636.67	2636.55
XLV Issue-9.65% redeemable w.e.f. 28.02.2018	1831.36	1998.04	1997.61
XLIII Issue-7.93% redeemable w.e.f. 20.05.2017	2863.58	3124.11	3123.67
XLI Issue-8.85% redeemable w.e.f. 19.10.2016	2365.63	2601.96	2838.68
XL Issue-9.30% redeemable w.e.f. 28.06.2016	3327.43	3660.13	3992.71
XXXVII Issue- 9.25% redeemable w.e.f 26.12.2015	1494.70	1660.54	1826.66
iv) Bonds of ₹ 40 Lakh each consisting of 4 STRPPs of ₹ 10 lakh each redeemable at par in 4 (Four) equal installments			
XLVIII Issue-8.20% redeemable on 23.01.2020, 23.01.2022, 23.01.2025 and 23.01.2030	2578.29	2579.09	2577.90

Note 25/ Borrowings (Contd.)

(₹ in crore)

Description	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
v) Bonds of ₹1.50 crores each, consisting of 15 STRPPs of ₹10.00 Lakhs each redeemable at par in 15 (fifteen) equal annual instalments			
XXXVI Issue- 9.35% redeemable w.e.f. 29.08.2016	2674.67	2880.26	3086.03
vi) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (twelve) equal annual instalments.			
XXXV Issue- 9.64% redeemable w.e.f 31.05.2015	1466.80	1629.80	1792.53
XXXIV Issue- 8.84% redeemable w.e.f 21.10.2014	2322.11	2612.16	2902.34
XXXIII Issue- 8.64% redeemable w.e.f 08.07.2014	1918.04	2157.77	2397.28
XXXII Issue- 8.84% redeemable w.e.f 29.03.2014	603.56	689.83	775.89
XXXI Issue- 8.90% redeemable w.e.f 25.02.2014	1193.66	1363.92	1534.52
XXX Issue- 8.80% redeemable w.e.f 29.09.2013	1358.84	1552.85	1746.90
XXIX Issue- 9.20% redeemable w.e.f 12.03.2013	648.39	756.51	864.40
XXVIII Issue- 9.33% redeemable w.e.f 15.12.2012	1198.48	1398.03	1597.79
XXVII Issue- 9.47% redeemable w.e.f 31.03.2012	293.65	352.40	411.04
XXVI Issue- 9.30% redeemable w.e.f 07.03.2012	415.99	499.22	582.30
XXV Issue- 10.10% redeemable w.e.f 12.06.2011	443.23	531.89	620.46
XXIV Issue- 9.95% redeemable w.e.f 26.03.2011	266.41	333.04	399.56
XXIII Issue- 9.25% redeemable w.e.f 09.02.2011	102.41	127.99	153.61
XXII Issue- 8.68% redeemable w.e.f 07.12.2010	229.73	287.13	344.57
XXI Issue- 8.73% redeemable w.e.f 11.10.2010	169.77	212.20	254.64
XX Issue- 8.93% redeemable w.e.f 07.09.2010	499.29	624.10	748.91
XIX Issue- 9.25% redeemable w.e.f 24.07.2010	164.77	205.97	247.14
XVIII Issue- 8.15% redeemable w.e.f 09.03.2010	249.63	332.86	416.00
XV Issue-6.68% redeemable w.e.f. 23.02.2008	74.95	149.90	224.88
vii) Bonds of ₹1.00 crores each, consisting of 10 STRPPs of ₹10.00 Lakhs each redeemable at par in 10 (ten) equal annual instalments.			
XVII Issue- 7.39% redeemable w.e.f 22.09.2009	99.84	199.73	299.63
XVI Issue- 7.10% redeemable w.e.f 18.02.2009	-	74.92	149.89
A1.2 Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 lakh each redeemable at par in 12 (twelve) equal annual instalments			
XIII issue-8.63% redeemable w.e.f 31.07.2006	-	67.36	134.77
A1.3 Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 lakh each redeemable at par in 12 (twelve) equal annual instalments			
XII issue-9.70% redeemable w.e.f 28.03.2006	-	-	15.36
A1.4 Bonds of ₹3 crores each consisting of 12 STRPPs of ₹25 lakh each redeemable at par in 12 (twelve) equal annual instalments			
XI issue-9.80% redeemable w.e.f 07-12-2005	-	-	45.13
	68549.46	58885.55	55003.32



Note 25/ Borrowings (Contd.)

(₹ in crore)

Description	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
A2) Unsecured (Foreign Currency)			
A2.1 Redeemable Foreign Currency Notes			
3.875% Foreign Currency Notes redeemable at par on 17.01.2023	3262.79	3345.53	3153.42
Total (A)	71812.25	62231.08	58156.74
B) Term loans			
B1) from Banks			
B1.1 Secured			
i) Foreign Currency Loans (Guaranteed by Government of India (GOI))	20213.43	20455.20	19296.01
ii) Other Foreign Currency Loans	2672.65	2748.04	2595.85
iii) Rupee Loans	12752.00	12031.00	7600.00
	35638.08	35234.24	29491.86
B1.2 Unsecured			
i) Foreign Currency Loans (Guaranteed by GOI)	1445.26	587.16	184.91
ii) Other Foreign Currency Loans	1917.58	2120.83	1478.06
iii) Rupee Loans	150.00	-	-
	3512.84	2707.99	1662.97
B2) from Other Financial Institution			
B2.1 Secured			
i) Rupee Loans	-	-	0.22
Total (B)	39150.92	37942.23	31155.05
TOTAL (A TO B)	110963.17	100173.31	89311.79

Further notes:

Details of terms of repayment and rate of interest

- 1 Secured Foreign Currency Loans (Guaranteed by GoI) carry floating rate of interest linked to 6M LIBOR. These loans are repayable in semi annual installment, as per terms of the respective loan agreement, commencing after moratorium period of 3 to 5 years.
- 2 Secured other Foreign Currency Loans carry floating rate of interest linked to 6M LIBOR /EURIBOR/STIBOR. These loans are repayable in semi annual installment, as per terms of the respective loan agreement, commencing after moratorium period of 3 to 5 years.
- 3 Secured Rupee loan from banks carry floating rate of interest linked to 1 year MCLR and 6M MCLR. These loans are repayable in semi annual installment, as per terms of the respective loan agreement, commencing after moratorium period of 5 years .
- 4 Unsecured Foreign Currency Loans (Guaranteed by GoI) carry fixed rate of interest ranging from 1.63% p.a. to 2.30% p.a. These loans are repayable in semi annual installment as per terms of the respective loan agreement.
- 5 Unsecured Foreign Currency Loans carry floating rate of interest linked to 6M STIBOR/EURBOR. These loans are repayable in semi annual installment as per terms of the respective loan agreement, commencing after moratorium period of 4 to 5 years.
- 6 Unsecured Rupee loan from bank carry floating rate of interest linked to 6 months MCLR. These loans are repayable in semi annual installment, as per terms of the respective loan agreement, commencing after moratorium period of 5.5 years.

Details of Securities

- 1 Domestic Bonds mentioned at A1.1 are Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.
- 2 Domestic Bonds mentioned at A1.2 are secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage & hypothecation on assets of Kishenpur Moga & Dulhasti Contingency Transmission System.

Note 25/ Borrowings (Contd.)

- 3 Domestic Bonds mentioned at A1.3 are secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage and hypothecation on assets of Kayamkulam & Ramagundam Hyderabad Transmission System.
- 4 Domestic Bonds mentioned at A1.4 are secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage & hypothecation on assets of Anta,Auriya, Moga-Bhiwani, Chamera-Kishenpur, Sasaram-Allahbad, LILO of Singraulli-Kanpur and Allahabad Sub-Station
- 5 Secured Foreign Currency Loans (Guranteed by GoI) at B1.1(i) are secured by pari passu interest in the lien created on the assets as security for the debts.
- 6 Secured other Foreign Currency Loans and Rupee Loans at B1.1(ii & iii) are secured by way of the pari passu charge on the assets of the company except investments,land and building, roads and bridges, water supply, drainage and sewerage and current assets. Loan from NIB is secured by way of the pari passu charge on the assets of the company except investments and current assets. Loan from Bank of India is secured by floating charge on the immovable properties of the company.
- 7 Secured Rupees Loan from Other financial institution at B2.1 is secured by floating charge on the fixed assets of the Company.

Note 26/Other Non-current financial liabilities

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Deposits /Retention money from contractors and others.	189.67	486.59	631.43
Dues for Capital Expenditure	162.57	384.31	22.88
Total	352.24	870.90	654.31

Further Notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 52

Note 27/ Provisions

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Employee Benefits			
As per last balance sheet	650.45	580.23	580.23
Additions/(adjustments) during the year	139.11	70.22	-
Closing Balance	789.56	650.45	580.23

Employee Benefits

Provision is created for the purpose of leave encashment, Settlement Allowance, and long service award and other benefits. Detailed disclosure related to provisions for Employee benefit is given in note 68.

Note 28/ Deferred tax liabilities (Net)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
A. Deferred Tax Liability			
Depreciation difference on Property, Plant and Equipment	11214.62	8556.83	6779.74
Finance Lease assets	90.83	106.27	78.86
Others	66.30	59.51	61.88
Sub-total (A)	11371.75	8722.61	6920.48
B. Deferred Tax Assets			
Income during Construction Period	18.69	92.35	110.25
Self Insurance Reserve	11.26	11.67	13.49
Provisions allowable on payment basis	236.77	135.59	113.07
Advance Against Depreciation	562.31	621.41	670.90
Others	123.98	123.08	102.90
Sub-total (B)	953.01	984.10	1010.61
Deferred Tax Liability (Net) (A-B)	10418.74	7738.51	5909.87
Less: Deferred assets for deferred tax liability	7868.20	5249.13	3437.71
Net Deferred tax liability	2550.54	2489.38	2472.16

Movement in Deferred Tax Liabilities

(₹ in crore)

Particulars	Property, plant and equipment and investment property	Finance Leased Assets	Others	Total
At 1st April, 2015	6779.74	78.86	61.88	6920.48
Charged/(credited)				
- to profit or loss	1777.09	27.41	(2.37)	1802.13
At 31st March, 2016	8556.83	106.27	59.51	8722.61
Charged/(credited)				
- to profit or loss	2657.79	(15.44)	6.79	2649.14
At 31st March, 2017	11214.62	90.83	66.30	11371.75

a) Charge of ₹ 61.16 crore (Previous year ₹ 17.22 crore) has been made in the Statement of Profit & Loss.

b) The tariff norms for the block period 2014-2019 notified by the Central Electricity Regulatory Commission (CERC) provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax provided during the year ended 31st March, 2017 on the transmission income is accounted as 'Deferred Assets against Deferred Tax Liability'. Deferred Assets against Deferred Tax Liability for the year will be reversed in future years (including tax holiday period) when the related deferred tax liability forms a part of current tax. This is in line with Guidance Note on Rate Regulated Activities, issued by ICAI.

Movement in Deferred Tax Assets

(₹ in crore)

Particulars	Income during construction	Self- insurance reserve	Provision and 43B Expenses	Advance against depreciation	Others	Total
At 1st April, 2015	110.25	13.49	113.07	670.90	102.90	1010.61
Charged/(credited)						
- to profit or loss	(17.90)	(1.82)	22.52	(49.49)	20.18	(26.51)
At 31st March, 2016	92.35	11.67	135.59	621.41	123.08	984.10
Charged/(credited)						
- to profit or loss	(73.66)	(0.41)	101.18	(59.10)	0.90	(31.09)
At 31st March, 2017	18.69	11.26	236.77	562.31	123.98	953.01

Note 28/ Deferred tax liabilities (Net) (Contd.)**Amount taken to Statement of Profit and Loss**

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Increase in Deferred Tax Liabilities	2649.14	1802.13
Decrease in Deferred Tax Assets	31.09	26.51
Total	2680.23	1828.64
Less: Deferred Assets for deferred tax liability	2619.07	1811.42
Net Amount taken to Statement of Profit and Loss	61.16	17.22

Note 29/Other non-current liabilities

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Advance from customers (Consultancy/Telecom contracts)	448.16	431.20	401.03
Others*	127.04	0.38	0.02
Total	575.20	431.58	401.05

*Others includes amount Payable to Customers on recovery

Note 30/Borrowings

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Short Term-Unsecured			
From Banks	-	2,000.00	1,200.00
From Others			
Commercial Paper	1500.00	-	-
Total	1500.00	2000.00	1200.00

Note 31/Trade payables

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
For goods and services	413.98	313.89	392.97
Total	413.98	313.89	392.97

Further Notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 52.

Note 32/Other Current Financial Liabilities

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Current maturities of long term borrowings			
Secured			
Bonds	3812.37	3445.94	2791.60
Rupee Term Loans	454.00	454.23	101.68
Foreign Currency Loans	1715.36	1906.71	1489.18
	5981.73	5806.88	4382.46
Un-secured			
Foreign Currency Loans	253.01	274.72	86.10
	6234.74	6081.60	4468.56
Interest accrued but not due on borrowings from			
Indian Banks & Financial Institutions	-	-	5.78
Foreign Banks & Financial Institutions	100.99	69.18	39.30
Secured/Unsecured redeemable Bonds	3069.84	2600.02	2315.99
	3170.83	2669.20	2361.07
Others			
Dues for capital expenditure	3546.60	4173.00	4647.28
Employee related liabilities	135.88	84.97	116.10
Unclaimed dividends & FPO*	11.18	9.31	10.39
Deposits/Retention money from contractors and others.	5449.79	4483.42	4773.19
Related parties	40.31	56.25	51.84
Others#	735.28	282.46	171.32
	9919.04	9089.41	9770.12
Total	19324.61	17840.21	16599.75

Further notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No. 52

* No amount is due for payment to Investor Education and Protection Fund

Others include liability for dead cheques, Price variation, Long Term Access (LTA), Short Term Open Access (STOA) etc.

Note 33/Other current liabilities

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Advances from customers	2495.82	3431.48	2229.62
Statutory dues	70.18	101.08	188.48
Total	2566.00	3532.56	2418.10

34. Provisions

(₹ in crore)

Description	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
A) Employee Benefits			
i) Performance related pay /special incentive			
As per last balance sheet	182.52	198.87	121.13
Addition during the year	168.04	160.31	106.45
Amount paid/adjusted during the year	240.73	176.66	28.71
Closing Balance	109.83	182.52	198.87
ii) Wage revision			
As per last balance sheet	-	-	-
Additions during the year	265.43	-	-
Amounts utilised/paid during the year	-	-	-
Closing Balance	265.43	-	-
ii) Other Employee Benefits (Leave Encashment, Settlement Allowance and Long Service Award etc.)			
As per last balance sheet	46.56	40.71	37.78
Additions/(adjustments) during the year	27.30	5.85	2.93
Closing Balance	73.86	46.56	40.71
Total (A)	449.12	229.08	239.58
B) Others			
i) Downtime Service Credit-Telecom			
As per last balance sheet	10.09	6.78	5.23
Additions during the year	9.11	4.06	2.15
Amounts adjusted during the year	4.35	0.75	0.60
Closing Balance	14.85	10.09	6.78
ii) Provision Others			
As per last balance sheet	58.76	3.38	2.07
Additions/(adjustments) during the year	14.48	55.38	1.31
Closing Balance	73.24	58.76	3.38
Total (B)	88.09	68.85	10.16
Total (A+B)	537.21	297.93	249.74

Notes:**Employee Benefits**

Performance Related Pay/Special Incentive

Provision is created for Performance Related Pay to Executives and Non-Executives

Wage Revision

Pay revision of employees of the Company is due w.e.f 1st January, 2017. In line with the Report of the 3rd Pay Revision Committee for Central Public Sector Enterprises constituted by the GOI, provision has been made for the impact of the pay revision including towards increase in the ceiling limit of gratuity from the existing limit of ₹ 10 lakhs to ₹ 20 lakhs as per actuarial valuation.

Other Employee Benefits

Provision is created for the purpose of meeting out leave encashment, settlement allowance and long service award.

OthersDowntime Service Credit -Telecom

Provision is created in case when actual downtime is in excess of the permissible service level agreement, in such cases the necessary credit is passed on to the customer on demand.

However, in some case, the downtime is not claimed by the customer then in such cases necessary provision on account of downtime is made in the books of accounts as per the links availability reports received from National Telecom Control Centre (NTCC) for the period of non-operation of links given to the customers. The calculation of downtime credit is based on the SLA signed with various customers.


Note 35/ Current Tax Liabilities (Net)

(₹ in crore)

Description	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Taxation (Including interest on tax)			
As per last balance sheet	4132.97	4,503.22	4503.22
Additions during the year	1988.45	1574.79	-
Amount adjusted during the year	1275.35	1945.04	-
Total	4846.07	4132.97	4503.22
Net off against Advance tax and TDS	4428.74	3,833.30	4,362.75
Closing Balance	417.33	299.67	140.47

Note 36/Deferred Revenue

(₹ in crore)

Description	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Advance against depreciation	1624.81	1770.66	1911.50
Grants in aid*			
As per last Balance Sheet	109.17	73.12	73.12
Received during the year	63.02	58.00	-
Adjustments during the year	21.89	21.95	-
Closing balance	150.30	109.17	73.12
Deferred income from foreign currency fluctuation(Net)	3107.26	3818.31	2750.23
TOTAL	4882.37	5698.14	4734.85

Further Notes:

* Grants in aid include an amount of ₹ 63.02 crore (₹ 58.00 crore as at 31st March, 2016 and NIL as at 1st April, 2015) received for project under construction.

Note 37/Revenue from operations

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Sales of services		
Transmission Business		
Transmission Charges	24265.81	19591.30
Add:Revenue recognised out of Advance Against Depreciation	145.85	140.76
	24411.66	19732.06
Other Operating Revenue	218.62	76.04
	24630.28	19808.10
Telecom Business	559.36	434.92
Less: Inter Divisional Transfers	55.53	42.67
	503.83	392.25
Consultancy Project Management and Supervision	582.43	465.46
Total	25716.54	20665.81

Notes:

- a) In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of tariff) Regulations 2014" vide order dated 21st February, 2014 for the determination of transmission tariff for the block period 2014-19.

Note 37/Revenue from operations (Contd.)

- b) The company has recognised transmission income during the year as per the following:-
- ₹ 22065.90 crore (previous year ₹ 12622.90 crore) as per final tariff orders issued by CERC.
 - ₹ 2345.76 crore (previous year ₹ 7109.16 crore) in respect of transmission assets for which final tariff orders are yet to be issued as per CERC Tariff Regulations and other orders in similar cases.
- c) Other operating income includes interest on differential between provisional and final tariff and income from finance lease.

Note 38/Other income

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Dividend income from investment in		
Subsidiary	3.56	20.07
Joint Ventures	55.66	62.06
Equity investments designated at fair value through other comprehensive income	3.51	2.64
	62.73	84.77
Interest income from financial assets at amortised cost		
Interest on Govt. securities	0.79	14.03
Indian Banks	121.94	82.51
Interest on loan to subsidiaries	175.50	49.23
Others*	16.14	15.88
	314.37	161.65
Interest from advances to contractors	60.38	57.06
	374.75	218.71
Others		
Profit on sale of Property, Plant and Equipment	0.03	1.59
Profit on sale of Investment	50.57	-
Transfer from Grants-in-aid	21.89	21.95
Finance Income from finance lease	75.99	59.59
Surcharge	188.50	92.91
Hire charges for equipments	-	0.03
FERV gain	27.34	0.05
Rebate	0.30	0.32
Provisions written back	3.98	3.90
Fair Value gain on initial recognition of Financial liability/investment	48.22	74.93
Miscellaneous income	127.82	90.91
	544.64	346.18
	982.12	649.66
Less: Transferred to expenditure during construction(Net)-Note 45	117.20	72.17
TOTAL	864.92	577.49

Further Notes:

* Other Interest-Others include interest on employee loans & unwinding of finance cost on employee loan


Note 39. Employee Benefits Expense

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Salaries, wages, allowances & benefits	1393.10	1155.84
Contribution to provident and other funds	357.03	204.89
Staff Welfare expenses(Including Deferred Employee cost)	161.47	140.60
	1911.60	1501.33
Less: Transferred to Expenditure during Construction(Net)-Note 45	534.47	507.61
TOTAL	1377.13	993.72

Further Notes

- a) Employee benefits expense include the following for the whole time directors and Key Managerial Personnel including Chairman and Managing Director and excluding arrears paid to ex-directors.

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Salaries and Allowances	2.05	2.31
Contribution to Provident Fund and other Funds, Gratuity and Group Insurance	0.30	0.35
Other benefits	1.26	0.41

In addition to the above remuneration, the whole time directors have been allowed to use the staff car (including for private journeys) on payment of ₹ 2000/- p.m. as contained in the Department of Public Enterprises (DPE) OM No. 2 (23)/11-DPE (WC)-GL-V/13 dated 21/01/2013.

- b) Employee benefits expense includes ₹ 204.51 crore (net of amount transferred to Expenditure during Construction) towards Pay Revision of employees of the Company due w.e.f. 1st January, 2017, of which ₹ 107.75 crore is towards proposed increase in the ceiling limit of gratuity from ₹ 10 lakhs to ₹ 20 lakhs.
- c) Pending approval of Ministry of Power and Department of Public Enterprises, special allowance upto 10% of basic pay amounting to ₹ 12.34 crore for the Financial Year 2016-17 (₹ 17.67 crore for F.Y. 2015-16) (Cumulative amounting to ₹ 126.35 crore upto 31st March, 2017) is being paid to employees who are posted in the difficult and far flung areas. The above allowance is in addition to the maximum ceiling of 50% of basic Pay as per DPE office memorandum No. 2(70)/08-DPE (WC)-GL-XVI/08 dated 26th November, 2008.

Note 40/ Finance costs

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
i) Interest and finance charges on financial liabilities at amortised cost		
Indian Banks & Financial Institutions	1311.61	1092.87
Foreign Banks and Financial Institutions	397.31	269.81
Secured/Unsecured redeemable Bonds	5901.59	5384.18
Foreign Currency Bonds	121.62	141.68
ii) Unwinding of discount on financial liabilities	59.89	88.32
iii) Interest-Others	75.80	80.43
	7867.82	7057.29
Other Finance charges		
Commitment charges	9.56	12.07
Guarantee Fee	263.30	259.49
Others*	34.29	45.99
	307.15	317.55
Exchange differences regarded as adjustment to Borrowing Cost	(46.23)	-
	260.92	317.55
	8128.74	7374.84
Less: Transferred to Expenditure during Construction(Net)-Note 45	1824.91	2239.91
TOTAL	6303.83	5134.93

*Others includes agency fees, trustee fees etc.

Note 41/Depreciation and amortization expense

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Depreciation of Property, Plant and Equipment	7745.42	6320.42
Amortisation of Intangible assets	86.68	68.25
	7832.10	6388.67
Less: Transferred to Expenditure During Construction(Net)-Note 45	16.17	12.11
	7815.93	6376.56
Less: Depreciation amortised due to FERV adjustment	153.13	196.76
Charged To Statement of Profit & Loss	7662.80	6179.80

Note 42/Other expenses

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Repair & Maintenance		
Buildings	54.97	47.67
Plant & Machinery		
Sub-Stations	270.54	234.18
Transmission lines	173.55	91.53
Telecom equipments	42.60	45.34
Others	28.98	25.20
	515.67	396.25
System and Market Operation Charges	9.22	11.13
Power charges	225.86	158.69
Less: Recovery from contractors	2.11	0.74
	223.75	157.95
Expenses of Diesel Generating sets	4.54	4.49
Stores consumed	3.92	4.59
Water charges	4.12	3.24
Right of Way charges-Telecom	5.20	4.88
Patrolling Expenses-Telecom	2.62	1.92
Last Mile connectivity-Telecom	9.51	6.61
Training & Recruitment Expenses	28.95	28.23
Less: Fees for training and application	1.46	1.01
	27.49	27.22
Legal expenses	18.83	15.68
Professional charges	15.70	12.27
Consultancy expenses	1.39	1.70
Communication expenses	21.58	15.96
Inland Travelling Expenses	98.92	101.41
Foreign travel	8.30	11.62
	107.22	113.03
Tender expenses	28.49	28.80
Less: Sale of tenders	3.15	4.19
	25.34	24.61

Note 42/Other expenses (Contd.)

(₹ in crore)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Payments to Statutory Auditors		
Audit Fees	0.90	0.59
Tax Audit Fees	0.26	0.06
In Other Capacity	1.02	0.72
Arrears	0.66	-
Out of pocket Expenses	1.05	0.94
	3.89	2.31
Advertisement and publicity	15.15	11.85
Printing and stationery	7.36	6.90
Books Periodicals and Journals	1.27	1.27
EDP hire and other charges	10.80	9.32
Entertainment expenses	2.06	1.62
Brokerage & Commission	0.64	0.41
Research & Development expenses	2.63	5.40
Cost Audit and Physical verification Fees	1.15	1.34
Rent	12.42	10.33
Capital Expenditure on assets not owned by the Company	-	0.62
CERC petition & Other charges	58.41	48.85
Miscellaneous expenses	75.70	62.29
Horticulture Expenses	16.96	14.04
Security Expenses	140.06	119.87
Hiring of Vehicle	109.89	107.41
Insurance	88.50	84.34
Rates and taxes	4.92	6.60
License Fees to DOT	44.20	34.28
Bandwidth charges dark fibre lease charges (Telecom) etc	23.66	22.14
Expenditure on Corporate Social Responsibility (CSR) & Sustainable development	142.59	114.06
Transit Accomodation Expenses	14.57	11.21
Less : Income from Transit Accomodation	1.10	1.15
	13.47	10.06
Foreign Exchange Rate Variation	-	4.56
Provisions	9.02	7.41
	1835.82	1536.48
Less: Transferred to Expenditure during Construction(Net)-Note 45	101.78	142.68
	1734.04	1393.80
Loss on Disposal/Write off of Property,Plant & Equipment	3.83	0.49
Total	1737.87	1394.29

Note 43/Net Movement in Regulatory Deferral Account Balances-Incomes/(expenses)

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
For Foreign Currency Fluctuation	(33.25)	(0.05)
For Employee Benefits Expense	103.18	-
TOTAL	69.93	(0.05)

Refer note 55

Note 44/Other Comprehensive Income

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Items that will not be reclassified to Profit or Loss		
Gain/(Loss) on valuation of Investment in Equity	38.96	(20.28)
Provisions for actuarial valuation	15.28	12.66
	54.24	(7.62)
Less: Transferred to Expenditure during Construction(Net)-Note 45	4.41	4.35
TOTAL	49.83	(11.97)

Note 45/ Expenditure during Construction (Net)

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A. Employees Remuneration & Benefits		
Salaries wages allowances and benefits	409.73	407.99
Contribution to provident and other funds	105.14	79.40
Welfare expenses	19.60	20.22
Total (A)	534.47	507.61
B. Other Expenses		
Repair and maintenance	3.38	22.23
Power charges	10.06	3.63
Less: Recovery from contractors	1.72	0.24
	8.34	3.39
Expenses on Diesel Generating sets	0.37	0.35
Training & Recruitment Expenses	1.43	2.28
Legal expenses	0.78	2.25
Professional charges	4.08	4.89
Consultancy expenses	0.04	0.31
Communication expenses	2.32	1.97
Travelling & Conv.exp. (Including Foreign Travel)	26.01	33.78
Tender expenses	5.41	6.96
Less: Sale of tenders	2.88	4.03
	2.53	2.93
Payment to Auditors	0.01	0.03
Advertisement and Publicity	1.09	1.35
Printing and stationery	0.63	0.62
Books,Periodicals and Journals	0.02	0.02


Note 45/ Expenditure during Construction (Net) (Contd.)

(₹ in crore)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
EDP hire and other charges	0.27	0.28
Entertainment expenses	0.25	0.03
Brokerage and commission	0.06	0.07
Rent	3.69	3.11
Miscellaneous expenses	10.30	13.80
Horticulture Expenses	0.90	0.59
Security Expenses	14.55	16.78
Hiring of Vehicles	19.29	30.52
Insurance	0.03	0.05
Rates and taxes	0.13	0.44
Bandwidth charges, dark fibre lease charges(Telecom)	0.24	0.15
Transit Accomodation Expenses	1.05	0.47
Less : Income from Transit Accomodation	0.01	0.01
	1.04	0.46
Total (B)	101.78	142.68
C. Depreciation/Amortisation	16.17	12.11
D. Finance Costs		
a) Interest and finance charges on financial liabilities at amortised cost		
Government of India		
Indian Banks and Financial Institutions	455.19	541.73
Foreign Banks and Financial Institutions	100.14	94.23
Secured/Unsecured Redeemable Bonds	1156.92	1447.28
Foreign Currency Bonds	26.36	59.21
Others	62.78	-
	1801.39	2142.45
b) Other finance charges		
Commitment charges	9.44	11.67
Guarantee fee	43.63	65.27
Others	12.97	18.38
	66.04	95.32
c) FERV adjustment to borrowing cost	(42.52)	2.14
Total (D)	1824.91	2239.91
E. Less: Other Income		
Interest from		
Indian banks	31.69	21.99
Contractors	56.87	44.80
Others	23.77	0.28
	112.33	67.07
Miscellaneous income	4.87	5.10
Total (E)	117.20	72.17
F. Less: Other Comprehensive Income		
Other Comprehensive Income	4.41	4.35
GRAND TOTAL (A+B+C+D-E-F)	2355.72	2825.79

- 46.** Cash equivalent of deemed export benefits availed of ₹ 209.99 crore in respect of supplies effected for East South Inter Connector-II Transmission Project (ESI) and Sasaram Transmission Project (STP), were paid to the Customs and Central Excise Authorities in accordance with direction from Ministry of Power (GOI) during 2002-03 due to non-availability of World Bank loan for the entire supplies in respect of ESI project and for the supplies prior to March 2000 in respect of STP project and the same was capitalised in the books of accounts. Thereafter, World Bank had financed both the ESI project and STP project as originally envisaged and they became eligible for deemed export benefits. Consequently, the company has lodged claims with the Customs and Excise Authorities.

In this regard the Cumulative amount received and de-capitalized upto 31st March, 2017 is ₹ 12.12 crore (₹ 12.12 crore as on 31st March, 2016; ₹ 12.12 crore as on 1st April, 2015). The company continued to show the balance of ₹ 197.87 crore as at 31st March, 2017 (₹ 197.87 crore as on 31st March, 2016; ₹ 197.87 crore as on 1st April, 2015) in the capital cost of the respective assets / projects pending receipt of the same from Customs and Excise Authorities.

- 47.** a) Balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/reconciliation and consequential adjustments if any. However reconciliations are carried out on ongoing basis.
- b) In the opinion of the management, the value of any of the assets other than Property, Plant and Equipment and non-current investments on realization in the ordinary course of business will not be less than value at which they are stated in the Balance Sheet.
- 48.** Information in respect of cost plus consultancy contracts, considering the same as consultancy business as required under Ind AS-11 'Construction Contracts' is provided as under:

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
i) The amount of revenue recognised on cost plus consultancy contract works	494.82	360.02
ii) The methods used to determine the contract revenue recognised	Accounting Policy	Accounting Policy
15% of total consultancy fees upto award stage to executing agencies (out of which 10% upto issue of notices inviting tenders), 85% with progress of work including supplies (Progress of work is taken as certified by engineer in charge).	-2.19	-2.19
iii) Cumulative amount of costs incurred on construction contracts	18426.50	16057.72
iv) Cumulative amount of advance received from customers as at the year end	20715.04	18167.29
v) Amount of retention money with customers as at the year end	16.01	14.95
vi) Gross amount due from customers for contract works as an asset as at the year end	162.29	25.97
vii) Gross amount due to customers for contract works as a liability as at the year end	2274.79	2289.82

- 49.** The company has been entrusted with the responsibility of billing collection and disbursement (BCD) of the transmission charges on behalf of all the ISTS (Interstate transmission System) licensees through the mechanism of the POC (Point of Connection) charges introduced w.e.f. 01st July, 2011 which involves billing based on approved drawl/injection of power in place of old mechanism based on Mega Watt allocation of power by Ministry of Power. By this mechanism, revenue of the company will remain unaffected.

Some of the beneficiaries aggrieved by the POC mechanism have preferred appeal before various High Courts of India. All such appeals have been transferred to Delhi High Court as per order of the Supreme Court on the appeal preferred by the company and company has also requested for directing agitating states to pay full transmission charges as per new methodology pending settlement of the matter. Honorable Delhi High Court has directed all the above beneficiaries to release payments and accordingly the beneficiaries have started making payments as per the said directions.

- 50.** (i) FERV gain of ₹ 810.37 crore (Previous Year loss of ₹ 1841.03 crore) has been adjusted in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP)/lease receivables
- (ii) FERV gain of ₹ 31.05 crore (Previous Year loss of ₹ 4.56 crore) has been recognised in the Statement of Profit and Loss.
- 51.** Borrowing cost capitalised during the year is ₹ 1824.91 crore (previous year ₹ 2239.91 crore) in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.

- 52.** Based on information available with the company, there are few suppliers/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by MSMED Act, 2006 is given as under:

(₹ in crore)

Sr. No.	Particulars	Current Year	Previous Year
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:		
	Principal	0.50	Nil
	Interest	Nil	Nil
2	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

53. Disclosure as per IND AS 17 'Leases'

a) Finance Leases:-

Other Non-Current Financial Assets and Other Current Financial Assets include lease receivables representing the present value of future lease rentals receivable on the finance lease transactions entered into by the company with the constituents in respect of State Sector ULDC. Disclosure requirements of Ind AS 17 'Leases' notified under the Companies Act, 2013 are given as under:

- (i) The reconciliation of the lease receivables (as per project cost data submitted to / approved by the CERC for tariff fixation) is as under:

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Gross value of assets acquired and leased at the beginning of the year	1493.26	1353.88	1299.36
Add Adjustment for gross value of assets acquired prior to the beginning of the year	1.26	(18.13)	21.92
Revised Gross value of the assets at the beginning of the year	1494.52	1335.75	1321.28
Less Capital recovery provided up to the beginning of the year	869.44	782.26	706.45
Add Capital recovery for assets acquired prior to the beginning of the year	1.51	(1.30)	6.65
Revised Capital recovery provided up to the beginning of the year	870.95	780.96	713.10
Capital recovery outstanding as on 31 st March of last financial year	623.57	554.79	608.18
Add Gross value of assets acquired and leased during current financial year	87.19	157.51	32.60
Less Capital recovery for the current year	99.64	88.49	69.16
Lease receivables at end of the year	611.12	623.81	571.62

53. Disclosure as per IND AS 17 'Leases' (Contd.)

- (ii) Details of gross investment in lease, un-earned finance income and present value of minimum lease payments receivables at the end of financial year is given as under:

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Gross investment in Lease	1982.50	1778.67	1535.98
Un-earned Finance Income	1371.38	1154.86	964.37
Present value of Minimum Lease Payment (MLP)	611.12	623.81	571.62

- (iii) The value of contractual maturity of such leases is as under:

(₹ in crore)

Particulars	Gross Investment in Lease			Present Value of MLPs		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Not later than one year	143.99	162.37	116.93	70.94	82.72	73.68
Later than one year and not later than five years	468.22	415.23	415.45	177.27	189.70	212.84
Later than five years	1370.29	1201.07	1003.60	362.91	351.39	285.10
Total	1982.50	1778.67	1535.98	611.12	623.81	571.62

- (iv) There are differences in balance lease receivable as at year end as per accounts and tariff records on account of:

- (a) Undischarged liabilities amounting to ₹ 66.41 crore (₹ 68.52 crore as on 31st March, 2016; ₹ 17.33 crore as on 1st April, 2015). Such cost become part of project cost only on discharge of such liabilities.
- (b) Unamortized FERV on loans included in lease receivable amounting to ₹ 28.65 crore (₹ 57.79 crore as on 31st March, 2016; ₹ 61.14 crore as on 1st April, 2015). Such FERV are allowed to be recovered as part of tariff on actual payment basis.

b) Operating leases:-

The company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and guest houses/transit camps which are usually renewable on mutually agreed terms but are not non-cancellable. Employee benefits expense include ₹ 40.59 crore (previous year ₹ 40.59 crore) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments of ₹ 12.42 crore (previous year ₹ 10.33 crore) in respect of premises for offices and guest house/transit camps are shown under the head Rent in Note 42-Other expenses.

54. Foreign Currency Exposure**Not hedged by a derivative instrument or otherwise**

Particulars		Amount in Foreign Currency (in crore)			Amount (₹ in crore)		
		31 st March, 2017	31 st March, 2016	1 st April, 2015	31 st March, 2017	31 st March, 2016	1 st April, 2015
Borrowings	USD	418.09	416.87	412.01	27481.07	27888.87	26034.82
	EURO	24.26	11.17	4.33	1710.32	848.22	297.12
	SEK	300.85	314.14	250.27	2220.25	2591.68	1841.97
	JPY	181.77	199.95	218.13	107.01	119.47	115.04
Interest accrued but not due thereon including Agency Fee, Commitment Fee & other Charges	USD	1.81	1.33	0.94	118.78	88.86	59.54
	EURO	0.10	0.02	0.02	7.03	1.64	1.04
	SEK	1.04	0.60	1.16	7.69	4.97	8.51
	JPY	0.46	0.52	0.55	0.27	0.31	0.29
Trade Payables/deposits and retention money	USD	13.65	8.50	10.79	727.10	568.85	679.18
	EURO	1.01	1.70	7.92	40.12	128.85	543.53
	SEK	23.42	19.81	114.61	172.14	163.40	843.58
	CHF	0.19	0.00	0.03	12.23	0.00	1.51
	GBP	-	1.19	0.64	-	114.64	58.71

54. Foreign Currency Exposure (Contd.)

Particulars	Amount in Foreign Currency (in crore)				Amount (₹ in crore)		
		31 st March, 2017	31 st March, 2016	1 st April, 2015	31 st March, 2017	31 st March, 2016	1 st April, 2015
Trade receivables and Bank balances	USD	0.08	0.08	0.22	4.90	5.37	13.78
	NPR	0.05	0.09	0.07	0.03	0.06	0.04
	EURO	0.01	-	-	0.53	-	-
Amount of contracts remaining to be executed	USD	35.16	49.79	23.44	2305.00	3331.02	1480.92
	EURO	28.53	8.15	10.00	1996.27	618.45	685.64
	SEK	165.46	0.40	25.80	1174.80	3.30	189.89
	CHF	0.01	0.12	0.90	0.87	8.62	54.14
	GBP	12.47	15.38	18.66	993.76	1481.71	1709.07
	JPY	866.45	-	-	507.74	-	-

55. Disclosures relating to Regulatory Deferral Account Balances

The company is mainly engaged in the business of transmission of power. The tariff for transmission of power is determined by the CERC through tariff regulations. The tariff is based on capital cost admitted by CERC and provides for transmission charges recovery of annual fixed cost consisting of Return on equity, Interest on loan capital, Depreciation, interest on working capital and Operation & Maintenance expenses.

FERV arising during the construction period for settlement/transmission of monetary items (other than non-current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC Tariff Regulations are accounted as Regulatory Deferral Account Balances. In respect of long term foreign currency loan drawn on or after 1st April, 2016, exchange difference to the extent recoverable as per CERC Tariff Regulations are recognised as Regulatory Deferral Account Balances. The company expects to recover these amounts through depreciation component of the tariff over the life of the asset or as exchange rate variation on repayment of the loan.

The impact of pay revision effective from 1st January, 2017 was not considered while fixing the norms for recovery of Operation and Maintenance charges under the CERC Tariff Regulations 2014, which are valid for the period 1st April, 2014 to 31st March, 2019. Keeping in view the provisions of the Ind AS 114 'Regulatory Deferral Accounts', CERC Tariff Regulations 2014, the company has recognized an amount of ₹ 103.18 crore as recoverable from the beneficiaries in subsequent periods under Regulatory Deferral Account Balances. These balances are to be adjusted in the year in which they become recoverable from beneficiaries as per approval of the CERC.

The Regulatory Deferral Account Balances (assets) recognized in the books to be recovered from the beneficiaries in future periods are as follows:

Particulars	Regulated Assets (₹ in crore)
A. Opening Balance as on 1 st April, 2015	37.72
B. Addition/(deduction) during the year	(0.05)
C. Amount collected/refunded during the year	NIL
D. Regulated Income/(Expense) recognized in the statement of Profit and Loss	(0.05)
E. Closing Balance as on 31 st March, 2016	37.67
F. Opening Balance as on 1 st April, 2016	37.67
G. Addition/(deduction) during the year	69.93
H. Amount collected/refunded during the year	NIL
I. Regulated Income/(Expense) recognized in the statement of Profit and Loss	69.93
J. Closing Balance as on 31 st March, 2017	107.60

Any change in the Tariff regulations beyond the current tariff period ending on 31st March, 2019 may have an impact on the recovery of Regulatory Deferral Account Balances.

56. Disclosure as required by Clause 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:
A. Loans and Advances in nature of Loans:

1. To Subsidiary Companies

(₹ in crore)

Name of the Company	Outstanding balance as at		Maximum amount outstanding during	
	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016
Powergrid NM Transmission Limited	839.25	535.50	839.25	535.50
Powergrid Vizag Transmission Limited	720.33	532.36	720.33	532.36
Powergrid Unchahar Transmission Company Ltd	54.44	26.12	54.44	26.12
Powergrid Kala Amb Transmission Limited	204.59	30.31	204.59	30.31
Powergrid Jabalpur Transmission Limited	204.06	2.34	204.06	2.34
Powergrid Warora Transmission Limited	675.43	12.17	675.43	12.17
Powergrid Parli Transmission Limited	445.39	5.28	445.39	5.28
Powergrid Southern Interconnector Transmission System Limited	342.56	15.64	342.56	15.64
Total	3486.05	1159.72	3486.05	1159.72

2. To firms/companies in which directors are interested : NIL
3. Where there is no repayment schedule or repayment beyond seven Years or no interest or interest as per section 186 of The Companies Act 2013 : ₹ 3486.05 crore
(Previous Year ₹ 1159.72 crore)
(Repayment schedule beyond seven years)

B. Investment by the loanee (as detailed above) in the shares of Power Grid Corporation of India Ltd: NIL
57. Corporate Social Responsibility Expenses (CSR)

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

PARTICULARS		(₹ in crore)	
		For the Year ended 31 st March, 2017	For the Year ended 31 st March, 2016
A.	Amount required to be spent during the year	135.12	121.79
B.	Amount spent on CSR - Revenue expenses	98.00	88.17
	- Capital Expenses	49.27	27.61
C.	Shortfall/(Excess) amount appropriated to CSR Reserve	(12.15)	6.01
D.	Break-up of the amount spent on CSR (Note 42)		
1.	Education and Skill Development expenses	17.87	53.53
2.	Ecology and Environment Expenses	6.95	4.44
3.	Health and Sanitation expenses	61.89	27.71
4.	Sports, Art and Culture expenses	0.98	0.46
5.	Protection of national heritage, art and culture including restoration of building and sites of historical importance	4.99	-
6.	Other CSR activities	0.64	0.31
7.	Capital Expenditure	49.27	27.61
	Total	142.59	114.06
8.	Salaries, wages and other benefits of Company's own CSR personnel limited to 5% of total amount required to be spent on CSR (Note 39)	4.68	1.72
	TOTAL	147.27	115.78

Amount spent on CSR

- E. Total amount of ₹ 147.27 crore (Previous year ₹ 115.78 crore), ₹ 145.37 crore (Previous year ₹ 115.26 crore) has been spent in cash and the balance amount of ₹ 1.90 crore (Previous year ₹ 0.52 crore) is yet to be paid in cash as at 31st March, 2017



58. In view of massive expansion of business considering uncertainty of paying normal tax MAT credit is not recognised as an asset.

59. Fair Value Measurements

(₹ in crore)

Financial Instruments by category	31 st March, 2017		31 st March, 2016		1 st April, 2015	
	FVOCI	Amortised cost	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets						
<u>Investments</u>						
<u>Equity Instruments</u>						
-PTC India Limited (12000006 shares of ₹ 10 each)*	112.08	-	76.80	-	97.08	-
-Energy Efficiency Services Limited (22500000 shares of ₹ 10 each)**	29.62	-	-	-	-	-
<u>Government Securities</u>						
-8.5% Bonds	-	2.50		7.50	-	192.92
Trade Receivables	-	3221.10	-	2737.97	-	2118.65
Loans	-	3653.55	-	1335.53	-	395.82
Cash & cash Equivalents	-	3228.43	-	1540.64	-	2052.59
Bank Balance	-	270.39	-	913.09	-	10.39
<u>Other Financial Assets</u>						
Current	-	3335.29		3361.90	-	2541.04
Non-Current	-	635.32		667.45	-	576.41
Total Financial assets	141.70	14346.58	76.80	10564.08	97.08	7887.82
Financial Liabilities						
Borrowings	-	121868.74	-	110924.11	-	97341.42
Trade Payables	-	413.98	-	313.89	-	392.97
<u>Other Financial Liabilities</u>						
Current	-	9919.04	-	9089.41	-	9770.12
Non-Current	-	352.24	-	870.90	-	654.31
Total financial liabilities	-	132554.00	-	121198.31	-	108158.82

* Investment in PTC Ltd. being a listed equity instrument is a Level 1 fair value hierarchy.

** Investment in Energy Efficiency Services Limited is a Level 2 fair value hierarchy.

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

59. Fair Value Measurements (Contd.)

(₹ in crore)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level 1	Level 2	Level 3	Total
At 31st March, 2017				
<u>Financial Assets</u>				
<u>Investments</u>				
8.5% Bonds	-	2.55	-	2.55
<u>Loans</u>				
Loans to Subsidiaries	-	3607.95	-	3607.95
Loans to employees	-	195.27	-	195.27
Total Financial Assets	-	3805.77	-	3805.77
<u>Financial Liabilities</u>				
Borrowings	-	128946.98	-	128946.98
Deposits/retention money from contractors and others	-	364.20	-	364.20
Total financial liabilities	-	129311.18	-	129311.18

(₹ in crore)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level 1	Level 2	Level 3	Total
At 31st March, 2016				
<u>Financial Assets</u>				
<u>Investments</u>				
8.5% Bonds	-	7.69	-	7.69
<u>Loans</u>				
Loans to Subsidiaries	-	1167.23	-	1167.23
Loans to employees	-	188.97	-	188.97
Total Financial Assets	-	1363.89	-	1363.89
<u>Financial Liabilities</u>				
Borrowings	-	115659.89	-	115659.89
Deposits/retention money from contractors and others	-	826.50	-	826.50
Total financial liabilities	-	116486.39	-	116486.39

(₹ in crore)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level 1	Level 2	Level 3	Total
At 1st April, 2015				
<u>Financial Assets</u>				
<u>Investments</u>				
8.5% Bonds	-	206.80	-	206.80
<u>Loans</u>				
Loans to Subsidiaries	-	230.70	-	230.70
Loans to employees	-	175.30	-	175.30
Total Financial Assets	-	612.80	-	612.80
<u>Financial Liabilities</u>				
Borrowings	-	101819.45	-	101819.45
Deposits/retention money from contractors and others	-	603.22	-	603.22
Total financial liabilities	-	102422.67	-	102422.67

59. Fair Value Measurements (Contd.)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity bonds which are traded in the stock exchanges, valued using the closing price as at the reporting period.

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

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

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

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

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 apart from equity instruments of PTC India Limited which is included in Level 1 fair value hierarchy.

The fair value of Energy Efficiency Services Limited has been determined by making qualitative adjustment to trading multiples such as P/E, EV/EBITDA of comparable listed prices. The same has been included in Level 2 fair value hierarchy.

Fair value of financial instruments has been determined by an independent valuer.

Fair value of financial assets and liabilities measured at amortized cost:

(₹ in crore)

Particulars	31 st March, 2017		31 st March, 2016		1 st April, 2015	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets						
Investments						
Government Securities						
8.5% Bonds	2.50	2.55	7.50	7.69	192.92	206.80
Loans						
Loans to Subsidiaries	3486.05	3607.95	1159.72	1167.23	229.70	230.70
Loans to employees	167.50	195.27	175.81	188.97	166.08	175.30
Total Financial Assets	3656.05	3805.77	1343.03	1363.89	588.70	612.80
Financial Liabilities						
Borrowings	121868.74	128946.98	110924.11	115659.89	97341.42	101819.45
Deposits/retention money from contractors and others	352.24	364.20	870.90	826.50	654.31	603.22
Total financial liabilities	122220.98	129311.18	111795.01	116486.39	97995.73	102422.67

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

For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

60. Related party Transactions

(a) Subsidiaries

Name of entity	Place of business/ country of incorporation	Proportion of Ownership Interest		
		31 st March, 2017	31 st March, 2016	1 st April, 2015
Powergrid Vizag Transmission Limited	India	100%	100%	100%
Powergrid NM Transmission Limited	India	100%	100%	100%
Powergrid Unchahar Transmission Limited	India	100%	100%	100%
Powergrid Kala Amb Transmission Limited	India	100%	100%	100%
Powergrid Jabalpur Transmission Limited	India	100%	100%	100%
Powergrid Warora Transmission Limited	India	100%	100%	NA
Powergrid Parli Transmission Limited	India	100%	100%	NA
Powergrid Southern Interconnector Transmission Limited	India	100%	100%	NA
Powergrid Vemagiri Transmission Limited	India	100%	100%	100%
Power System Operation Corporation Limited **	India	NA	100%	100%
Grid Conductors Limited	India	100%	100%	100%
Medinipur Jeerat Transmission Limited ##	India	100%	NA	NA

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

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

(b) Joint Ventures

Name of entity	Place of business/ country of incorporation	Proportion of Ownership Interest		
		31 st March, 2017	31 st March, 2016	1 st April, 2015
Powerlinks Transmission Limited	India	49%	49%	49%
Torrent Power Grid Limited	India	26%	26%	26%
Jaypee Powergrid Limited	India	26%	26%	26%
Parbati Koldam Transmission Company Limited	India	26%	26%	26%
Teestavalley Power Transmission Limited	India	26%	26%	26%
North East Transmission Company Limited	India	26%	26%	26%
National High Power Test Laboratory Private Limited	India	20%	21.64%	20%
Energy Efficiency Services Limited*	India	4.87%	13.63%	25%
Bihar Grid Company Limited	India	50%	50%	50%
Kalinga Vidyut Prasaran Nigam Private Limited	India	50%	50%	50%
Cross Border Power Transmission Company Limited	India	26%	26%	26%
RINL Powergrid TLT Private Limited	India	50%	50%	0%
Power Transmission Company Nepal Ltd	Nepal	26%	26%	26%

* ceased to be Joint Venture w.e.f. 25th April, 2016


60. Related party Transactions (Contd.)
(c) Key Managerial Personnel

Name	Designation
Shri I.S. Jha	Chairman and Managing Director
Shri R.T. Agarwal	Director (Finance) – retired on 31 st Aug, 2016
Shri K. Sreekant	Director (Finance) - w.e.f. 1 st Sep, 2016
Shri Ravi P. Singh	Director (Personnel)
Shri R.P. Sasmal	Director (Operations)
Sh. Prabhakar Singh	Director (Projects) -w.e.f. 8 th Feb, 2017
Dr. Pradeep Kumar	Government Nominee
Smt. Jyoti Arora	Government Nominee
Shri Jagdish Ishwar Bhai Patel	Independent Director
Shri Tse Ten Dorji	Independent Director
Ms. Jyotika Kalra	Independent Director
Smt. Divya Tandon	Company Secretary

(d) List of Other Related Parties

Name of Entity	Place of business/country of incorporation	Nature of Relationship
Powergrid Employees P.F. Trust	India	Post-employment benefit plan of Powergrid
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Gratuity Fund Trust	India	Post-employment benefit plan of Powergrid

(e) Government Related Entities

The company is controlled by the Government of India (GOI), being a Central Public Sector Enterprise (CPSE) under the Ministry of Power, with GOI holding 57.90% of equity shares capital issued and paid up (previous year 57.90%).

The Company has business transactions with other entities controlled by the GOI for procurement of capital equipment, spares and services. Transactions with these entities are carried out at market terms on arms-length basis through a transparent price discovery process against open tenders, except in a few cases of procurement of spares/services from Original Equipment Manufacturer (OEM) for proprietary items/or on single tender basis due to urgency, compatibility or other reasons. Such single tender procurements are also done through a process of negotiation with prices benchmarked against available price data of same/similar items.

The above transactions are in the course of normal day-to-day business operations and are not considered to be significant keeping in view the size, either individually or collectively.

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

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

(₹ in crore)

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Trade payables (purchases of goods and services)			
Subsidiaries			
Power System Operation Corporation Limited**	-	-	3.61
Joint Ventures			
Parbati Koldam Transmission Company Limited	-	0.09	0.09
National High Power Test Laboratory Private Limited	-	5.36	-
Powerlinks Transmission Limited	-	2.78	2.78
Bihar Grid Company Limited	-	-	3.28
Cross Border Power Transmission Company Limited	9.53	7.58	1.70
Teestavalley Power Transmission Limited	30.78	40.44	40.38
Total payables to related parties	40.31	56.25	51.84

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

60. Related party Transactions (Contd.)

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Trade receivables (sale of goods and services)			
Subsidiaries			
Power System Operation Corporation Limited**	-	57.15	47.12
Powergrid Vemagiri Transmission Limited	19.39	19.37	19.37
Powergrid NM Transmission Limited	31.67	4.30	23.26
Powergrid Vizag Transmission Limited	16.31	4.47	50.19
Powergrid Unchahar Transmission Limited	3.52	0.42	2.95
Powergrid Kala Amb Transmission Limited	9.37	0.04	4.08
Powergrid Jabalpur Transmission Limited	10.69	18.71	18.34
Powergrid Warora Transmission Limited	15.99	18.57	-
Powergrid Parli Transmission Limited	11.76	18.87	-
Powergrid Southern Interconnector Transmission System Ltd.	15.18	19.18	-
Grid Conductors Limited	-	0.08	-
Medinipur Jeerat Transmission Limited	19.23	-	-
Joint Ventures			
Parbati Koldam Transmission Company Limited	0.36	-	0.01
North East Transmission Company Limited	5.22	21.50	22.21
National High Power Test Laboratory Private Limited	4.67	-	4.19
Energy Efficiency Services Limited	-	0.13	0.25
Bihar Grid Company Limited	4.92	9.19	7.08
Kalinga Vidyut Prasaran Nigam Private Limited	0.85	0.85	0.84
Cross Border Power Transmission Company Limited	-	-	0.30
Power Transmission Company Nepal Limited	-	0.03	-
RINL Powergrid TLT Pvt. Ltd	0.08	0.08	-
Powerlinks Transmission Limited	0.97	0.06	0.10
Total receivables to related parties	170.18	193.00	200.29

** ceased to be a subsidiary w.e.f. 2nd January, 2017**Loans to Key Managerial Personnel**

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Loans	0.15	0.18	0.16

Loans to related parties

(₹ in crore)

Loans to Subsidiaries	31 st March, 2017	31 st March, 2016	1 st April, 2015
Powergrid NM Transmission Limited	839.25	535.50	91.34
Powergrid Vizag Transmission Limited	720.33	532.36	138.36
Powergrid Unchahar Transmission Limited	54.44	26.12	-
Powergrid Kala Amb Transmission Limited	204.59	30.31	-
Powergrid Jabalpur Transmission Limited	204.06	2.34	-
Powergrid Warora Transmission Limited	675.43	12.17	-
Powergrid Parli Transmission Limited	445.39	5.28	-
Powergrid Southern Interconnector Transmission Limited	342.56	15.64	-
Total	3486.05	1159.72	229.70


60. Related party Transactions (Contd.)
Interest accrued on Loan

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Subsidiaries			
Powergrid NM Transmission Limited	33.88	14.29	1.17
Powergrid Vizag Transmission Limited	23.75	9.08	2.24
Powergrid Unchahar Transmission Limited	2.54	0.64	-
Powergrid Kala Amb Transmission Limited	4.72	1.44	-
Powergrid Jabalpur Transmission Limited	5.05	-	-
Powergrid Warora Transmission Limited	16.15	-	-
Powergrid Parli Transmission Limited	9.99	-	-
Powergrid Southern Interconnector Transmission Limited	8.76	-	-
Total	104.84	25.45	3.41

Other Related Parties

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Outstanding balances with Employees Benefit Trust			
Powergrid Employees P.F. Trust	-	4.79	(3.89)
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	-	(10.41)	(7.91)
Powergrid Employees Gratuity Fund Trust	56.67	29.21	(1.78)
Total	56.67	23.59	(13.58)

(g) Transactions with related parties

The following transactions occurred with related parties:

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Services received by the Company		
Subsidiaries		
Power System Operation Corporation Limited**	9.22	11.13
Joint Ventures		
National High Power Test Laboratory Private Limited	-	1.81
Energy Efficiency Services Limited	0.49	-
Total	9.71	12.94
Services provided by the Company		
Subsidiaries		
Power System Operation Corporation Limited**	5.91	7.30
Powergrid Jabalpur Transmission Limited	11.39	-
Powergrid Parli Transmission Limited	0.10	-
Powergrid Vemagiri Transmission Limited	0.05	-
Joint Ventures		
National High Power Test Laboratory Private Limited	0.13	29.42
Powerlinks Transmission Limited	0.28	0.08
Energy Efficiency Services Limited	-	0.15
Power Transmission Company Nepal Limited	3.10	2.41

60. Related party Transactions (Contd.)

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Jaypee Powergrid Limited	0.28	-
Cross Border Power Transmission Company Limited	2.96	3.94
Bihar Grid Company Limited	0.12	30.38
Parbati Koldam Transmission Company Limited	0.37	-
Teestavalley Power Transmission Limited	0.58	16.93
North East Transmission Company Limited	8.12	12.18
Torrent Powergrid Ltd	1.29	-
Total	34.68	102.79

** ceased to be a subsidiary w.e.f. 2nd January, 2017**Other Related Parties**

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Contribution made during the year		
Powergrid Employees P.F. Trust	89.47	84.57
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	109.83	102.19
Powergrid Employees Gratuity Fund Trust	26.85	28.66
Total	226.15	215.42

Investments made during the year (Equity)

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Subsidiaries		
Powergrid NM Transmission Limited	138.00*	-
Powergrid Vizag Transmission Limited	155.00	-
Powergrid Kala Amb Transmission Limited	1.00	-
Powergrid Jabalpur Transmission Limited	0.10	-
Powergrid Warora Transmission Limited	25.05	0.05
Powergrid Parli Transmission Limited	0.05	0.05
Powergrid Southern Interconnector Transmission System Ltd.	-	0.05
Powergrid Unchahar Transmission Limited	12.91	-
Medinipur Jeerat Transmission Limited	0.01	-
Grid Conductors Limited	0.05	-
Joint Ventures		
Teestavalley Power Transmission Limited	27.17	26.10
Parbati Koldam Transmission Company Limited	-	-
National High Power Test Laboratory Private Limited	6.50	-
Bihar Grid Company Limited	108.19	30.29
Cross Border Power Transmission Company Limited	2.30	5.38
RINL Powergrid TLT Pvt. Ltd	3.30	0.10
Power Transmission Company Nepal Limited	-	3.90
Total	479.63	65.92

*includes share application amounting to ₹ 28 crore allotted on 10th April 2017.

60. Related party Transactions (Contd.)
Consultancy Income

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Subsidiaries		
Powergrid Unchahar Transmission Limited	2.70	0.12
Powergrid Kala Amb Transmission Limited	8.11	0.26
Powergrid Jabalpur Transmission Limited	11.39	2.03
Powergrid Warora Transmission Limited	29.92	7.48
Powergrid Parli Transmission Limited	22.68	4.52
Powergrid Southern Interconnector Transmission Limited	11.92	14.86
Powergrid NM Transmission Limited	33.95	-
Powergrid Vizag Transmission Limited	27.74	-
Total	148.41	29.27

Interest on Loan

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Subsidiaries		
Powergrid NM Transmission Limited	62.32	24.09
Powergrid Vizag Transmission Limited	56.79	22.83
Powergrid Unchahar Transmission Limited	3.94	0.70
Powergrid Kala Amb Transmission Limited	5.93	1.60
Powergrid Jabalpur Transmission Limited	5.75	-
Powergrid Warora Transmission Limited	18.68	-
Powergrid Parli Transmission Limited	11.42	-
Powergrid Southern Interconnector Transmission Limited	10.67	0.01
Total	175.50	49.23

Dividend received

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Subsidiaries		
Power System Operation Corporation Limited **	3.56	20.07
Joint Ventures		
Powerlinks Transmission Limited	38.99	44.72
Jaypee Powergrid Limited	13.26	4.68
Torrent Power Grid Limited	1.64	1.29
North East Transmission Company Limited	-	10.69
Energy Efficiency Services Limited	-	0.68
Parbati Koldam Transmission Company Limited	1.77	-
Total	59.22	82.13

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

60. Related party Transactions (Contd.)

Recovery for Deputation of Employees

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Joint Ventures		
Jaypee Powergrid Limited	0.11	-
Cross Border Power Transmission Company Limited	-	0.35
Total	0.11	0.35

Terms and Conditions

The loans to key management personnel are on the same terms and conditions as applicable to all other employees.

All other transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.

Transaction in the capacity of Central Transmission Utility (CTU) with the related parties

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Subsidiaries		
Powergrid Vizag Transmission Limited	48.26	1.18
Joint Ventures		
Parbati Koldam Transmission Company Limited	162.46	163.13
Torrent Power Grid Limited	52.71	57.62
Powerlinks Transmission Limited	262.14	260.98
Jaypee Powergrid Limited	195.56	170.69
North East Transmission Company Limited	321.43	401.29
Total	1042.56	1054.89

Remuneration to Key Managerial Personnel is ₹ 3.61 crore (previous year ₹ 3.07 crore) and amount of dues outstanding to the company as on 31st March, 2017 are ₹ 0.15 crore (₹ 0.18 crore as on 31st March, 2016) (₹ 0.16 crore as on 1st April, 2015)

61. Segment Information

a) Business Segment

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

- **Transmission-** Company's principal business is transmission of bulk power across different states of India.
- **Telecom-** leverages Powergrid's nationwide transmission infrastructure and operates as a neutral carrier in the point to point Bandwidth Leasing Business.
- **Consultancy-** provides in-house expertise in the Transmission, Distribution and Telecom sectors, including Planning Design, Engineering, Load Dispatch, OPGW on intra state Transmission network, Procurement Management, Operation & Maintenance, Financing and Project Management.

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

Segment Revenue and Expenses

Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment Assets and Liabilities

Segment assets include all operating assets comprising of Property, Plant and Equipment, current assets and loan and advances. Construction, Work-in-progress, construction stores and advances and investments are included in unallocated assets. Segment facilities include operating liabilities and provisions.

61. Segment Information (Contd.)
Segment Reporting

(₹ in crore)

	Transmission			Consultancy			Telecom			Elimination			Total	
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	As at 31 st March, 2017	As at 31 st March, 2016	As at 01 st April, 2015	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	As at 31 st March, 2016	As at 1 st April, 2015
Revenue:														
Revenue from Operations (including allocable other income)	25111.35	20137.25		590.56	477.39		503.83	392.25		-	-		21006.89	
Inter Segment Revenue							55.53	42.67		(55.53)	(42.67)		-	
Net Revenue from Operations	25111.35	20137.25		590.56	477.39		559.36	434.92		(55.53)	(42.67)		21006.89	
Segment results	14835.51	11942.29		408.36	334.79		254.00	161.95					12439.03	
Unallocated Interest and Other Income													236.41	
Unallocated Finance Costs													5134.93	
Profit before Tax													7540.51	
Provision for Taxes													1592.01	
Profit after Tax													5948.50	
Other information:														
Segment Assets	146173.12	125733.88	97427.88	2128.67	1703.82	1135.07	861.20	816.71	800.39				128254.41	99363.34
Unallocated Assets													50154.84	58991.76
Total Assets													178409.25	158355.10
Segment Liabilities:	7722.37	8096.84	6703.91	2361.41	2776.43	1877.92	654.16	586.26	544.76				11459.53	9126.59
Unallocated Other Liabilities (including loans)													123138.49	110028.83
Total liabilities													134598.02	119155.42
Depreciation and Amortisation	7570.39	6088.30		1.20	0.90		91.21	90.60					6179.80	
Non-cash expenditure other than Depreciation	2.38	0.49		1.55	2.88		8.92	4.53					7.90	
Capital Expenditure	20338.83	22623.08		2.00	(0.43)		141.51	37.50					22660.15	

62. Capital and other Commitments

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	32544.86	23502.87	24189.22
Company's commitment towards further investment in joint venture entities	39.24	336.24	427.61
Company's commitment towards further investment in subsidiary companies	13541.81	12260.25	4261.42

63. Contingent Liabilities and contingent assets

Contingent Liabilities

1. Claims against the Company not acknowledged as debts in respect of:

(i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the company seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts.

The company is pursuing various options under the dispute resolution mechanism available in the contract for settlement of these claims. In such cases, contingent liability of ₹ 1381.17 crore (₹ 1666.86 crore as on 31st March, 2016; ₹ 219.14 crore as on 1st April, 2015) has been estimated.

(ii) Land compensation cases

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹ 2671.53 crore (₹ 4041.30 crore as on 31st March, 2016; ₹ 2253.11 crore as on 1st April, 2015) has been estimated.

(iii) Other claims

In respect of claims made by various State/Central Government Departments/Authorities towards building permission fees, penalty on diversion of agriculture land to non-agriculture use, Nala tax, water royalty etc. and by others, contingent liability of ₹ 4.00 crore (₹ 28.66 crore as on 31st March, 2016; ₹ 44.09 crore as on 1st April, 2015) has been estimated.

(iv) Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to ₹ 388.38 crore (₹ 359.03 crore as on 31st March, 2016; ₹ 391.22 crore as on 1st April, 2015) are being contested before various Appellate Authorities. Many of these matters are disposed of in favour of the company but are disputed before higher authorities by the concerned departments.

(v) Others

- Other contingent liabilities amounts to ₹ 201.32 crore (₹ 342.33 crore as on 31st March, 2016; ₹ 303.56 crore as on 1st April, 2015)
- Some of the beneficiaries have filed appeals against the tariff orders of the CERC. The amount of contingent liability in this regard is not ascertainable.
- Under the Transmission Service Agreement (TSA) with Powerlinks Transmission Ltd, the company has an obligation to purchase the JV company (Powerlinks Transmission Ltd) at a buyout price determined in accordance with the TSA. Such an obligation may result in case JV company (Powerlinks Transmission Ltd) serves a termination notice either on "POWERGRID event of default" or on "force majeure event" prescribed under TSA. No contingent liability on this account has been considered as the same is not ascertainable.

63. Contingent Liabilities and contingent assets (Contd.)

2. a) Details of Bank guarantees given by the company on behalf of SPV companies, which were taken over to carry out the business awarded under tariff based bidding, towards performance of the work awarded are as under:

(₹ in crore)

Name of SPV	31 st March, 2017	31 st March, 2016	1 st April, 2015
Powergrid NM Transmission Company Ltd	-	45.00	45.00
Powergrid Vizag Transmission Company Ltd	43.59	45.00	45.00
Powergrid Unchahar Transmission Company Ltd	2.17	5.40	5.40
Powergrid Kala Amb Transmission Limited	5.96	5.96	5.96
Powergrid Jabalpur Transmission Limited	31.50	31.50	31.50
Powergrid Warora Transmission Limited	62.10	62.10	-
Powergrid Parli Transmission Limited	63.90	63.90	-
Powergrid Southern Interconnector Transmission System Limited	110.04	110.04	-
Medinipur Jeerat Transmission Limited	141.89	NA	NA

- b) The Company has given guarantee for the dues & punctual payment and discharge of the obligations amounting to ₹ 290 crore (₹ 290 crore as on 31st March, 2016; NIL as on 1st April, 2015) against bond issued by Powergrid Vizag Transmission Company Ltd.

64. Capital management

a) Risk Management

The company's objectives when managing capital are to

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

For the purpose of the company's capital management, equity capital includes issued equity capital, securities premium reserve and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares. The company monitors capital using debt-equity ratio, which is the ratio of long term debt to total net worth. The policy is to keep the debt-equity ratio wherein the debt is less than 75% of total capital employed (i.e. debt to equity ratio less than 75:25). The company includes within long term debt, interest bearing loans and borrowings and current maturities of long term debt.

The debt – equity ratio of the Company was as follows :-

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Long term debt (₹ in crore)	117197.91	106254.91	93780.35
Equity (₹ in crore)	49807.25	43811.23	39199.68
Long term debt to Equity ratio	70:30	71:29	71:29

Under the terms of the major borrowing facilities, the company is required to comply with the financial covenants. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current reporting period.

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

64. Capital management (Contd.)

b) Dividends

(₹ in crore)		
Particulars	31 st March, 2017	31 st March, 2016
(i) Equity shares		
Final dividend for the year ended 31 st March, 2016 of ₹ 1.51 (31 st March, 2015 – ₹ 1.31) per fully paid share	789.97	685.34
Interim dividend for the year ended 31 st March, 2017 of ₹ 1.00 (31 st March, 2016 – ₹ 0.80) per fully paid share	523.15	418.53

Dividend not recognized at the end of the reporting period

In addition to above dividend, the Board of Directors on 29th May, 2017 recommended the payment of a final dividend of ₹ 3.35 per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual general meeting.

65. Earnings per share

(Amount in ₹)		
(a) Basic and diluted earnings per share attributable to the equity holders of the company	31 st March, 2017	31 st March, 2016
Including movement in Regulatory deferral balances	14.37	11.37
Excluding movement in Regulatory deferral balances	14.24	11.37
Total basic and diluted earnings per share attributable to the equity holders of the company	14.37	11.37

(₹ in crore)		
(b) Reconciliation of earnings used in calculating earnings per share	31 st March, 2017	31 st March, 2016
Earnings attributable to the equity holders of the company including movement in Regulatory deferral balances	7520.15	5948.50
Earnings attributable to the equity holders of the company excluding movement in Regulatory deferral balances	7450.22	5948.55
Total Earnings attributable to the equity holders of the company	7520.15	5948.50

(c) Weighted average number of shares used as the denominator	31 st March, 2017 No. of shares	31 st March, 2016 No. of Shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	5231589648	5231589648
Adjustments for calculation of diluted earnings per share	-	-
Total weighted average number of equity shares used as the denominator in calculating basic earnings per share	5231589648	5231589648

66. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings denominated in Indian rupees or foreign currencies, trade payables and other payables. The Company has also provided financial guarantee in respect of bonds issued by its wholly owned subsidiary, Powergrid Vizag Transmission Limited. The main purpose of these financial liabilities is to finance the Company's capital investments and operations.

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

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

- Credit risk,
- Liquidity risk,
- Market risk.

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

66. Financial Risk Management (Contd.)

Risk management framework

The Company has a duly constituted Risk Management Committee headed by Director (Operations) with Director (Finance) and Director (Personnel) as members. For the purpose of evaluating and managing the uncertainties the enterprise faces, Enterprise Risk Management framework has been implemented in the Company. The framework is a structured, consistent and continuous process for identification, assessment, monitoring and management of risks. As per this framework, the significant business processes / risks are monitored and controlled through various Key Performance Indicators (KPIs). The Committee meets at regular intervals and reviews KPIs and provides updates to the Audit Committee/Board.

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

A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities on account of trade receivables and loans and advances and from its financing activities due to deposits with banks and financial institutions, foreign exchange transactions and other financial instruments and for its investment activities due to investment in State Government Bonds.

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

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

(i) Trade Receivables

The Company primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments. The Company has a robust payment security mechanism in the form of Letters of Credit (LC) backed by the Tri-Partite Agreements (TPA). The TPA was signed among the GOI, Reserve Bank of India and the individual State Governments subsequent to the issuance of the One Time Settlement Scheme of State Electricity Boards dues during 2001-02 by the GOI, which was valid till October 2016. GOI has approved the extension of these TPAs for a further period of 10 years. Majority of the States have executed the agreements for extension of TPAs and matter is being pursued with the remaining states.

As per the provisions of the TPA, the customers are required to establish LC covering 105% of the average monthly billing of the Company for last 12 months. The TPA also provides that if there is any default in payment of current dues by any State Utility, the outstanding dues can be deducted from the State's RBI account and paid to the concerned CPSU. There is also provision for regulation of power by the Company in case of non-payment of dues and non-establishment of LC.

CERC tariff regulations allow payment against monthly bills towards transmission charges within a period of 60 days from the date of the bill and levy of surcharge on delayed payment beyond 60 days. A graded rebate is provided by the Company for payments made within 60 days.

Trade receivables consist of receivables relating to transmission services of ₹ 2835.17 crore (31st March, 2016: ₹ 2607.39 crore, 1st April, 2015: ₹ 2014.13 crore), receivables relating to consultancy services of ₹ 315.92 crore (31st March 2016: ₹ 77.10 crore, 1st April, 2015: ₹ 81.03 crore) and receivables relating to telecom business of ₹ 102.42 crore (31st March 2016: ₹ 83.10 crore, 1st April, 2015: ₹ 50.82 crore)

(ii) Other Financial Assets (excluding trade receivables)

• Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 1401.57 crore (31st March, 2016: ₹ 908.89 crore, 1st April, 2015: ₹ 627.97 crore). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

• Deposits with banks and financial institutions

The Company held deposits with banks and financial institutions of ₹ 2097.25 crore (31st March, 2016: ₹ 1544.84 crore, 1st April, 2015: ₹ 1435.01 crore). Term deposits are placed with public sector banks and have negligible credit risk.

• Investments

The Company holds investment of ₹ 2.50 crore (31st March 2016: ₹ 7.50 crore, 1st April, 2015: ₹ 192.92 crore) in 8.5% tax free State government bonds issued under the One Time Settlement Scheme. The Company does not expect the counterparty to fail to meet its obligations, and has not experienced any impairment losses in respect of these investments.

66. Financial Risk Management (Contd.)

• Loans

The Company has given loans to employees, subsidiaries and other parties. House building loans and conveyance advance to the employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company. The loans provided to group companies are for projects under Tariff Based Competitive Bidding route. The risk of default in respect of these loans is considered negligible.

o Exposure to credit risk

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

(₹ in crore)			
Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)			
Non-Current Investments	-	2.50	7.49
Non-Current Loans	3618.41	1304.81	370.33
Other non-current financial assets	635.32	667.45	576.41
Current Investments	2.50	5.00	185.43
Cash and cash equivalents	1401.57	908.89	627.97
Deposits with banks and financial institutions	2097.25	1544.84	1435.01
Current loans	35.14	30.72	25.49
Other current financial assets	3335.29	3361.90	2541.04
Total	<u>11125.48</u>	<u>7826.11</u>	<u>5769.17</u>
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)			
Trade receivables	3253.51	2767.59	2145.98

o Provision for expected credit losses

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

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

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

In respect of trade receivables from Telecom and Consultancy, customer credit risk is managed by regular monitoring of the outstanding receivables and follow-up with the consumer for realization.

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

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

66. Financial Risk Management (Contd.)

(c) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

(₹ in crore)

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as on 31 st March, 2017	28.58	1661.57	808.28	145.53	257.70	351.85	3253.51
Gross carrying amount as 31 st March, 2016	6.08	1536.58	782.10	77.27	139.19	226.37	2767.59
Gross carrying amount as 1 st April, 2015	3.71	1268.28	399.55	185.17	13.80	275.47	2145.98

(d) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

(₹ in crore)

Particulars	Trade receivables	Investments	Loans	Advances	Claims recoverable	Total
Balance as at 1st April, 2015	27.33	-	-	19.37	-	46.70
Impairment loss recognized	2.29	-	-	0.02	-	2.31
Amounts written off	-	-	-	-	-	-
Balance as at 31st March, 2016	29.62	-	-	19.39	-	49.01
Impairment loss recognized	2.79	-	-	0.86	-	3.65
Amounts written off	-	-	-	-	-	-
Balance as at 31st March, 2017	32.41	-	-	20.25	-	52.66

Based on historic default rates, the Company believes that, apart from the above, no impairment allowance is necessary in respect of any other assets as the amounts are insignificant.

B) Liquidity risk

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

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

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

i) Financial Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Expiring within 1 year (bank overdraft and other facilities)	5134.38	-	113.74
Expiring beyond one year (bank loans)	7730.51	11343.55	18268.15

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have remaining availability period of 1 to 5 years (2 to 4 years in 2016, and 1 to 5 years in 2015).

66. Financial Risk Management (Contd.)**ii) Maturities of financial liabilities**

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

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

(₹ in crore)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
31st March, 2017				
Borrowings (including interest outflows)	15781.65	65767.33	92633.85	174182.83
Trade payables	413.98	-	-	413.98
Other financial liabilities	9919.04	352.24	-	10271.28
Total	26114.67	66119.57	92633.85	184868.09
31st March, 2016				
Borrowings (including interest outflows)	15271.14	57053.67	86467.68	158792.49
Trade payables	313.89	-	-	313.89
Other financial liabilities	9089.41	870.90	-	9960.31
Total	24674.44	57924.57	86467.68	169066.69
1st April, 2015				
Borrowings (including interest outflows)	11921.30	50178.99	79,369.72	141470.01
Trade payables	392.97	-	-	392.97
Other financial liabilities	9770.12	654.31	-	10424.43
Total	22084.39	50833.30	79369.72	152287.41

C) Market risk

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

- Currency risk
- Interest rate risk
- Other price risk, such as equity price risk and commodity risk.

i) Currency risk

The Company is exposed to currency risk mainly in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchase consideration is denominated in foreign currency. Transmission tariff are regulated by the CERC. According to the CERC tariff regulations for the block 2014-19 the Company may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the transmission system, in part or full in its discretion and recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year.

If hedging of the foreign exchange exposure is not undertaken, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year is permissible to be recovered as part of transmission tariff provided it is not attributable to the generating Company or the transmission licensee or its suppliers or contractors. During the financial year 2016-17, no hedging for foreign exchange exposure has been undertaken by the Company. In respect of goods and services procured for Capital Investment, the exchange rate variation is part of the project cost, for determination of transmission tariff. The currency risk in respect of goods and services procured for operation activities is not significant.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR is provided in Note No.54.

Sensitivity

Since the impact of strengthening or weakening of Indian rupee against USD, Euro, JPY and other currencies on the statement of profit and loss would not be very significant; therefore, sensitivity analysis for currency risk is not disclosed.

66. Financial Risk Management (Contd.)

ii) Interest rate risk

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Company manages the interest rate risks by maintaining a debt portfolio comprising a mix of fixed and floating rate borrowings in domestic and foreign currencies.

At the reporting date, the interest rate profile of the Company's variable interest rate-bearing financial instruments is as follows:

(₹ in crore)		
Particulars	31 st March, 2017	31 st March, 2016
Long Term Debt with floating rate of interest		
- Domestic	13356.00	12485.00
- Foreign	26752.78	27485.43
Sub Total	40108.78	39970.43
Long Term Debt with fixed rate of interest		
- Domestic	72361.84	62331.71
- Foreign	4727.29	3952.77
Sub Total	77089.13	66284.48
Total Long Term Debt	117197.91	106254.91
% of Floating Interest Rate Debt to Total Long Term Debt	34.22%	37.62%

Fair value sensitivity analysis for interest-rate risk

As per CERC Regulations, interest on loan during construction forms part of project cost for the purpose of tariff and after the date of commercial operation, interest on loans is recoverable through tariff calculated on the normative average loan of the year by applying the weighted average rate of interest of the actual loan portfolio.

Accordingly, the Company's interest rate risk is not considered significant; hence sensitivity analysis for the risk is not disclosed.

iii) Other price risk

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as fair value through OCI.

Considering the magnitude of equity investments, no significant risk is expected to arise.

67. Income Tax expense

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

(a) Income tax expense

(₹ in crore)		
Particulars	31 st March, 2017	31 st March, 2016
Current Tax		
Current tax on profits for the year	1988.45	1574.79
Adjustments for current tax of prior periods	-	-
Total current tax expense	1988.45	1574.79
Deferred Tax		
Decrease (increase) in deferred tax assets	68.56	24.82
(Decrease) increase in deferred tax liabilities	(7.40)	(7.60)
Total deferred tax expense / benefit	61.16	17.22
Income tax expense	2049.61	1592.01

67. Income Tax expense (Contd.)**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016
Profit before income tax expense	9499.83	7540.56
Tax at the Indian tax rate of 21.3416% (2015-16 – 21.3416%)	2027.42	1609.28
<u>Tax effect of amounts which are not deductible (non- taxable) in calculating taxable income</u>		
Provisions made	1.93	1.63
Advance against depreciation	(31.13)	(30.50)
Provision written back	(0.85)	(1.59)
Bond Interest & Dividend income exempted	(13.27)	(20.71)
Adjustments due to Ind AS Adoption/ reclassification	4.95	16.68
Revaluation of EESL Shares	(0.73)	-
Others	0.13	-
Deferred Tax	61.16	17.22
Income Tax expenses	2049.61	1592.01

68. Employee Benefit Obligations

(₹ in crore)

Particulars	31 st March, 2017			31 st March, 2016			1 st April, 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Leave Obligations	59.60	430.37	489.97	33.37	336.24	369.61	27.64	305.16	332.80
Post-Retirement Medical Facility(PRMF)	9.28	331.00	340.28	7.25	288.11	295.36	6.55	250.25	256.80
Other Employee benefits /Long Service Award	0.97	12.36	13.33	1.35	11.55	12.90	1.08	10.86	11.94
Gratuity	76.07	549.48	625.55	37.72	439.76	477.48	34.94	433.92	468.86
Other Defined retirement benefits (ODRB)/ Baggage Allowance	1.81	15.83	17.64	1.47	14.55	16.02	1.18	13.96	15.14
Total employee benefit obligations	147.73	1339.04	1486.77	81.16	1090.21	1171.37	71.39	1014.15	1085.54

(i) Long Term Employee Benefits**Leave Obligations**

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the company which accrue annually at 30 days and 20 days respectively. Earned leave is encashable while in service. Half pay leaves (HPL) are encashable only on separation beyond the age of 55 years upto the maximum of 300 days (HPL). However, total number of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half pay leave shall be permissible. The liability for same is recognized on the basis of actuarial valuation.

(ii) Post-employment obligations (Defined Employee Benefit/Contribution Schemes)**A. Post-Retirement Medical Facility (PRMF)**

The Company has Post-Retirement Medical Facility (PRMF), under which retired employees and the spouse are provided medical facilities in the empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the company. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date.

68. Employee Benefit Obligations (Contd.)
B. Other employee benefits – Long Service Award

This benefit is applicable to all regular employees of the company (except for Directors and CMD) who have superannuated after completing at least 10 years of service.

C. Gratuity

The company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus, dearness allowance) for each completed year of service on superannuation, resignation, termination, disablement or on death subject to a maximum of ₹ 10 lakhs. As per recommendation of the 3rd Pay Revision Committee for CPSEs, the limit is proposed to be revised to ₹ 20 lakhs w.e.f. 1st January, 2017. The scheme is funded by the company and is managed by a separate trust. The liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date.

D. Other Defined Retirement Benefits (ODRB)/Baggage Allowance

The Company has a scheme for settlement at the time of superannuation at home town for employees and dependents to superannuated employees. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date.

E. Provident Fund

Company pays fixed contribution to Provident Fund at predetermined rate to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution to the fund and EPS scheme for the year amounting to ₹ 89.47 crore (previous year ₹ 84.57 crore) has been recognized as expense and is charged to Statement of Profit and Loss. The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of interest on contributions to the members as specified by GOI. As per the report of actuary overall interest earning and cumulative surplus is more than statutory interest payment requirement. Hence, no further provision is considered necessary. Since the company does not have unconditional right over the PF corpus, the surplus has not been recognised in the Balance Sheet.

(₹ In crore)

Particulars	31 st March, 2017			31 st March, 2016			1 st April, 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Provident Fund (PF)	429.30	1892.65	2321.95	292.30	1757.63	2049.93	281.75	1534.02	1815.77

(₹ In crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2015	1815.77	1827.62	(11.85)
Service cost	81.43	-	81.43
Interest expense (income)	145.26	172.21	(26.95)
Total	226.69	172.21	54.48
Re measurements			
Return on plan assets, excluding amount included in interest expense/ (income)	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-
Experience (Gain)/ Losses	7.49	-	7.49
Total	7.49	-	7.49
Employee contributions	108.44	189.86	(81.42)
Benefits payments	(108.45)	(108.45)	-
31st March, 2016	2049.94	2081.24	(31.30)

68. Employee Benefit Obligations (Contd.)

(₹ In crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2016	2049.94	2081.24	(31.30)
Service cost	84.19	-	84.19
Interest expense (income)	163.99	189.54	(25.55)
Total	248.18	189.54	58.64
Re measurements	-	-	-
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-
Experience (Gain)/ Losses	15.50	-	15.50
Total	15.50	-	15.50
Acquisition Adjustment	-	-	-
Employee contributions	113.17	197.36	(84.19)
Benefits payments	(104.84)	(104.84)	-
31st March, 2017	2321.95	2363.30	(41.35)

The net liability disclosed above relates to Provident Fund is as follows:

(₹ In crore)

Particulars	PF		
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Present value of funded obligations	2,321.95	2,049.94	1,815.77
Fair value of plan assets	2,363.30	2,081.24	1,827.62
Deficit/(Surplus) of funded plan	(41.35)	(31.30)	(11.85)

Sensitivity Analysis of Provident Fund:

(₹ In crore)

Particulars	PF
Impact of change in discount rate	
Present value of Obligation at the end of period	2321.95
- Impact due to increase of 0.5%	(0.22)
- Impact due to decrease of 0.5%	0.22

The major categories of plan assets (PF) are as follows

(₹ In crore)

Particulars	31 st March, 2017				31 st March, 2016				1 st April, 2015			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	34.49	-	34.49	2%	15.37	-	15.37	1%	-	-	-	
Debt instruments												
Govt/State Bonds	1261.14	-	1261.14	53%	1090.32	-	1090.32	52%	950.66	-	950.66	52%
PSU and Private Bonds	997.75	-	997.75	42%	904.46	-	904.46	43%	809.11	-	809.11	44%
Bank Balance	9.65	-	9.65	0%	11.17	-	11.17	1%	14.56	-	14.56	1%
Other Receivables	60.27	-	60.27	3%	59.92	-	59.92	3%	53.29	-	53.29	3%
Total	2363.30	-	2363.30		2081.24	-	2081.24		1827.62	-	1827.62	

68. Employee Benefit Obligations (Contd.)

Fair value of company's own transferable financial instruments held as plan assets is ₹ 113.27 crore as on 31st March, 2017 (₹ 119.98 crore as on 31st March, 2016) (₹ 130.50 crore as on 1st April, 2015).

The expected maturity analysis of provident fund is as follows:

(₹ in crore)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31st March, 2017	429.31	160.06	457.77	1,274.81	2,321.95
31st March, 2016	292.30	111.25	367.47	1,278.91	2,049.94
1st April, 2015	281.75	99.22	336.35	1,098.45	1,815.77

F. Pension

The Company has scheme of employees defined Pension Contribution. Company contribution is paid to separate trust. Amount of contribution paid/payable for the year is ₹ 109.83 crore (previous year ₹ 102.19 crore) has been recognized as expense and is charged to Statement of Profit & Loss.

The summarized position of various employee benefit obligations is as follows:

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PMRF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2015	468.86	467.08	1.78	15.14	-	15.14	332.80	-	332.80	256.80	-	256.80
Service cost	25.54	-	25.54	0.78	-	0.78	21.27	-	21.27	9.45	-	9.45
Interest expense (income)	37.51	37.37	0.14	1.21	-	1.21	26.62	-	26.62	20.54	-	20.54
Total amount recognized in profit or loss	63.05	37.37	25.68	1.99	-	1.99	47.89	-	47.89	29.99	-	29.99
Re measurements												
Return on plan assets, excluding amount included in interest expense/(income)	-	4.05	(4.05)	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-	-	-	-	-	-	-	-	-	-
Experience (Gain)/Losses	(23.99)	-	(23.99)	(0.26)	-	(0.26)	48.85	-	48.85	16.22	-	16.22
Total amount recognized in other comprehensive income	(23.99)	4.05	(28.04)	(0.26)	-	(0.26)	48.85	-	48.85	16.22	-	16.22
Employee contributions	-	28.66	(28.66)	-	-	-	-	-	-	-	-	-
Benefits payments	30.44	(30.44)	-	(0.85)	-	(0.85)	(59.93)	-	(59.93)	(7.65)	-	(7.65)
31st March, 2016	477.48	506.72	(29.24)	16.02	-	16.02	369.61	-	369.61	295.36	-	295.36

68. Employee Benefit Obligations (Contd.)

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PMRF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2016	477.48	506.72	(29.24)	16.02	-	16.02	369.61	-	369.61	295.36	-	295.36
Service cost	163.24	-	163.24	0.87	-	0.87	29.55	-	29.55	10.32	-	10.32
Interest expense (income)	38.20	40.54	(2.34)	1.28	-	1.28	29.57	-	29.57	23.63	-	23.63
Total amount recognized in profit or loss	201.44	40.54	160.90	2.15	-	2.15	59.12	-	59.12	33.95	-	33.95
Re measurements												
Return on plan assets, excluding amount included in interest expense/ (income)	-	5.16	(5.16)	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in financial assumptions	19.51	-	19.51	0.61	-	0.61	19.05	-	19.05	24.77	-	24.77
Experience (Gain)/ Losses	(46.89)	-	(46.89)	(1.22)	-	(1.22)	101.40	-	101.40	(6.01)	-	(6.01)
Total amount recognized in other comprehensive income	(27.38)	5.16	(32.54)	(0.61)	-	(0.61)	120.45	-	120.45	18.76	-	18.76
Acquisition Adjustment	1.44	-	1.44	0.08	-	0.08	0.95	-	0.95	0.76	-	0.76
Employee contributions	-	26.85	(26.85)	-	-	-	-	-	-	-	-	-
Benefits payments	(27.44)	(27.44)	-	-	-	-	(60.16)	-	(60.16)	(8.55)	-	(8.55)
31st March, 2017	625.54	551.83	73.71	17.64	-	17.64	489.97	-	489.97	340.28	-	340.28

The net disclosed above relates to funded and unfunded plans are as follows:-

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PMRF		
	31 st March, 2017	31 st March, 2016	1 st April, 2015	31 st March, 2017	31 st March, 2016	1 st April, 2015	31 st March, 2017	31 st March, 2016	1 st April, 2015	31 st March, 2017	31 st March, 2016	1 st April, 2015
Present value of funded obligations	625.54	477.48	468.86	-	-	-	-	-	-	-	-	-
Fair value of plan assets	551.83	506.72	467.08	-	-	-	-	-	-	-	-	-
Deficit/(Surplus) of funded plan	73.71	(29.24)	1.78	-	-	-	-	-	-	-	-	-
Unfunded plans	-	-	-	17.64	16.02	15.14	489.97	369.61	332.80	340.28	295.36	256.80

The company expects to contribute ₹ 39.61 crore to the gratuity trust during the FY 2017-18.

68. Employee Benefit Obligations (Contd.)
(iii) Significant actuarial assumptions for Post-Employment Benefits :
Economic Assumptions

Particulars	Gratuity, ODRB, Pension, PMRF, PF		
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Discount rate	7.5%	8.0%	8.0%
Salary growth rate(except for PF)	6.5%	6.5%	6.5%

Demographic Assumptions

Particulars	31 st March, 2017	31 st March, 2016
i) Retirement Age	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2006-08)	
iii) Ages		
	Withdrawal rate %	Withdrawal rate %
Upto 30 years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

Mortality rates for specimen ages

Age	Mortality rate	Age	Mortality rate	Age	Mortality rate
15	0.000614	45	0.002874	75	0.039637
20	0.000888	50	0.004946	80	0.060558
25	0.000984	55	0.007888	85	0.091982
30	0.001056	60	0.011534	90	0.138895
35	0.001282	65	0.017009	95	0.208585
40	0.001803	70	0.025855	100	0.311628

(iv) Sensitivity Analysis of the defined benefit obligation

(₹ In crore)

Particulars	Gratuity	ODRB	Leave	PMRF
a) Impact of change in discount rate				
Present value of Obligation at the end of period	625.55	17.64	489.97	340.28
- Impact due to increase of 0.5%	(19.51)	(0.61)	(19.05)	(19.75)
- Impact due to decrease of 0.5%	20.91	0.62	20.59	20.11
b) Impact of change in salary increase				
Present value of Obligation at the end of period	625.55	-	489.97	-
- Impact due to increase of 0.5%	7.51	-	20.69	-
- Impact due to decrease of 0.5%	(7.81)	-	(19.31)	-

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

68. Employee Benefit Obligations (Contd.)**(v) The major categories of plan assets (Gratuity) are as follows:**

(₹ In crore)

Particulars	31 st March, 2017				31 st March, 2016				1 st April, 2015			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	5.94	-	5.94	1%	2.57	-	2.57	0.5%	-	-	-	-
Debt instruments												
Govt/State Bonds	269.34	-	269.34	48%	238.70	-	238.70	45.9%	222.56	-	222.56	47%
PSU and Private Bonds	289.76	-	289.76	51%	279.22	-	279.22	53.6%	254.38	-	254.38	53%
Total	565.04	-	565.04		520.49	-	520.49		476.94	-	476.94	
Less: Plan Assets related to POSOCO	13.21	-	13.21		13.77	-	13.77		9.86	-	9.86	
Total	551.83	-	551.83		506.72	-	506.72		467.08	-	467.08	

Fair value of company's own transferable financial instruments held as plan assets is ₹ 103.38 crore as on 31st March, 2017 (₹ 112.94 crore as on 31st March, 2016) (₹ 127.37 crore as on 1st April, 2015).

(vi) Description of Risk exposures

Valuation is based on certain assumptions which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- Salary Increases (except for PF) – Actual salary increase will increase the plan's liability. Increase in salary increase rate assumptions in future valuation will also increase the liability.
- Investment risk – If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(vii) Defined benefit liability and employee contribution

The weighted average duration of the defined benefit obligations is 43.08 years (2015-16—42.85 years, 2014-15—42.99 years). The expected maturity analysis of undiscounted pension, gratuity, other defined retirement benefit and post-employment medical benefits is as follows:

(₹ In crore)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31st March, 2017					
Defined benefit obligation (Gratuity)	76.06	68.00	178.52	302.96	625.54
Post-employment medical benefits	9.28	10.06	36.16	284.80	340.30
ODRB	1.81	1.16	4.47	10.20	17.64
Other employee benefits(LSA)	0.97	0.65	2.59	9.12	13.33
Total	88.12	79.87	221.74	607.08	996.81
31st March, 2016					
Defined benefit obligation (Gratuity)	37.72	37.57	112.58	289.62	477.49
Post-employment medical benefits	7.25	7.87	28.25	251.99	295.36
ODRB	1.47	1.43	4.09	9.03	16.02
Other employee benefits(LSA)	1.35	1.27	3.56	6.71	12.89
Total	47.79	48.14	148.48	557.35	801.76
1st April, 2015					
Defined benefit obligation (Gratuity)	34.94	31.21	111.58	291.13	468.86
Post-employment medical benefits	6.55	7.11	25.53	217.60	256.79
ODRB	1.18	1.21	3.80	8.94	15.13
Other employee benefits(LSA)	1.08	1.05	3.25	6.56	11.94
Total	43.75	40.58	144.16	524.23	752.72

69. Recent Accounting Pronouncements:

Standard issued but not yet effective

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

Amendment to Ind AS 7 'Statement of cash flows':

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

70. First time adoption of Ind AS

Transition to Ind AS

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

Reconciliation of equity as at 31st March, 2016 and 1st April, 2015

(₹ In crore)

Particulars	Notes to first time adoption	31 st March, 2016	1 st April 2015
Total equity (shareholder's funds) as per previous GAAP		42733.97	38166.59
Adjustments			
Fair Valuation of Investments	I	64.80	85.08
Change in policy for recognition of Property, Plants & Equipments	XII	(21.15)	(42.37)
Borrowings – transaction cost adjustment	III	38.49	45.28
Fair valuation of employee loans	VII	(1.35)	0.00
Bilateral Lines as finance lease	XI	(3.98)	0.00
Retention Money Adjustment	X	49.66	63.29
Dividend (including dividend tax)	V	950.79	821.74
Restatement of Prior period Depreciation	XIII	-	60.07
Tax Adjustments	II	-	-
Total adjustments		1077.26	1033.09
Total equity as per Ind AS		43811.23	39199.68

70. First time adoption of Ind AS (Contd.)**Reconciliation of total comprehensive Income for the year ended 31st March, 2016**

(₹ In crore)

Particulars	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
Profit after tax as per previous GAAP		6026.72		
Adjustments				
Change in policy for recognition of Property, Plants and Equipments	XII		21.22	
Re measurement of post-employment benefit obligations	VI		(8.31)	
Borrowings – transaction cost adjustment	III		(6.81)	
Fair valuation of employee loans	VII		(1.35)	
Bilateral Lines as finance lease	XI		(3.98)	
Retention Money Adjustment	X		(13.63)	
Self-Insurance Reserve	XIV		(5.29)	
Restatement due to Prior Period error	XIII		(60.07)	
Tax adjustments	II		-	
Total adjustments			(78.22)	
Profit after tax as per Ind AS				5948.50
Other comprehensive income	IX			(11.97)
Total comprehensive income as per Ind AS				5936.53

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

(₹ in crore)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	16151.11	(1,031.35)	15119.76
Net cash flow from investing activities	(21147.61)	243.20	(20904.41)
Net cash flow from financing activities	5387.24	(114.54)	5272.70
Net increase/(decrease) in cash and cash equivalents	390.74	(902.69)	(511.95)
Cash and cash equivalents as at 1 st April, 2015	2062.98	(10.39)	2052.59
Cash and cash equivalents as at 31 st March, 2016	2453.72	(913.08)	1540.64

A. Note to First Time adoption**Note I: Fair Value Investments**

Under the previous GAAP, investments in equity instruments were classified as long term investments or current investments based on the intended holding period and realisability. Long term investments were carried at cost less provisions for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under IND-AS, these investments are required to be measured at fair value.

Fair value changes with respect to investments in equity instruments designated as FVOCI have been recognized in Other Comprehensive Income as at the date of transition and subsequently in the other comprehensive income for the year ended 31st March 2016. This increased other comprehensive reserve by ₹ 64.80 crore as at 31st March 2016 (1st April 2015 ₹ 85.08 crore).

Consequent to the above, the total equity as at 31st March, 2016 increased by ₹ 64.80 crore (1st April 2015 ₹ 85.08 crore) and other comprehensive income for the year ended 31st March 2016 decreased by ₹ 20.28 crore.

Note II: Deferred Tax

Deferred tax has been recognized on the adjustments made on transition to Ind AS.

70. First time adoption of Ind AS (Contd.)

Note III. Borrowings:

Ind AS 109 'Financial Instruments' requires transaction costs incurred for borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were recognized in Statement of Profit and Loss as and when incurred. Accordingly, borrowing as at 31st March, 2016 have been reduced by ₹ 66.50 crore (1st April, 2015 ₹ 64.21 crore) with a corresponding adjustment to Other Equity, Capital work in progress and Property, Plant and Equipment. The total equity increased by an equivalent amount. The profit for the year ended 31st March, 2016 reduced by ₹ 6.81 crore as a result of the additional interest expense.

Note IV. Investment property

Under the previous GAAP, investment properties were presented as part of Property, Plant and Equipment. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity and on profit as a result of this adjustment.

Note V. Proposed Dividend

Under the previous GAAP dividend 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 recognized as a liability. Under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of ₹ 950.79 crore as at 31st March, 2016 (1st April, 2015 ₹ 821.74 crore) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note VI. Re measurement of post-employment benefit obligations

Under Ind AS, re measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the previous GAAP, these re measurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2016 increased by ₹ 8.31 crore. There is no impact on the total equity as at 31st March, 2016.

Note VII. Fair valuation of employee loans

Under the previous GAAP, employee loans at concessional rates are recorded at their transaction value. Under Ind AS these are required to be recognized at fair value. Difference between the fair value and transaction value of the employee loans has been recognized as deferred employee cost. Consequent to the change, the amount of employee loans decreased by ₹ 52.75 crore as at 31st March, 2016 (1st April, 2015 ₹ 49.71 crore). The deferred employee cost increased by ₹ 51.45 crore as at 31st March, 2016 (1st April, 2015 ₹ 49.71 crore).

The profit for the year and total equity as at 31st March, 2016 decreased by ₹ 1.35 crore due to amortization of the deferred employee cost which is partially offset by the interest income recognized on employee loans.

Note VIII. Retained earnings

Retained earnings as at 1st April, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note IX. Other comprehensive income

Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re measurements of defined benefit plans, fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

Note X. Retention Money Adjustment

Under the previous GAAP, retention money on capital expenditure is recorded at face value. Under Ind AS financial liabilities are measured at fair value, if the effect of time value is material. Accordingly, retention money has been discounted to their present values with corresponding decrease in other equity and capital work in progress. This change reduced the retention money liability as at 1st April, 2015 and 31st March, 2016 by ₹ 64.87 crore and ₹ 53.95 crore with corresponding increase in other equity and capital work in progress by ₹ 63.29 crore and ₹ 1.57 crore as at 1st April, 2015 and by ₹ 49.66 crore and ₹ 4.29 crore as at 31st March, 2016. The profit for the year ended 31st March, 2016 decreased by ₹ 13.63 crore due to charging of notional interest on retention money liability.

Note XI. Recognition of Bilateral Lines as Finance Leases

Under the previous GAAP, bilateral lines are recorded as assets in the books of the company under Property, Plant and Equipment. Appendix C of Ind AS 17 'Leases' specified criteria for determining at the inception of an arrangement, whether the arrangement contains a lease. As per Ind AS 101 'First Time Adoption of Indian Accounting Standards' entities may determine whether arrangements in existence on the date of transition to Ind AS contains leases by applying the requirement of Appendix C to Ind AS 17 'Leases' to those arrangements on the basis of the facts and circumstances existing at the date of transition. Accordingly such bilateral lines have been assessed as finance leases by the company and to be recorded as finance leases (lessors).

70. First time adoption of Ind AS (Contd.)**Note XII. Change in policy for recognition of Property, Plants & Equipments**

Impact of change in accounting policy for spares qualifying as asset as per Ind AS 16- 'Property, Plant & Equipment' on the date of transition has been recognized in opening reserves and changes thereafter are recognized in Statement of Profit and Loss. This increased the Property, Plant and Equipment as at 1st April, 2015 and 31st March, 2016 by ₹ 46.07 crore and ₹ 45.32 crore respectively with decrease in inventory by ₹ 88.43 crore and ₹ 112.59 crore and other equity as on 1st April, 2015 by ₹ 42.36 crore. The profit for the year ended 31st March, 2016 increased by ₹ 21.22 crore.

Note XIII. Restatement due to Prior Period error

Under Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' material prior period error shall be corrected by retrospective restatement. A Prior period income was recognised in the Financial Year 2015-16 which is restated at 1st April, 2015. This decreased the accumulated depreciation by ₹ 60.07 crore with the corresponding increase in total equity as at 1st April, 2015. The profit for the year ended 31st March, 2016 decreased by ₹ 60.07 crore.

Note XIV. Self-Insurance Reserve

Under the previous GAAP, in case of loss of fixed asset an amount was transferred to Statement of Profit and Loss as income. Under Ind AS Self-insurance reserve is to be transferred to General Reserve instead of taking as income. Due to this the profit for the year ended 31st March, 2016 decreased by ₹ 5.29 crore.

71. (a) Figures have been rounded off to nearest rupees in crore up to two decimals.

(b) Previous year figures have been regrouped / rearranged wherever necessary.

(Divya Tandon)

Company Secretary

For and on behalf of the Board of Directors

K. Sreekant

Director (Finance)

I. S. Jha

Chairman & Managing Director

As per our report of even date

For S.K. Mittal & Co.

Chartered Accountants
Firm Regn No. 001135N

(CA S. K. Mittal)

Partner
Membership No. 008506

For R.G.N. Price & Co.

Chartered Accountants
Firm Regn No. 002785S

(CA R. Rangarajan)

Partner
Membership No. 041883

For Kothari & Co.

Chartered Accountants
Firm Regn No. 301178E

(CA Manaswy Kothari)

Partner
Membership No. 064601

For Parakh & Co.

Chartered Accountants
Firm Regn No. 001475C

(CA Indra Pal Singh)

Partner
Membership No. 410433

Place: New Delhi

Date: 29th May, 2017



INDEPENDENT AUDITORS' REPORT

To the Members of Power Grid Corporation of India Limited

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the 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, read with relevant rules issued there under.

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

Auditors' Responsibility

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

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

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

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

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

Opinion

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

Emphasis of Matter

We draw attention to the following matters in the Notes to the Standalone Ind AS Financial Statements:

- (a) Note No. 37 (b) (ii) in respect of recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC; and
- (b) Note No. 47(a) in respect of Balance confirmation, reconciliation and consequential adjustments, if any, of Trade Receivable and Recoverable and Trade and Other Payables.

Our opinion is not modified in respect of these matters.

Other Matters

- (a) The comparative financial information of the company for the transition date opening balance sheet as at 1st April 2015, included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditors whose report dated 30th May 2015, for the year ended 31st March 2015, expressed a qualified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the company on the transition to the Ind AS, which have been audited by us.
- (b) The comparative financial information of the company for the year ended 31st March 2016, included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and our report expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the company on the transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure '1'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the **Annexure '2'** a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the relevant rules issued thereunder;
 - (e) In view of exemption given vide notification no. G. S. R. 463(E) dated June 5, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Company;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure '3'**.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 49 and 63 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The company has provided requisite disclosures in the standalone Ind AS financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016, on the basis of information available with the company. Based on audit procedures, and relying on management's representations we report that disclosures are in accordance with books of accounts maintained by the company and as produced to us by the management. Refer Note 16.

For S. K. Mittal & Co.
Chartered Accountants
FRN : 001135N

For Parakh & Co.
Chartered Accountants
FRN : 001475C

For Kothari & Co.
Chartered Accountants
FRN : 301178E

For R. G. N. Price & Co.
Chartered Accountants
FRN : 002785S

(CA S. K. Mittal)
Partner
M. No. 008506

(CA Indra Pal Singh)
Partner
M. No. 410433

(CA Manaswy Kothari)
Partner
M. No. 064601

(CA R. Rangarajan)
Partner
M. No. 041883

Place : New Delhi
Date : 29th May, 2017

As referred to in our Independent Auditors' Report to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31st March, 2017, we report that:

- (i) a) The Company has generally maintained records, showing full particulars including quantitative details and situation of Fixed Assets (Property, Plant & Equipment).
- b) The fixed assets (Property, Plant & Equipment) have been physically verified by external agencies during the year. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.
- c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except:

	No. of Cases	Cost (₹ in crores)	Net Block (₹ in crores)
Leasehold Land	10	51.86	42.15
Freehold Land	22	159.75	159.75
Buildings (Flats in Mumbai)	28	2.95	2.31

- (ii) The inventories have been physically verified by external agencies during the year. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to wholly owned subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- a) The terms and conditions on which loans have been granted to the borrower companies covered under section 189 of the Act are not, prima facie, prejudicial to the interest of the company.
- b) The schedule of repayment of principal and payment of interest has been stipulated and the repayments and receipts are regular.
- c) There are no overdue amounts of more than 90 days in respect of loans granted to the companies listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to information and explanation given to us, the company has complied with provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public in accordance with the provisions of the sections 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder. Accordingly, paragraph 3(v) of the order is not applicable to the company.
- (vi) We have broadly reviewed the cost records maintained by the company specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013, in respect of Transmission & Telecom Operations of the Company and we are of the opinion that prima facie the prescribed records have been made and maintained. However, we have not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable. As informed, provisions of the Employees State Insurance Act are not applicable to the Company.
- b) According to information and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise which have not been deposited. However, following disputed demands of Income Tax or Sales Tax or Service Tax or Value Added Tax or Cess dues have not been deposited:

Name of the Statute	Nature of dues	Amount* (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	4.00	For the F.Y. 2004-05, 2005-06 & 2010-11	ITAT, Delhi
Income Tax Act, 1961	Income Tax	2.37	For the F.Y. 2012-13 & 2013-14	CIT (A) Delhi
Income Tax Act, 1961	Income Tax	6.16		Jurisdictional Assessing Officers of TANs
Income Tax Act, 1961	Income Tax	0.03		Jurisdictional Assessing Officer, Delhi
Chhattisgarh Entry Tax Act, 1976	Entry Tax	67.94	For the F.Y. 2012-13, 2013-14, 2014-15, 2015-16 & 2016-17	Asst. Commissioner, Commercial Tax, Durg

Name of the Statute	Nature of dues	Amount* (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	1.57	For the F.Y. 2003-04	CESTAT, Kolkata
Goa Building & Other Construction Workers Act & Rules thereunder	BOCW	0.04	For the F.Y. 2014-15 & 2015-16	---
Building and Other Construction Workers Welfare Cess Act, 1996	BOCW	4.23	For the F. Y. 2007-08	Hon'able High Court, Himachal Pradesh, Shimla
Income Tax Act, 1961	Interest on TDS on Perks	0.03	For F.Y.2010-11, 2011-12	CIT (Appeal), Shillong
J&K GST Act, 1962	Sales Tax	47.87	From F.Y.1996-97 to 2001-02	Sales Tax Appellate Tribunal, J&K
J&K GST Act, 1962	Sales Tax	115.38	From F.Y.2002-03 to 2011-12	Dy. Commissioner of Sales Tax (appeals) Jammu, J&K
Punjab Vat Act, 2005 (Entry Tax)	Entry Tax	9.64	From F.Y.2011-12 to 2013-14	Hon'able High Court Punjab & Haryana,
UP VAT	Sales Tax Demand	0.10	For F.Y. 2016-17	Hon'able Allahabad High Court
Total		259.36		

* Demand amount including interest, net of amount paid under protest.

- (viii) In our opinion and according to the information and explanations given to us the Company has not defaulted during the year in repayment of loans to its financial institutions, bankers and dues to the Bond holders.
- (ix) In our opinion on an overall basis and according to the information and explanations given to us, the company has applied the term loans including funds raised through bonds for the purpose they were obtained. The company has raised funds by issuance of debt instruments (bonds) during the year. The company has not raised money by way of initial public offer or further public offer during the year.
- (x) According to the information and explanations given to us and as represented by the management, we have been informed that no case of fraud has been committed on or by the company during the year.
- (xi) In view of exemption given vide notification no. G. S. R. 463(E) dated June 5, 2015, issued by Ministry of Corporate Affairs, provisions of Section 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Company. Accordingly, paragraph 3(xi) of the order is not applicable to the company.
- (xii) The company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the order is not applicable to the company.
- (xiii) According to the information and explanations given to us and as represented by the management, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) is not applicable to the company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) is not applicable to the company.
- (xvi) According to the information and explanations given to us the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) is not applicable to the company.

For S. K. Mittal & Co.
Chartered Accountants
FRN : 001135N

For Parakh & Co.
Chartered Accountants
FRN : 001475C

For Kothari & Co.
Chartered Accountants
FRN : 301178E

For R. G. N. Price & Co.
Chartered Accountants
FRN : 002785S

(CA S. K. Mittal)
Partner
M. No. 008506

(CA Indra Pal Singh)
Partner
M. No. 410433

(CA Manaswy Kothari)
Partner
M. No. 064601

(CA R. Rangarajan)
Partner
M. No. 041883

Place : New Delhi
Date : 29th May, 2017

As referred to in our Independent Auditors' Report to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31st March, 2017

S. No.	Directions	Auditors' Comments	Action taken by management	Impact on standalone Ind AS financial statements
1.	Whether the company has clear title / lease deeds for freehold and leasehold land respectively? If not, please state the area of the freehold and leasehold land for which title / lease deeds are not available.	The Company is having clear title/deeds for freehold, leasehold land and buildings/flats except 326.84 hectares of freehold land valuing ₹ 159.75 crores, 190.75 hectares of leasehold land valuing ₹ 51.86 crores and 21674 sq. feet of flats valuing ₹ 2.95 crores.	The company is taking appropriate steps for getting clear title for such freehold and leasehold land.	Nil
2.	Whether there are any cases of waiver / write off of debts / loans / interest etc. If yes, the reasons thereof and the amount involved.	According to the information and explanations given to us, there are no cases of waiver / write off of debts / loans / interest etc. except ₹ 0.04 crores recoverable from Grid Conductors Limited (wholly owned subsidiary company) waived off towards amount recoverable for expenses made on its behalf.	Charged to the Statement of Profit & Loss	Profit for the year is lower by ₹ 0.04 crores and Other current financial assets is lower by ₹ 0.04 crores.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift, grant(s) from the Govt. or other authorities.	The company has maintained adequate records in respect of inventories lying with third parties and grant(s) received from the Govt. or other authorities. No assets have been received by the company as gift from Govt. or other authorities	Proper records are maintained	Nil

For S. K. Mittal & Co.
Chartered Accountants
FRN : 001135N

For Parakh & Co.
Chartered Accountants
FRN : 001475C

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(CA R. Rangarajan)
Partner
M. No. 041883

Place : New Delhi
Date : 29th May, 2017

ANNEXURE – 3

As referred to in our Independent Auditors' Report to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31st March, 2017

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For S. K. Mittal & Co.
Chartered Accountants
FRN : 001135N

For Parakh & Co.
Chartered Accountants
FRN : 001475C

For Kothari & Co.
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Partner
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(CA R. Rangarajan)
Partner
M. No. 041883

Place : New Delhi
Date : 29th May, 2017



Consolidated Balance Sheet as at 31st March, 2017

(₹ in crore)

Particulars	Note No.	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	136422.44	114143.64	88795.24
(b) Capital work-in-progress	5	38187.00	45438.84	53230.69
(c) Investment Property	6	0.03	0.03	0.03
(d) Other Intangible assets	7	1255.39	950.54	790.65
(e) Intangible assets under development	8	77.34	172.12	211.29
(f) Investments in Joint Ventures accounted for using the equity method	9A	1020.76	834.22	734.73
(g) Financial Assets				
(i) Investments	9	141.70	79.30	104.57
(ii) Loans	10	132.36	145.09	146.17
(iii) Other non-current financial assets	11	793.55	880.78	576.41
(h) Other non-current assets	12	6517.32	7006.93	6405.04
		184547.89	169651.49	150994.82
Current assets				
(a) Inventories	13	906.95	707.43	625.60
(b) Financial Assets				
(i) Investments	14	2.50	5.00	185.43
(ii) Trade receivables	15	3131.93	2739.47	2132.06
(iii) Cash and cash equivalents	16	3241.45	1543.59	2491.19
(iv) Bank balances other than (iii) above	17	112.18	699.76	341.95
(v) Loans	18	39.82	30.72	26.97
(vi) Other current financial assets	19	3254.57	3341.65	2558.95
(c) Other current assets	20	300.11	453.74	159.83
(d) Asset classified as held for Sale	21	-	81.21	-
		10989.51	9602.57	8521.98
Regulatory Deferral Account Balances	22	107.60	37.67	37.72
Total Assets		195645.00	179291.73	159554.52
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	23	5231.59	5231.59	5231.59
(b) Other Equity	24	44633.91	38738.34	34287.11
		49865.50	43969.93	39518.70
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	25	111253.17	100463.31	89311.79
(ii) Other non-current financial liabilities	26	474.60	870.99	655.41
(b) Provisions	27	789.56	650.45	609.51
(c) Deferred tax liabilities(Net)	28	2535.98	2518.78	2481.72
(d) Other non-current liabilities	29	575.20	431.58	401.61
		115628.51	104935.11	93460.04
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	30	1500.00	2000.00	1200.00
(ii) Trade payables	31	413.98	313.89	392.97
(iii) Other current financial liabilities	32	19809.94	18236.85	16725.76
(b) Other current liabilities	33	2589.08	3538.91	3113.74
(c) Provisions	34	537.21	298.15	266.69
(d) Current Tax Liabilities (Net)	35	418.41	300.75	140.47
		25268.62	24688.55	21839.63
Deferred Revenue	36	4882.37	5698.14	4736.15
Total Equity and Liabilities		195645.00	179291.73	159554.52

The accompanying notes (1 to 72) form an integral part of financial statements

(Divya Tandon)

Company Secretary

K. Sreekant

Director (Finance)

For and on behalf of the Board of Directors
I. S. Jha

Chairman & Managing Director

As per our report of even date
For S.K. Mittal & Co.
Chartered Accountants
Firm Regn No. 001135N

(CA S. K. Mittal)

Partner

Membership No. 008506

Place: New Delhi

Date: 29th May, 2017

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No. 002785S

(CA R. Rangarajan)

Partner

Membership No. 041883

For Kothari & Co.
Chartered Accountants
Firm Regn No. 301178E

(CA Manaswy Kothari)

Partner

Membership No. 064601

For Parakh & Co.
Chartered Accountants
Firm Regn No. 001475C

(CA Indra Pal Singh)

Partner

Membership No. 410433

Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

(₹ in crore)

Particulars	Note No.	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
I Revenue From Operations	37	25703.91	20652.08
II Other Income	38	583.81	466.29
III Total Income (I+II)		26287.72	21118.37
IV EXPENSES			
Employee benefits expense	39	1377.13	993.74
Finance costs	40	6203.55	5086.23
Depreciation and amortization expense	41	7722.25	6181.82
Other expenses	42	1739.47	1400.23
Total expenses (IV)		17042.40	13662.02
V Profit before share of net profits of investments in Joint Ventures accounted for using Equity Method and tax (III- IV)		9245.32	7456.35
VI Share of Net Profits of investments accounted for using Equity Method		141.75	115.24
VII Profit before Tax (V+VI)		9387.07	7571.59
VIII Tax expense:			
Current tax - Current Year		1989.07	1575.89
- Earlier Years		-	(0.02)
Deferred tax	28	2636.27	1848.48
Less: Deferred Asset for deferred tax liability		2619.07	1811.42
		2006.27	1612.93
IX Profit for the period before Regulatory Deferral Account Balances (VII-VIII)		7380.80	5958.66
X Net movement in Regulatory Deferral Account Balances- Income/(Expenses)	43	69.93	(0.05)
XI Profit for the period (IX+X)		7450.73	5958.61
XII Other Comprehensive Income			
Items that will not be reclassified to profit or loss	44	49.83	(11.97)
Share of other comprehensive income of joint ventures accounted for using equity method		0.01	0.03
		49.84	(11.94)
XIII Total Comprehensive Income for the period (XI+XII)		7500.57	5946.67
XIV Earnings per equity share including movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):	65		
Basic & Diluted (₹)		14.24	11.39
XV Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):	65		
Basic & Diluted (₹)		14.11	11.39

The accompanying notes (1 to 72) form an integral part of financial statements

(Divya Tandon)
Company Secretary

For and on behalf of the Board of Directors
K. Sreekant
Director (Finance)

I. S. Jha
Chairman & Managing Director

As per our report of even date

For S.K. Mittal & Co.
Chartered Accountants
Firm Regn No. 001135N

For R.G.N. Price & Co.
Chartered Accountants
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Membership No. 041883

(CA Manaswy Kothari)
Partner
Membership No. 064601

(CA Indra Pal Singh)
Partner
Membership No. 410433

Place: New Delhi
Date: 29th May, 2017



Consolidated Cash Flow Statement for the year ended 31st March, 2017

Particulars	(₹ in crore)	
	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	9457.00	7571.54
Add: Other Comprehensive Income / (Expense)	49.84	(11.94)
Less: Rate Regulated Income / (Expense)	69.93	(0.05)
	9436.91	7559.65
Adjustment for :		
Depreciation & amortization expenses	7722.25	6181.82
Transfer from Grants in Aid	(21.89)	(23.25)
Deferred revenue - Advance against Depreciation	(145.85)	(140.84)
Adjustments to Other Equity	-	(157.53)
Provisions	9.05	7.41
Changes in fair value of financial assets through profit or loss	(47.53)	(73.65)
Net Loss on Disposal / Write off of Property, Plant & Equipment	3.82	5.62
Finance Costs	6203.55	5086.23
Provisions Written Back	(3.98)	(3.90)
FERV loss / (gain)	(27.34)	4.73
Interest earned on Deposits, Bonds and loans to Subsidiaries	(85.79)	(68.96)
Dividend received	(7.07)	(22.71)
	13599.22	10794.97
Operating profit before Working Capital Changes	23036.13	18354.62
Adjustment for :		
(Increase)/Decrease in Inventories	(196.61)	(81.83)
(Increase)/Decrease in Trade Receivables	(395.25)	(609.70)
(Increase)/Decrease in Financial Assets	274.65	(1304.68)
(Increase)/Decrease in Other Non-current Assets	(192.66)	75.76
(Increase)/Decrease in Other current assets	587.58	(357.84)
Increase/(Decrease) in Liabilities & Provisions	229.99	303.21
(Increase)/Decrease in Deferred Foreign Currency Fluctuation Asset/Liability (Net)	141.81	44.13
	449.51	(1930.95)
Cash generated from operations	23485.64	16423.67
Direct taxes paid	(1871.41)	(1415.59)
Net Cash from operating activities	21614.23	15008.08
B. CASH FLOW FROM INVESTING ACTIVITIES		
Property, Plant & Equipment and Capital Work in Progress	(23754.29)	(22026.00)
Advances for Capital Expenditure	(170.09)	346.48
Receipt of Grant	63.02	58.00
(Increase)/Decrease in Assets held for Sale	81.21	(81.21)
(Increase)/Decrease in Investments	(56.47)	205.70
(Increase)/Decrease in Investments accounted for using the equity method	(186.54)	(99.49)
(Increase)/Decrease in Long Term Loans under Securitisation Scheme	7.71	15.43
Lease receivables	43.94	(100.03)
Interest earned on Deposits, Bonds and loans to Subsidiaries	89.51	81.91
Dividend received	7.07	22.71
Net cash used in investing activities	(23874.93)	(21576.50)

Consolidated Cash Flow Statement for the year ended 31st March, 2017 (Contd.)

(₹ in crore)		
Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loans raised during the year	19342.85	17489.24
Loans repaid during the year	(8092.24)	(5772.15)
Interest and Finance Charges Paid	(5699.95)	(4758.35)
Dividend paid	(1313.12)	(1103.87)
Dividend Tax paid	(278.98)	(234.05)
Net Cash from Financing Activities	3958.56	5620.82
D. Net change in Cash and Cash equivalents (A+B+C)	1697.86	(947.60)
E. Cash and Cash equivalents (Opening balance)	1543.59	2491.19
F. Cash and Cash equivalents (Closing balance)	3241.45	1543.59

Notes:

Previous year figures have been re-grouped / re-arranged wherever necessary.

(Divya Tandon)
Company Secretary

K. Sreekant
Director (Finance)

I. S. Jha
Chairman & Managing Director

As per our report of even date

For S.K. Mittal & Co.
Chartered Accountants
Firm Regn No. 001135N

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No. 002785S

For Kothari & Co.
Chartered Accountants
Firm Regn No. 301178E

For Parakh & Co.
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Firm Regn No. 001475C

(CA S. K. Mittal)
Partner
Membership No. 008506

(CA R. Rangarajan)
Partner
Membership No. 041883

(CA Manaswy Kothari)
Partner
Membership No. 064601

(CA Indra Pal Singh)
Partner
Membership No. 410433

Place: New Delhi
Date: 29th May, 2017

Statement of Changes in Equity for the period ended 31st March, 2017

A. Equity Share Capital

(₹ in crore)

Particulars	Amount
As at 1st April, 2015	5231.59
Changes during the year	-
As at 31st March, 2016	5231.59
Changes during the year	-
As at 31st March, 2017	5231.59

B. Other Equity

	Reserves and Surplus							Other Comprehensive Income	Total
	Securities Premium Reserve	Bond Redemption Reserve	Self Insurance Reserve	CSR Reserve	General Reserve	Load Despatch & Communication (LDC) Development Fund	REC Fund	Retained Earnings	Fair Value through Other Comprehensive Income Equity Investment
Balance at 1st April, 2015	9578.29	5870.47	387.18	129.52	17835.23	158.96	10.64	231.74	85.08
Profit for the year								5958.61	5958.61
Other Comprehensive Income								8.34	(20.28)
Total Comprehensive Income	-	-	-	-	-	-	-	5966.95	(20.28)
Adjustments during the year									
Transfer to General Reserve					3500.00			(3500.00)	-
Transfer to Bond redemption reserve		1720.62						(1720.62)	-
Transfer from Bond Redemption Reserve		(697.93)						697.93	-
Transfer to Self Insurance Reserve			102.58					(102.58)	-
Transfer from Self Insurance Reserve			(5.29)		5.29			-	-
Transfer to CSR Reserve				6.01				(6.01)	-
Final Dividend FY 2014-15								(685.34)	-
Tax on Final Dividend FY 2014-15								(149.04)	-
Interim Dividend FY 2015-16								(418.53)	-
Tax on Interim Dividend FY 2015-16								(85.01)	-
Changes in networth due to assets held for sale						(158.96)	(10.64)		(169.60)
Deferred Tax Adjustment for Asset Held for Sale								0.00	0.00
Share of Net Profits of investment accounted for using Equity Method								40.58	40.58
Transfer from General reserve					(28.82)			0.00	-28.82
Other Adjustments					0.30			0.02	0.32
Balance at 31st March, 2016	9578.29	6893.16	484.47	135.53	21312.00	-	-	270.09	64.80
Balance at 31st March, 2017	9578.29	6893.16	484.47	135.53	21312.00	-	-	270.09	38738.34

Statement of Changes in Equity for the period ended 31st March, 2017 (Contd.)

	Reserves and Surplus							Other Comprehensive Income		Total
	Securities Premium Reserve	Bond Redemption Reserve	Self Insurance Reserve	CSR Reserve	General Reserve	Load Despatch & Communication (LDC) Development Fund	REC Fund	Retained Earnings	Fair Value through Other Comprehensive Income Equity Investment	
Balance at 1st April, 2016	9578.29	6893.16	484.47	135.53	21312.00			270.09	64.80	38738.34
Profit for the year								7450.73		7450.73
Other Comprehensive Income								10.88	38.96	49.84
Total Comprehensive Income								7461.61	38.96	7500.57
Adjustments during the year										
Transfer to General Reserve					1989.71			(2000.00)		(10.29)
Transfer to Bond redemption reserve		2004.95						(2004.95)		-
Transfer from Bond Redemption Reserve		(802.28)						802.28		-
Transfer to Self Insurance Reserve			194.17					(194.17)		-
Transfer from Self Insurance Reserve			(0.85)		-			-		(0.85)
Transfer from CSR Reserve				(12.15)	-			-		(12.15)
Final Dividend F.Y 2015-16								(789.97)		(789.97)
Tax on Final Dividend F.Y 2015-16								(173.58)		(173.58)
Interim Dividend F.Y 2016-17								(523.15)		(523.15)
Tax on Interim dividend F.Y. 2016-17								(105.40)		(105.40)
Other Adjustments			-		10.30			0.09		10.39
Balance at 31st March, 2017	9578.29	8095.83	677.79	123.38	23312.01	-	-	2742.85	103.76	44633.91

Refer to Note No 24 for nature and movement of Reserve and Surplus.

(Divya Tandon)
Company Secretary

K. Sreekant
Director (Finance)

For and on behalf of the Board of Directors

I. S. Jha
Chairman & Managing Director

For S.K. Mittal & Co.
Chartered Accountants
Firm Regn No. 001135N
(CA S. K. Mittal)
Partner
Membership No. 008506

Place: New Delhi
Date: 29th May, 2017

As per our report of even date
For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No. 002785S
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For Kothari & Co.
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Firm Regn No. 301178E
(CA Manaswy Kothari)
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Membership No. 064601

For Parakh & Co.
Chartered Accountants
Firm Regn No. 001475C
(CA Indra Pal Singh)
Partner
Membership No. 410433

Notes to Consolidated Financial Statements

1. Corporate and General Information

Power Grid Corporation of India Limited ('the Company') is a public company domiciled and incorporated in India under the provisions of Companies Act and its shares are listed on the National Stock Exchange (NSE) and BSE Limited (BSE) in India. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, India and its Corporate Office is located at Saudamini, Plot No.2, Sector-29, Gurgaon, Haryana.

The Company is notified as the Central Transmission Utility (CTU) under The Electricity Act, 2003. It is principally engaged in planning, implementation, operation and maintenance of Inter-State Transmission System (ISTS), Telecom and consultancy services.

The financial statements of the company for the year ended March 31, 2017 were approved for issue by the Board of Directors on 29.05.2017.

2. Significant Accounting Policies

The consolidated financial statements of the group are consisting of the Company, its subsidiaries and group's interest in its joint ventures.

2.1 Basis of Preparation

i) Compliance with Ind AS

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

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

These financial statements are the first financial statements of the group under Ind AS. The date of transition to Ind AS is 1st April 2015. Refer Note no. 71 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer Note no. 2.14 for accounting policy regarding financial instruments),
- Defined benefit plans – plan assets measured at fair value

iii) Functional and presentation currency

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

iv) Use of estimates

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

2.2 Principle of Consolidation and Equity Accounting Subsidiaries

Subsidiaries are entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combination by the group.

The Company combines the financial statement of the subsidiaries line by line adding together like items of assets, liabilities, equity, income, and expenses. Intercompany transactions, balances and unrealized gains on transactions between companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

The consolidated financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 – 'Consolidated Financial Statements' and Indian Accounting Standard (Ind AS) 28 – Investments in Associates and Joint Ventures.

Joint Arrangements

Under IndAS 111 Joint Arrangements, investment in joint arrangements is classified as either joint operation or joint ventures. The classification depends on the contractual right and obligations of each investor, rather than the legal structure of the joint arrangement. The company has only joint ventures.

Joint Ventures

Interest in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the Company's share of the post – acquisition profits or losses of the investee company in Statement of Profit and Loss, and the Company's share of other comprehensive income of the investee Company in other comprehensive income. Dividends received from joint ventures are recognised as reduction in the carrying amount of the investment.

When the Company's share of losses in an investment accounted under Equity method equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the Joint Venture Entities.

Unrealized gains on transactions between the Company and its joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of asset transferred. Accounting policies of equity accounted investees have been changed where necessary.

The financial statements of the subsidiary companies and joint venture companies in the consolidation are drawn up to the same reporting date as of the Company

Difference in Accounting Policies and Impact thereon:

For certain items the company and joint venture entities have followed different accounting policies. However, the impact of same is not material.

2.3 Property, Plant and Equipment

Measurement on transition to Ind AS

On the date of transition to Ind AS, the Company has considered the carrying value of Property, Plant and Equipment as per previous GAAP to be the deemed cost as per Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

Initial Recognition and Measurement

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

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

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

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

Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates / assessments.

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

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

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

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

Derecognition

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

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

2.4 Capital Work-In-Progress (CWIP)

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

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

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

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

Deposit works/cost-plus contracts are accounted for on the basis of statement received from the contractors or technical assessment of work completed.

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

2.5 Intangible Assets and Intangible Assets under development

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

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

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

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

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

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

Expenditure on research shall be recognised as an expense when it is incurred.

Expenditure on development shall be recognised as Intangible asset if it meets the eligibility criteria as per Ind AS 38 'Intangible Assets', otherwise it shall be recognised as an expense.

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

2.6 Investment property

Investment property comprises portions of land and/or buildings that are held for long term rental yields and/or for capital appreciation.

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

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Transfers to or from investment property is made when and only when there is a change in use.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised as profit or loss in the period of derecognition.

2.7 Depreciation / Amortisation

Depreciation/amortisation on the assets related to transmission business is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff and on assets of telecom and consultancy business is provided on straight line method as per useful life specified in Schedule II of the Companies Act, 2013 except for assets specified in the following paragraphs.

ULDC assets commissioned prior to 1st April 2014 are depreciated on Straight Line Method @ 6.67% per annum. Such assets commissioned on or after 1st April 2014 are depreciated on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff.

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

Particulars		Useful life
a.	Computers & Peripherals	3 years
b.	Servers & Network Components	5 years

Residual value of above assets is considered as Nil.

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

Mobile phones are charged off in the year of purchase.

NLD Licence is amortised over its useful life.

Expenditure on development of 1200kv Transmission System shall be amortised over a period of 10 years and useful life shall be reviewed at the end of each financial year.

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

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

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations, except for telecom and consultancy business assets where residual life is determined on the basis of useful life of property, plant and equipment as specified in Schedule II of the Companies Act, 2013.

In the case of property, plant and equipment of National Thermal Power Corporation Limited (NTPC), National Hydro-Electric Power Corporation Limited (NHPC), North-Eastern Electric Power Corporation Limited (NEEPCO), Neyveli Lignite Corporation Limited (NLC) transferred w.e.f. April 1, 1992, Jammu and Kashmir Lines w.e.f. April 1, 1993, and Tehri Hydro Development Corporation Limited (THDC) w.e.f. August 1, 1993, depreciation is charged based on gross block as indicated in transferor's books with necessary adjustments so that the life of the assets as laid down in the CERC notification for tariff is maintained.

Depreciation on buildings held as investment property is provided on straight line method as specified in Schedule II of The Companies Act, 2013.

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

The residual values, useful lives and methods of depreciation for assets other than assets related to transmission business are reviewed at each financial year end and adjusted prospectively, wherever required.

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

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

2.8 Borrowing Costs

All the borrowed funds (except short term funds for working capital) are earmarked to specific projects. The borrowing costs (including bond issue expenses, interest, discount on bonds, front end fee, guarantee fee, management fee etc.) are allocated to the projects in proportion to the funds so earmarked.

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

Other borrowing costs are charged to revenue.

2.9 Impairment of non-financial assets, other than inventories

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

2.10 Cash and cash equivalents

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

2.11 Inventories

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

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

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

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

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

2.12 Leases

i) As A Lessor

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

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

a) Finance leases

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

State sector Unified Load Dispatch Centre (ULDC)/ Fiber Optic Communication Assets (FOC)/Bilateral line assets leased to the beneficiaries are considered as Finance Lease. Net investment in such leased assets are recorded as receivable at the lower of the fair value of the leased property and the present value of the minimum lease payments along with accretion in subsequent years is accounted for as Lease Receivables under current and non-current other financial assets. Wherever grant-in-aid is received for construction of State Sector ULDC, lease receivable is accounted for net of such grant.

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

FERV on foreign currency loans relating to leased assets is adjusted to the amount of lease receivables and is amortised over the remaining tenure of lease. FERV recovery (as per CERC norms) from the constituents is recognised net of such amortised amount.

b) Operating leases

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

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

ii) As a Lessee

Operating leases

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

2.13 Employee benefits

Company contribution paid/payable during the year to defined pension contribution scheme and provident fund scheme is recognized in the Statement of Profit and Loss. The same is paid to a fund and administered through a separate trust.

The liability for Gratuity, ascertained annually on actuarial valuation at the year end, is provided and funded separately.

The liabilities for compensated absences, leave encashment, post-retirement medical benefits, settlement allowance and long service awards to employees are ascertained annually on actuarial valuation at the year end and provided for.

Short term employee benefits are recognized at the undiscounted amount in the Statement of Profit and Loss in the year in which the related services are rendered.

Re-measurements pertaining to defined benefit obligations are recognised immediately in the other comprehensive income (OCI) in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

2.14 Financial instruments**Financial Assets**

Financial assets of the Company comprise cash and cash equivalents, bank balances, investments in equity shares of companies other than in subsidiaries & joint ventures, loans to subsidiaries/employees, advances to employees, security deposit, claims recoverable etc.

Classification

The Company classifies its financial assets in the following categories:

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

The classification depends on the following:

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

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

Equity investments

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The company may, on initial recognition, make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (FVOCI) on an instrument by-instrument basis.

For equity instruments classified as at FVOCI, all fair value changes on the instrument, excluding dividends are recognized in the OCI.

There is no recycling of the amounts from OCI to Profit or Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

De-recognition of financial assets

A financial asset is derecognized only when

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

Financial Liabilities

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

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

Classification, initial recognition and measurement

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

Subsequent measurement

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

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

De-recognition of financial liability

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

Offsetting of financial instruments

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

2.15 Foreign Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

Foreign currency loans outstanding as on March 31, 2016:

Foreign Exchange Rate Variation (FERV) arising on settlement / translation of such foreign currency loans relating to property, plant and equipment/ capital work-in-progress is adjusted to the carrying cost of related assets and is recoverable/payable from the beneficiaries on actual payment basis as per Central Electricity Regulatory Commission (CERC) norms w.e.f. 1st April, 2004 or Date of Commercial Operation (DOCO) whichever is later. The above FERV to the extent recoverable or payable as per the CERC norms is accounted for as follows:

- i) FERV recoverable/payable adjusted to carrying cost of property, plant and equipment is accounted for as 'Deferred foreign currency fluctuation asset/liability a/c' with a corresponding credit/debit to 'Deferred income/expenditure from foreign currency fluctuation a/c'.
- ii) 'Deferred income/expenditure from foreign currency fluctuation a/c' is amortized in the proportion in which depreciation is charged on such FERV.
- iii) The amount recoverable/payable as per CERC norms on year to year basis is adjusted to the 'Deferred foreign currency fluctuation asset/liability a/c' with corresponding debit / credit to the trade receivables.

FERV earlier charged to Statement of Profit and Loss & included in the capital cost for the purpose of tariff is adjusted against 'Deferred foreign currency fluctuation asset/liability a/c'.

FERV arising out of settlement/translation of long term monetary items (other than foreign currency loans) relating to Property Plant & Equipment /CWIP is adjusted in the carrying cost of related assets.

FERV arising during the construction period from settlement/translation of monetary items (other than non current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC tariff Regulation are accounted as Regulatory Deferral Account Balances. Transmission charges recognised on such amount is adjusted against above account. Other exchange differences are recognized as income or expenses in the period in which they arise.

Foreign currency loans drawn on or after April 1, 2016:

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

Exchange difference to the extent recoverable as per CERC tariff regulations are recognized as Regulatory Deferral Account Balances through Statement of Profit and Loss.

(c) Foreign Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i) Assets and liabilities are translated at closing rate at the date of that balance sheet.
- ii) Income and expenses are translated at average exchange rates (unless this is not the reasonable approximation of the cumulative effect of the rates prevailing on the transaction date in which case income and expenses are translated at the date of transactions) and
- iii) All the exchange differences are recognised in other comprehensive income.

2.16 Income Tax

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

Current income tax

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

Deferred tax

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

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

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investment in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in foreseeable future.

2.17 Rate Regulated Activities

Certain expenses and income, allowed under CERC regulations to be reimbursed by/passed on to beneficiaries in future, are to be accounted in the Statement of Profit and Loss as per the provisions of Ind AS 114 'Regulatory Deferral Accounts'. Such expenses and income, to the extent recoverable / payable as part of tariff under CERC Regulations are treated as Regulatory Deferral Assets/Liabilities.

The Company presents separate line items in the Balance Sheet for:

- (a) the total of all Regulatory Deferral Account Debit Balances; and
- (b) the total of all Regulatory Deferral Account Credit Balances.

A separate line item is presented in the profit or loss section of the Statement of Profit and Loss for the net movement in all Regulatory Deferral Account Balances for the reporting period.

2.18 Revenue Recognition and Other Income

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

Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for as per tariff regulations and orders of the CERC in similar cases. Difference, if any, is accounted on issuance of final tariff orders by the CERC. Transmission Income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on actual expenditure incurred on year to year basis as per CERC tariff regulations.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the CERC tariff regulations.

Advance against depreciation (AAD), forming part of tariff pertaining upto the block period 2004-09, to facilitate repayment of loans, was reduced from transmission income and considered as deferred income to be included in transmission income in subsequent years. The outstanding deferred income in respect of AAD is recognized as transmission income, after twelve years from the end of the financial year in which the asset was commissioned, to the extent depreciation recovered in the tariff during the year is lower than depreciation charged in the accounts.

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

Income from Telecom Services, net of downtime credit, is recognised on the basis of terms of agreements/purchase orders from the customers.

In respect of 'Cost-plus-consultancy contracts', involving execution on behalf of the client, income is accounted for (wherever initial advances received) in phased manner as under:

- a) 10% on the issue of Notice Inviting Tender for execution
- b) 5% on the Award of Contracts for execution
- c) Balance 85% on the basis of actual progress of work including supplies

Income from other consultancy contracts are accounted for on technical assessment of progress of services rendered.

Application Fees towards Long Term Open Access (LTOA) as per CERC Guidelines is accounted for on receipt.

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

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

2.19 Government Grants

Grants-in-aid received from Central Government or other authorities towards capital expenditure for projects, betterment of transmission systems and specific depreciable assets are treated as deferred income and recognized in the Statement of Profit and Loss over the useful life of related asset in proportion to which depreciation on these assets is provided.

2.20 Dividends

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

2.21 Provisions and Contingencies

a) Provisions

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

b) Contingencies

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

2.22 Share capital and Other Equity

Ordinary shares are classified as equity.

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

Self-insurance reserve is created @ 0.12% p.a. on Gross Block of Property, Plant and Equipment except assets covered under insurance as at the end of the year by appropriation of current year profit to mitigate future losses from un-insured risks. The same is shown as "Self insurance reserve" under 'Other equity'.

2.23 Prior Period Items

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

2.24 Segment Reporting

The Board of Directors is the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108 'Operating Segments'. CODM monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The operating segments have been identified on the basis of the nature of products / services.

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment transactions.
- Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

2.25 Earnings per Share

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

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

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in Regulatory Deferral Account Balances.

2.26 Cash Flow Statement

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

3 Critical Estimates and Judgements

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

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

The areas involving critical estimates or judgements are:

Revenue Recognition:

Transmission income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for as per tariff regulations and other orders of the CERC in similar cases. Differences, if any, are accounted on issuance of final tariff orders by the CERC. Transmission income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on actual expenditure incurred on year to year basis as per CERC tariff regulations.

Regulatory Deferral Balances:

Recognition of Regulatory Deferral Balances involves significant judgements including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

Estimation of defined benefit obligation

Estimation of defined benefit obligation involves certain significant actuarial assumptions which are listed in Note

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

Note 4/Property, Plant and Equipment

(₹ in crore)

Particulars		Cost				Accumulated depreciation				Net Book Value			
		As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 31 st March, 2016	
Land													
a) Freehold		2002.83	86.12	-	(2.09)	2091.04	-	-	-	-	2091.04	2002.83	
b) Leasehold		237.14	12.91	-	-	250.05	9.44	9.69	-	-	230.92	227.70	
Buildings													
a) Sub-Stations & Office		677.69	176.31	4.07	(19.98)	869.91	25.13	34.14	0.15	1.14	811.93	652.56	
b) Township		409.79	32.67	0.50	-	441.96	20.70	21.23	0.02	-	400.05	389.09	
Temporary Erection		0.40	0.44	-	-	0.84	0.39	0.44	-	-	0.01	0.01	
Roads & Bridges		143.36	11.14	-	-	154.50	7.42	8.23	-	0.53	139.38	135.94	
Water Supply Drainage & Sewerage		81.73	11.19	-	0.01	92.91	4.13	4.52	-	-	84.26	77.60	
Plant & Equipment													
a) Transmission		79262.98	19463.79	27.77	338.05	98360.95	4053.86	5009.46	29.09	(67.16)	9101.39	89259.56	
b) Sub-station		35721.54	10529.89	3.85	283.03	45964.55	2015.64	2508.97	5.18	36.23	4483.20	41481.35	
c) Unified Load Despatch & Communication		485.44	122.33	-	2.34	605.43	39.83	50.38	-	-	90.21	515.22	
d) Telecom		834.94	83.23	-	(0.70)	918.87	96.34	96.67	0.12	(0.11)	193.00	725.87	
Furniture Fixtures		78.32	20.51	0.65	(0.13)	98.31	5.37	7.21	0.04	-	12.54	85.77	
Vehicles		1.86	0.88	-	-	2.74	0.32	0.34	-	-	0.66	2.08	
Office equipment		97.61	35.19	0.18	(0.02)	132.64	6.42	8.94	0.03	(0.01)	15.34	117.30	
Electronic Data Processing & Word Processing Machines		42.16	32.68	0.53	(0.02)	74.33	19.94	16.38	0.24	0.06	36.02	38.31	
Construction and Workshop equipment		210.87	36.98	-	(0.49)	248.34	12.09	13.97	0.01	-	26.05	222.29	
Electrical Installation		79.97	1.91	-	(0.46)	82.34	5.81	5.79	0.06	(0.05)	11.59	70.75	
Laboratory Equipments		38.96	2.78	-	-	41.74	3.24	3.21	-	-	6.45	35.29	
Workshop & Testing Equipments		66.07	55.56	1.55	(0.23)	120.31	2.26	5.31	0.14	(0.13)	7.56	112.75	
Miscellaneous Assets/Equipments		0.05	-	-	-	0.05	-	-	-	-	0.05	0.05	
Total		120473.71	30716.51	39.10	599.31	150551.81	6328.33	7804.88	35.08	(29.50)	14127.63	114145.38	
Less: Provision for assets discarded		1.74	-	-	-	1.74	-	-	-	-	1.74	1.74	
Grand Total		120471.97	30716.51	39.10	599.31	150550.07	6328.33	7804.88	35.08	(29.50)	14127.63	114143.64	

Note 4/Property, Plant and Equipment

(₹ in crore)

Particulars		Cost			Accumulated depreciation			Net Book Value			
		As at 1 st April, 2015	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2016	As at 1 st April, 2015
Land											
a) Freehold		1807.34	194.31	-	(1.18)	2002.83	-	-	-	2002.83	1807.34
b) Leasehold		233.63	5.06	0.36	1.19	237.14	9.53	-	0.09	9.44	233.63
Buildings											
a) Sub-Stations & Office		493.93	195.72	-	11.96	677.69	26.28	-	1.15	25.13	493.93
b) Township		371.69	38.10	-	-	409.79	20.70	-	-	20.70	371.69
Temporary Erection		0.01	0.39	-	-	0.40	0.40	-	0.01	0.39	0.01
Roads & Bridges		126.42	16.94	-	-	143.36	7.42	-	-	7.42	126.42
Water Supply Drainage & Sewerage		76.17	5.52	-	(0.04)	81.73	4.21	-	0.08	4.13	76.17
Plant & Equipment											
a) Transmission		55863.41	22484.19	24.15	(939.53)	79262.98	4052.91	0.94	(1.89)	4053.86	55863.41
b) Sub-station		28288.38	7201.88	17.70	(248.98)	35721.54	2008.75	-	(6.89)	2015.64	28288.38
c) Unified Load Despatch & Communication		277.23	215.71	-	7.50	485.44	39.83	-	-	39.83	277.23
d) Telecom		793.97	40.81	-	(0.16)	834.94	96.39	-	0.05	96.34	793.97
Furniture Fixtures		54.69	27.33	0.06	3.64	78.32	5.39	-	0.02	5.37	54.69
Vehicles		2.01	0.08	0.22	0.01	1.86	0.34	0.02	0.00	0.32	2.01
Office equipment		64.30	35.65	0.57	1.77	97.61	6.45	0.02	0.01	6.42	64.30
Electronic Data Processing & Word Processing Machines		36.06	11.23	0.10	5.03	42.16	20.33	0.02	0.37	19.94	36.06
Construction and Workshop equipment		167.71	43.58	-	0.42	210.87	12.09	-	-	12.09	167.71
Electrical Installation		78.63	2.27	-	0.93	79.97	5.91	-	0.10	5.81	78.63
Laboratory Equipments		38.62	0.41	0.07	-	38.96	3.24	-	-	3.24	38.62
Workshop & Testing Equipments		22.70	43.37	-	-	66.07	2.27	-	0.01	2.26	22.70
Miscellaneous Assets/Equipments		0.06	-	-	0.01	0.05	-	-	-	0.05	0.06
Total		88796.96	30562.55	43.23	(1157.43)	120473.71	6322.44	1.00	(6.89)	6328.33	88796.96
Less: Provision for assets discarded		1.72	-	-	(0.02)	1.74	-	-	-	1.74	1.72
Grand Total		88795.24	30562.55	43.23	(1157.41)	120471.97	6322.44	1.00	(6.89)	6328.33	88795.24

Note:

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

Note 4/Property, Plant and Equipment (Contd.)**Additional Disclosure:**

(₹ in crore)

Particulars	As at 1 st April, 2015				
	Gross Block	Accumulated depreciation	Net Block	Ind As Adjustments	Cost
Land					
a) Freehold	1809.52	-	1809.52	(2.18)	1807.34
b) Leasehold	277.98	46.74	231.24	2.39	233.63
Buildings					
a) Sub-Stations & Office	721.74	217.74	504.00	(10.07)	493.93
b) Township	525.12	155.11	370.01	1.68	371.69
Temporary Erection	10.49	10.47	0.02	(0.01)	0.01
Roads & Bridges	179.19	54.34	124.85	1.57	126.42
Water Supply Drainage & Sewerage	110.65	34.88	75.77	0.40	76.17
Plant & Equipment					
a) Transmission	72501.33	16495.33	56006.00	(142.59)	55863.41
b) Sub-station	38326.63	10050.86	28275.77	12.61	28288.38
c) Unified Load Despatch & Communication	702.53	425.31	277.22	0.01	277.23
d) Telecom	1431.22	636.57	794.65	(0.68)	793.97
Furniture Fixtures	104.34	49.72	54.62	0.07	54.69
Office equipment	4.61	2.60	2.01	-	2.01
Electronic Data Processing & Word Processing Machines	114.69	50.14	64.55	(0.25)	64.30
Vehicles	129.23	93.57	35.66	0.40	36.06
Construction and Workshop equipment	216.66	49.09	167.57	0.14	167.71
Electrical Installation	128.26	49.21	79.05	(0.42)	78.63
Laboratory Equipments	75.59	37.20	38.39	0.23	38.62
Workshop & Testing Equipments	39.47	16.68	22.79	(0.09)	22.70
Miscellaneous Assets/Equipments	0.23	0.17	0.06	-	0.06
Total	117409.48	28475.73	88933.75	(136.79)	88796.96
Less: Provision for assets discarded	10.33	8.61	1.72	-	1.72
Grand Total	117399.15	28467.12	88932.03	(136.79)	88795.24

Notes:

- a) The Company owns 7265 hectare (6996 hectare as on 31st March, 2016; 6704 hectare as on 1st April, 2015) of land amounting to ₹ 2341.09 crore (₹ 2239.97 crore as on 31st March, 2016; ₹ 2040.97 crore as on 1st April, 2015) which has been classified into freehold land 6220 hectare (5980 hectare as on 31st March, 2016; 5714 hectare as on 1st April, 2015) amounting to ₹ 2091.04 crore (₹ 2002.83 crore as on 31st March, 2016; ₹ 1807.34 crore as on 1st April, 2015) and leasehold land 1045 hectare (1016 hectare as on 31st March, 2016; 990 hectare as on 1st April, 2015) amounting to ₹ 250.05 crore (₹ 237.14 crore as on 31st March, 2016; ₹ 233.63 crore as on 1st April, 2015) based on available documentation.
- b) i) The land classified as leasehold land held in the state of Jammu and Kashmir with area of 112.35 hectare (112.35 hectare as on 31st March, 2016; 112.35 hectare as on 1st April, 2015) amounting to ₹ 57.62 crore (₹ 57.62 crore as on 31st March, 2016; ₹ 57.62 crore as on 1st April, 2015) is acquired by state government as per procedures under State Land Acquisition Act. As per prevailing law the state government remains the owner of the land so acquired and company is only given possession for the specific use.
- ii) The transmission system situated in the state of Jammu and Kashmir have been taken over by the company w.e.f. 1st April 1993 from National Hydroelectric Power Corporation of India Limited (NHPC) upon mutually agreed terms pending completion of legal formalities.



- c) Freehold land acquired by the company includes ₹ 159.75 crore (₹ 212.60 crore as on 31st March, 2016; ₹ 33.71 crore as on 1st April, 2015) in respect of which conveyance deed in favour of the company is pending and ₹ 148.41 crore (₹ 310.10 crore as on 31st March, 2016; ₹ 197.38 crore as on 1st April, 2015) in respect of land acquired by the company for which mutation in revenue records is pending.
- d) Leasehold land includes area of 2.65 hectare (2.65 hectare as on 31st March, 2016; 2.65 hectare as on 1st April, 2015) amounting to ₹ 12.36 crore (₹ 12.36 crore as on 31st March, 2016; ₹ 12.36 crore as on 1st April, 2015) in respect of land in Chamba (HP) acquired from NHPC by the company for which legal formalities are pending.
- e) Leasehold land includes area of 0.41 hectare (0.41 hectare as on 31st March, 2016; 0.41 hectare as on 1st April, 2015) amounting to ₹ 7.64 crore (₹ 7.64 crore as on 31st March, 2016; ₹ 7.64 crore as on 1st April, 2015) in respect of land acquired for office complex on perpetual lease basis and hence not amortised.
- f) Township building includes ₹ 2.95 crore (₹ 2.95 crore as on 31st March, 2016; ₹ 2.95 crore as on 1st April, 2015) for 28 flats at Mumbai, for which registration in favour of the company is pending.
- g) 5.625 hectare of land (5.625 hectare as on 31st March, 2016; 5.625 hectare as on 1st April, 2015) having value of ₹ 0.04 crore (₹ 0.04 crore as on 31st March, 2016; ₹ 0.04 crore as on 1st April, 2015) has been transferred to National High Power Test Laboratory Pvt. Ltd. on right to use without granting ownership.

Note 5/Capital work in progress

					(₹ in crore)
Particulars	As at 1 st April, 2016	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March, 2017
Land					
Development of land	8.88	40.62	1.02	23.29	25.19
Buildings		-	-	-	
a) Sub-Stations & Office	338.37	201.20	(0.19)	144.90	394.86
b) Township	88.05	45.56	34.04	31.98	67.59
Temporary erection	-	-	-	-	-
Roads & Bridges	15.61	19.68	3.02	11.81	20.46
Water Supply Drainage and Sewerage	2.30	0.76	-	-	3.06
Plant & Equipments (including associated civil works)					
a) Transmission	21407.93	11639.93	1.33	16438.06	16608.47
b) Sub-Station	7610.84	11956.81	2060.85	9228.76	8278.04
c) Unified Load Despatch & Communication	276.37	223.61	5.41	119.57	375.00
d) Telecom	39.96	105.41	40.65	37.73	66.99
Other office equipments	16.10	2.40	-	12.01	6.49
Electrical Installations	-	0.55	-	-	0.55
Construction Stores (Net of Provision)	10208.89	596.05	2443.95	4.73	8589.34
Expenditure pending allocation					
i) Survey, investigation, consultancy & supervision Charges	21.81	3.66	0.03	1.91	23.53
ii) Difference in Exchange on foreign currency loans	640.95	(270.30)	-	301.16	69.49
iii) Expenditure during construction period(net) (Note 45)	4766.42	2500.37	(147.96)	3753.17	3661.58
	45442.48	27066.31	4442.15	30109.08	38190.64
Less: Provision for unserviceable Assets	3.64	-	-	-	3.64
	45438.84	27066.31	4442.15	30109.08	38187.00

Note 5/Capital work in progress (Contd.)

(₹ in crore)

Particulars	As at 1 st April, 2015	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March, 2016
Land					
Development of land	4.34	59.50	-	54.96	8.88
Buildings					
a) Sub-Stations & Office	303.57	306.22	75.50	195.92	338.37
b) Township	62.54	44.06	(19.30)	37.85	88.05
Temporary erection	0.02	-	-	0.02	-
Roads & Bridges	5.94	10.45	-	0.78	15.61
Water Supply Drainage and Sewerage	2.26	0.04	-	-	2.30
Plant & Equipments (including associated civil works)					
a) Transmission	26692.31	13845.43	4.14	19125.67	21407.93
b) Sub-Station	6224.13	7368.53	-	5981.82	7610.84
c) Unified Load Despatch & Communication	400.65	143.51	65.53	202.26	276.37
d) Telecom	47.67	13.34	0.44	20.61	39.96
Furniture & Fixtures	0.15	-	0.15	-	-
Other office equipments	5.58	17.56	0.54	6.50	16.10
Electrical Installations					
Construction Stores (Net of Provision)	13200.15	191.49	3182.75	-	10208.89
Expenditure pending allocation					
i) Survey, investigation, consultancy & supervision Charges	26.31	6.70	-	11.20	21.81
ii) Difference in Exchange on foreign currency loans	817.05	525.95	-	702.05	640.95
iii) Expenditure during construction period(net) (Note 45)	5441.66	2940.23	(140.05)	3755.52	4766.42
	53234.33	25473.01	3169.70	30095.16	45442.48
Less: Provision for unserviceable Assets	3.64	-	-	-	3.64
	53230.69	25473.01	3169.70	30095.16	45438.84

Note:

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

Note 5/Capital work in progress (Contd.)
(Details of Construction stores) (At cost)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Construction Stores			
Towers	1891.39	1916.62	2526.92
Conductors	2585.46	1935.64	3400.65
Other Line Materials	913.86	1263.58	1655.26
Sub-Station Equipments	2048.04	2182.37	2523.66
High Voltage Direct Current (HVDC) Equipments	708.37	2650.37	2850.07
Unified Load Despatch & Communication(ULDC) Materials	260.37	186.98	200.78
Telecom Materials	27.32	15.54	8.39
Others	154.54	57.81	34.44
	8589.35	10208.91	13200.17
Less: Provision for shortages and obsolete material	0.01	0.02	0.02
TOTAL	8589.34	10208.89	13200.15
Construction Stores include:			
i) Material in transit			
Towers	1.67	15.80	6.39
Conductors	4.42	2.23	13.35
Other Line Materials	18.63	82.53	62.93
Sub-Station Equipments	345.57	94.74	794.03
High Voltage Direct Current (HVDC) Equipments	-	267.35	413.54
Unified Load Despatch & Communication(ULDC) Materials	8.65	-	11.68
Others	63.09	-	12.05
Total	442.03	462.65	1313.97
ii) Material with Contractors			
Towers	1848.76	1900.82	2520.53
Conductors	2551.44	1932.95	3387.3
Other Line Materials	888.22	1181.04	1592.33
Sub-Station Equipments	1664.50	2087.63	1729.63
High Voltage Direct Current (HVDC) Equipments	708.37	2383.01	2436.53
Unified Load Despatch & Communication(ULDC) Materials	251.71	186.98	189.1
Telecom Materials	27.32	15.54	8.39
Others	90.10	57.81	-
Total	8030.42	9745.78	11863.81
Grand total	8472.45	10208.43	13177.78

Further Notes:

Materials with Contractors amounting to ₹385.80 crore (₹199.55 crore as on 31.03.2016 & ₹112.34 crore as on 01.04.2015) in respect of commissioned lines is pending for reconciliation. However, reconciliation are carried out on ongoing basis.

Note 6/Investment Property

(₹ in crore)

Particulars	Cost					Accumulated Amortisation				Net Book Value	
	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 31 st March, 2016
Land (Freehold)	0.02	-	-	-	0.02	-	-	-	-	0.02	0.02
Buildings	0.01	-	-	-	0.01	-	-	-	-	0.01	0.01
Total	0.03	-	-	-	0.03	-	-	-	-	0.03	0.03

(₹ in crore)

Particulars	Cost					Accumulated Amortisation				Net Book Value	
	As at 1 st April, 2015	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2016	As at 31 st March, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2016	As at 1 st April, 2015
Land (Freehold)	0.02	-	-	-	0.02	-	-	-	-	0.02	0.02
Buildings	0.01	-	-	-	0.01	-	-	-	-	0.01	0.01
Total	0.03	-	-	-	0.03	-	-	-	-	0.03	0.03

6. Investment Property (Contd.)
(i) Amount recognised in profit and loss for investment properties

	(₹ in crore)	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Rental income	0.64	0.63
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	0.64	0.63
Depreciation	-	-
Profit from investment properties	0.64	0.63

(ii) Contractual obligations

	(₹ in crore)		
	31st March, 2017	31st March, 2016	1st April, 2015
Contractual obligation for future repairs and maintenance-not recognised as a liability	NIL	NIL	NIL

(iii) Leasing arrangements

Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:-

	(₹ in crore)		
	31st March, 2017*	31st March, 2016	1st April, 2015
Within one year	0.83	0.64	0.63
Later than one year but not later than 5 years	0.91	0.83	0.64
Later than 5 years	-	-	-

*Renewal of lease agreement is under process

(iv) Fair value

	(₹ in crore)		
	31st March, 2017	31st March, 2016	1st April, 2015
Investment properties	2.87	2.75	2.60

Estimation of fair value

The fair values of investment properties have been determined by independent valuer. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 2.

Note 7/Other Intangible assets

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value		
	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 1 st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2017	As at 31 st March, 2016
Electronic Data Processing Software	36.97	5.24	-	-	42.21	14.67	15.54	-	-	30.21	22.30
Right of Way-Afforestation Expenses	981.78	315.63	-	0.07	1297.34	53.54	64.97	-	0.07	118.44	928.24
NLD Licence	-	-	-	(2.50)	2.50	-	0.12	-	(1.25)	1.37	-
Development of 1200 KV TS*	-	69.41	-	-	69.41	-	6.05	-	-	6.05	-
Total	1018.75	390.28	-	(2.43)	1411.46	68.21	86.68	-	(1.18)	156.07	950.54

*Internally generated intangible asset

Particulars	Cost				Accumulated Amortisation				Net Book Value	
	As at 1 st April, 2015	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31 st March, 2016	As at 31 st March, 2016
Electronic Data Processing Software	41.07	2.00	-	6.10	36.97	14.71	-	0.04	14.67	22.30
Right of Way-Afforestation Expenses	748.73	98.16	-	(134.89)	981.78	53.54	-	-	53.54	928.24
Scada Software	0.85	-	-	0.85	-	-	-	-	-	-
Total	790.65	100.16	-	(127.94)	1018.75	68.25	-	0.04	68.21	950.54

Note:

The Company has opted for deemed cost exemption as per Ind AS 101 'First-time Adoption of Indian Accounting Standards' of Para D7 AA. Accordingly, carrying value i.e. Gross Block less Accumulated Depreciation is considered as deemed cost as on the date of transition i.e. 1st April, 2015.



Note 7/Other Intangible assets (Contd.)

Additional Disclosure:

Particulars	As at 1 st April, 2015				
	Gross Block	Accumulated depreciation	Net Block	Ind As Adjustments	Cost
Electronic Data Processing Software	253.51	212.44	41.07	-	41.07
Right of Way-Afforestation Expenses	909.98	161.25	748.73	-	748.73
Scada Software	0.85		0.85		0.85
Total	1164.34	373.69	790.65	-	790.65

Note 8/Intangible assets under development

(₹ in crore)

Particulars	As at 1 st April, 2016	Additions	Adjustments	Capitalised during the year	As at 31 st March, 2017
Electronic Data Processing Software	1.46	1.64	0.09	2.94	0.07
Right of Way-Afforestation expenses	92.20	66.00	-	96.81	61.39
Development of 1200 KV TS	78.46	13.32	6.49	69.41	15.88
Total	172.12	80.96	6.58	169.16	77.34

(₹ in crore)

Particulars	As at 1 st April, 2015	Additions	Adjustments	Capitalised during the year	As at 31 st March, 2016
Electronic Data Processing Software	0.09	1.67	-	0.30	1.46
Right of Way-Afforestation expenses	137.45	52.89	-	98.14	92.20
Development of 1200 KV TS	73.75	10.97	6.26	-	78.46
Total	211.29	65.53	6.26	98.44	172.12

Note:

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

Note 9A/Investment accounted for using the equity method

Investments in Equity Instruments (fully paid up)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Unquoted			
Joint Venture Companies			
Torrent Power Grid Limited			
23400000 (31 st March, 2016 23400000, 1 st April, 2015 23400000) Equity Shares of ₹ 10/- each.	26.48	27.56	27.01
Jaypee Powergrid Limited			
78000000 (31 st March, 2016 78000000, 1 st April, 2015 78000000) Equity Shares of ₹ 10/- each	94.43	97.33	89.57
Parbati Koldam Transmission Company Limited			
70937620 (31 st March, 2016 70937620, 1 st April, 2015 70937620) Equity Shares of ₹ 10/- each.	92.70	76.19	72.31
Teestavalley Power Transmission Limited			

Note 9A/Investment accounted for using the equity method (Contd.)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
94277820 (31 st March, 2016 67115620, 1 st April, 2015 41011762) Equity Shares of ₹ 10/- each.	93.65	66.15	46.69
Powerlinks Transmission Limited			
229320000 (31 st March, 2016 229320000, 1 st April, 2015 229320000) Equity Shares of ₹ 10/- each	408.69	359.62	353.77
North East Transmission Company Limited			
106964000 (31 st March, 2016 106964000, 1 st April, 2015 106964000) Equity Shares of ₹ 10/- each	98.45	90.32	78.75
Energy Efficiency Services Limited			
NIL (31 st March, 2016 22500000, 1 st April, 2015 22500000) Equity Shares of ₹10/- each (Refer further note 2)		32.75	27.85
National High Power Test Laboratory Limited			
30400000 (31 st March, 2016 23900000, 1 st April, 2015 23900000) Equity Shares of ₹ 10/- each	29.97	23.44	21.66
Cross Border Power Transmission Company Limited			
12612473 (31 st March, 2016 10322000, 1 st April, 2015 4940000) Equity Shares of ₹ 10/- each	18.19	15.20	6.10
Kalinga Bidyut Prasaran Nigam Private Limited			
5000 (31 st March, 2016 5000, 1 st April, 2015 5000)Equity Shares of ₹ 10/- each	0.01	0.01	0.01
Less: Provision for diminution in the value of Investment	0.01	-	-
	-	0.01	0.01
Bihar Grid Company Limited			
148500000 (31 st March, 2016 40309000, 1 st April, 2015 10025000) Equity Shares of ₹ 10/- each	147.46	40.31	10.03
Power Transmission Company Nepal Limited			
780000 (31 st March, 2016 780000, 1 st April, 2015 156000) Equity Shares of Nepali ₹ 100/- each	7.34	5.24	0.98
RINL POWERGRID TLT Private Limited			
3400000 (31 st March, 2016 100000, 1 st April, 2015 NIL)Equity Shares of ₹ 10/- each	3.40	0.10	-
TOTAL	1020.76	834.22	734.73

1) 229319997 Equity Shares (31 March, 2016- 229319997 Equity Shares, 1st April, 2015- 229319997 Equity Shares) of Powerlinks Transmission Limited held by the Company have been pledged as security with consortium of financial institutions against financial assistance obtained by Powerlinks Transmission Limited.

2) Ceased to be Joint Venture Company w.e.f. 25th April, 2016

Note 9/Investments

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
1) Investments in Equity Instruments (fully paid up)			
Quoted			
Investments at Fair Value through Other Comprehensive Income (OCI)			
PTC India Limited			
12000006 (31 st March, 2016:12000006, 1 st April, 2015 12000006) Equity Shares of ₹10/- each	112.08	76.80	97.08


Note 9/Investments (Contd.)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Unquoted			
a) Investments at Cost (Fully paid up)			
Others			
500 (31 st March, 2016 500, 1 st April, NIL) Equity Shares of ₹ 10/- each in Employees Co-op Society Limited Rourkela (₹ 5000/-)	-	-	-
1 (31 st March, 2016 1, 1 st April, 2015 1) share of ₹ 10/- each in Bharat Broadband Network Limited (₹10/-)	-	-	-
b) Investments at Fair Value through Other Comprehensive Income (OCI)			
Energy Efficiency Services Limited			
22500000 (31 st March, 2016 NIL, 1 st April, 2015 NIL) Equity Shares of ₹10/- each (Refer further note 4)	29.62	-	-
2) Investments in Government Securities			
Unquoted Investments at Cost (Fully paid up)			
8.5% State Govt. Bonds (under one time settlement scheme) redeemable in 20 half yearly instalments	-	2.50	7.49
TOTAL	141.70	79.30	104.57
Further notes:			
1) a) Aggregate amount of Quoted Investments			
Book value	112.08	76.80	97.08
Market Value	112.08	76.80	97.08
b) Aggregate amount of Unquoted Investments	29.62	2.50	7.49
c) Aggregate amount of impairment in value of Investment	-	-	-
2) 229319997 Equity Shares (31 March, 2016- 229319997 Equity Shares, 1 st April, 2015- 229319997 Equity Shares) of Powerlinks Transmission Limited held by the Company have been pledged as security with consortium of financial institutions against financial assistance obtained by Powerlinks Transmission Limited.			
3) Investments have been valued as per accounting policy no. 2.14			
4) Ceased to be Joint Venture Company w.e.f. 25 th April, 2016			

Note 10/Loans (considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Loans to Related Parties*			
Loan to Directors & Key Managerial Personnel (KMP)			
Secured	0.08	0.12	0.08
	0.08	0.12	0.08
Loans to Employees (including interest accrued)			
Secured	114.09	124.25	127.50
Unsecured considered good	18.19	20.72	18.59
Unsecured considered doubtful	-	-	0.07
	132.28	144.97	146.16
Less - Provision for bad and doubtful	-	-	0.07
	132.28	144.97	146.09
TOTAL	132.36	145.09	146.17

* Details of loans to related parties is provided in Note 61

Note 11/Other Non-current Financial Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Lease receivables	635.24	667.40	576.41
Bank deposits with more than 12 months maturity#	158.23	213.33	-
Advances to related parties*(Subsidiaries and Others)	0.08	0.05	-
TOTAL	793.55	880.78	576.41

Further notes:

Bank deposit is against designated accounts for consultancy work.

* Details of advances to related parties are provided in Note 61

Note 12/Other non-current Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Advances for Capital Expenditure			
i) Secured	-	-	0.26
ii) Unsecured			
a. Against bank guarantees	3095.99	2866.75	2827.72
b. Others	138.89	198.04	583.24
iii) Unsecured considered doubtful	2.95	2.95	3.00
	3237.83	3067.74	3413.96
Less: Provision for bad & doubtful Advances	2.95	2.95	3.00
	3234.88	3064.79	3411.22
Security Deposits	5.13	4.89	9.89
Related Party	17.07	23.16	
Deferred Employee Cost	56.30	51.45	49.71
Deferred Foreign currency Fluctuation Asset	2974.91	3827.77	2803.82
Advances recoverable in kind or for value to be received			
Contractors & Suppliers	120.71	0.33	46.08
Employees	0.74	0.55	0.56
Balance with Customs Port Trust and other authorities	77.00	21.61	-
Advance tax and Tax deducted at source	4436.84	3834.66	4443.1
Less: Provision for taxation	4428.74	3833.30	4362.75
	8.10	1.36	80.35
Others*	22.48	11.02	3.41
	229.03	34.87	130.40
Considered doubtful	3.09	3.59	3.72
	232.12	38.46	134.12
Less: Provision for doubtful Advances	3.09	3.59	3.72
	229.03	34.87	130.40
TOTAL	6517.32	7006.93	6405.04

*Others include amount recoverable from State Governments, insurance claims, prepaid expenses etc.

Note 13/Inventories

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
(For mode of valuation refer Note 2.11)			
Components, Spares & other spare parts	902.26	713.04	631.61
Loose tools	12.23	8.56	9.09
Consumable stores	9.71	5.99	5.06
	924.20	727.59	645.76
Less Provision for Shortages/damages etc	17.25	20.16	20.16
TOTAL	906.95	707.43	625.60
Inventories includes material in transit			
Components, Spares & other spare parts	19.93	1.96	0.02

Note 14/Investments

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Government Securities (Unquoted at Cost)			
Investments at Cost (Fully paid up)			
8.5% fully paid up State Govt. Bonds (under one time settlement scheme) redeemable in 20 half yearly instalments	2.50	5.00	185.43
TOTAL	2.50	5.00	185.43
Further notes:			
a) Aggregate amount of unquoted Investments			
Book value	2.50	5.00	185.43

Note 15/Trade receivables

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
i) Trade receivables			
Unsecured Considered good	3131.93	2732.32	2121.87
Considered doubtful	32.41	29.62	27.33
	3164.34	2761.94	2149.20
ii) Receivable from related parties *			
Unsecured Considered good	-	7.15	10.19
	3164.34	2769.09	2159.39
Less: Provision for doubtful trade receivables	32.41	29.62	27.33
TOTAL	3131.93	2739.47	2132.06

* Details of trade receivable from related parties are provided in Note 61.

Note 16/ Cash and Cash Equivalents

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Balance with banks-			
- In Current accounts	625.18	291.65	800.36
- In designated Current accounts(For Consultancy and others)	752.88	620.17	151.36
- In LDC Development Account	-	-	114.69
In term deposits (with maturity less than 3 months)*	1826.86	631.75	1424.62
Drafts/Cheques in hand/Remittances in transit	36.51	-	-
Cash in hand	-	0.01	0.01
Others (Stamps and Imprest)	0.02	0.01	0.15
Total	3241.45	1543.59	2491.19

*Term deposit includes ₹1326.86 crore for Consultancy & Others (As at 31st March, 2016 ₹ 631.75 crore and as at 1st April, 2015 ₹ 1424.62 crore)

Details of Specified Bank Notes (SBN)

(Amount in ₹)

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	3792500	344100	4136600
(+) Permitted receipts	-	10000	10000
(-) Permitted payments	-	212820	212820
(-) Amount deposited in Banks	3792500	141280	3933780
Closing cash in hand as on 30.12.2016	-	-	-

Note 17/ Bank Balances (Other than Cash & Cash Equivalents)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Earmarked balance with bank*	11.18	10.29	10.39
In Term Deposits having maturity over 3 months but upto 12 months (For Consultancy and others)	101.00	689.47	-
-In Designated Current Account/Flexi Deposit accounts operated in Terms of CERC	-	-	48.33
-In Current Account			
I) CTU	-	-	47.52
II) STU	-	-	38.13
PSDF Distribution Account	-	-	185.46
In Flexi deposits REC	-	-	12.12
Total	112.18	699.76	341.95

Balance in current account includes:

* Earmarked balance with Bank includes unpaid dividend and refund of FPO proceeds

Note 18/Loans

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Loans to Related Parties			
Loan to Directors & Key Managerial Personnel (KMP)			
Secured	0.06	0.06	0.08
Unsecured Considered good	0.01	-	-
	0.07	0.06	0.08
Loans to Employees (including interest accrued)			
Secured	22.28	18.00	16.19
Unsecured Considered good	12.79	12.66	10.66
	35.07	30.66	26.85
Others	4.68	-	0.04
TOTAL	39.82	30.72	26.97

Note19/Other Current Financial Assets

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Lease Receivable	70.94	82.72	73.68
Current Maturities of Long Term Advances (Under Securitisation Scheme)	-	7.71	23.14
Unbilled Revenue*	2542.29	3029.00	2245.34
Interest accrued but not due			
Interest accrued on Investments (Bonds)	0.46	4.36	8.68
Interest accrued on Term/Fixed Deposits	0.40	0.22	8.85
Interest accrued on Others	1.20	2.38	0.24
	2.06	6.96	17.77
Related Party	-	5.86	24.79
Others (Unsecured) **			
Considered Good	639.28	209.40	174.23
Considered Doubtful	0.86	-	-
Total	640.14	209.40	174.23
Less: Provision for doubtful Advances	0.86	-	-
	639.28	209.40	174.23
Total	3254.57	3341.65	2558.95

Further notes:

* Unbilled revenue includes transmission charges for the month of March in the financial year amounting to Rs 1968.66 crore (31st March, 2016 ₹ 1578.65 crore and 1st April, 2015 ₹ 1285.03 crore) billed to beneficiaries in the month of April of subsequent financial year.

** Others include amount recoverable from Customers, Advance rent for Residential and Office accomodation, other advance etc.

Note 20/Other current Assets

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Advances recoverable in kind or for value to be received			
Contractors & Suppliers	206.41	159.01	33.83
Employees	6.04	7.97	11.13
Balance with Customs Port Trust and other authorities	51.36	88.17	31.98
Claims recoverable	1.12	5.80	3.85
	264.93	260.95	80.79
Advances to related parties			
Subsidiaries	-	33.38	-
Others*			
Considered Good	35.18	159.41	79.04
Considered Doubtful	0.03	0.03	-
	35.21	159.44	79.04
Less : Provision for Doubtful Advances	0.03	0.03	-
	35.18	159.41	79.04
Total	300.11	453.74	159.83

* Others include advance given for CSR activities and prepaid expenses

Note 21/Assets classified as held for sale

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Investments in Equity Instruments (fully paid up)			
Subsidiary Company			
Power System Operation Corporation Ltd.			
NIL (31 st March, 2016 30640000; 1 st April, 2015 NIL) Shares of ₹10 each.	-	81.21	-
TOTAL	-	81.21	-

Notes:

Pursuant to communication of Ministry of Power vide office memorandum 18/02/2015-PG dated 25th March, 2015 and 29th December, 2015, Board of Directors in its meeting held on 9th March, 2016 had approved to sell and transfer 3,06,40,000 equity shares of ₹ 10 each (100% shareholding) held by the company in Power System Operation Corporation Limited (POSOCO) to Government of India. Accordingly, investment in above equity shares were shown as 'Assets held for sale' as on 31st March, 2016 in accordance with IND-AS 105 "Non –current Assets held for sale and Discontinued operation"

Ministry of Power vide their order dated 23/09/2016 conveyed sanction for release of ₹ 81.21 crore to POWERGRID towards consideration for transfer of above equity shares based on the book value of POSOCO as at 31st March, 2013. The Company has taken up with the GOI for payment of ₹ 113.88 crore towards consideration for transfer of shares in POSOCO based on the book value as at 30th September, 2016.

The above shares were transferred to GOI on 2nd January, 2017 after receipt of ₹ 81.21 crore. Matter is being pursued with Ministry of Power for payment of the balance amount of ₹ 32.67 crore (i.e. ₹ 113.88 crore- ₹ 81.21 crore).

Note 22/Regulatory Deferral Account Balances

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Assets			
For Foreign Currency Fluctuation	4.42	37.67	37.72
For Employee Benefits Expense	103.18	-	-
TOTAL	107.60	37.67	37.72


Note 23/Equity Share capital

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Equity Share Capital			
Authorised 10000000000 (31 st March, 2016 10000000000; 1 st April, 2015 10000000000) equity shares of ₹ 10/- each at par	10000.00	10000.00	10000.00
Issued, subscribed and paid up 5231589648 (31 st March, 2016 5231589648; 1 st April, 2015 5231589648) equity shares of ₹ 10/-each at par fully paid up	5231.59	5231.59	5231.59

Further Notes:

- 1) Reconciliation of number and amount of share capital outstanding at the beginning and at the end of the reporting period

(₹ in crore)

Particulars	For the year ended 31 st March, 2017		For the year ended 31 st March, 2016	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Shares outstanding at the beginning of the year	5231589648	5231.59	5231589648	5231.59
Shares outstanding at the end of the year	5231589648	5231.59	5231589648	5231.59

- 2) The Company has only one class of equity shares having a par value of ₹10/- per share.
- 3) The holders of equity shares are entitled to receive dividends as declared from time to time and to voting rights proportionate to their shareholding at meetings of the Shareholders.
- 4) Shareholders holding more than 5% equity shares of the Company

(₹ in crore)

Particulars	As at 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
i) Government of India	3028835198	57.90	3028835198	57.90	3028835198	57.90
ii) Europacific Growth Fund	-	-	-	-	296023422	5.66

Note 24/Other Equity

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Reserves and Surplus			
Securities Premium Reserve	9578.29	9578.29	9578.29
Bonds Redemption Reserve	8095.83	6893.16	5870.47
Self Insurance Reserve	677.79	484.47	387.18
Corporate Social Responsibility(CSR) Activity Reserve	123.38	135.53	129.52
General Reserve	23312.01	21312.00	17835.23
Load Despatch & Communication (LDC) Development Fund	-	-	158.96
REC Fund	-	-	10.64
Retained Earnings	2742.85	270.09	231.74
Other Reserves			
Other Comprehensive Income Reserve	103.76	64.80	85.08
Total	44633.91	38738.34	34287.11

24.1 Securities Premium Reserve

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Balance at the beginning of the year	9578.29	9578.29
Balance at the end of the year	9578.29	9578.29

24.2 Bonds Redemption Reserve

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Balance at the beginning of the year	6893.16	5870.47
Addition during the year	2004.95	1720.62
Deduction during the year	802.28	697.93
Balance at the end of the year	8095.83	6893.16

Bonds Redemption Reserve is created for the purpose of redemption of debentures in term of the Companies Act, 2013

24.3 Self Insurance Reserve

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Balance at the beginning of the year	484.47	387.18
Addition during the year	194.17	102.58
Deduction during the year	0.85	5.29
Balance at the end of the year	677.79	484.47

Self-Insurance Reserve is created @ 0.12% p.a.(0.10% p.a. in previous year) on the Original Cost of Property, Plant & Equipments not covered under insurance as at the end of the year to meet future losses which may arise from un-insured risks.

24.4 Corporate Social Responsibility (CSR) Activity Reserve

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Balance at the beginning of the year	135.53	129.52
Addition during the year	-	6.01
Deduction during the year	12.15	-
Balance at the end of the year	123.38	135.53

Corporate Social Responsibility Reserve was created to the extent of shortfall in the actual expenditure in any year vis-à-vis the amount stipulated as per the Companies Act, 2013.

24.5 General Reserve

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Balance at the beginning of the year	21312.00	17835.23
Addition during the year	2,000.00	3500.00
Deduction during the year	10.29	28.82
Add/(Less): Adjustments	10.30	5.59
Balance at the end of the year	23312.01	21312.00

General Reserve are retained earnings of company which are kept aside out of company's profits. It is a free reserves which can be utilized to meet any unknown future contingencies and to pay dividends to shareholders.

24.6 Load Despatch & Communication (LDC) Development Fund

(₹ in crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at the beginning of the year	-	158.96
Addition during the year	-	-
Deduction during the year	-	158.96
Add/(Less): Ind AS Adjustments	-	-
Balance at the end of the year	-	-

24.7 REC Fund

(₹ in crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at the beginning of the year	-	10.64
Addition during the year	-	-
Deduction during the year	-	10.64
Add/(Less): Ind AS Adjustments	-	-
Balance at the end of the year	-	-

24.8 Retained Earnings

(₹ in crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at the beginning of the year	270.09	231.74
Add: Additions	-	-
Net Profit for the period	7450.74	5958.64
Items of other comprehensive income recognised directly in surplus balance		
- Remeasurements of post employment benefit obligations	10.87	8.31
Transfer from Bond Redemption Reserve	802.28	697.93
Adjustment on account of recognitions as Asset Held for Sale	0.00	40.58
Other Adjustments	0.09	0.02
Less: Appropriations		
General Reserve	2000.00	3500.00
Bonds Redemption Reserve	2004.95	1720.62
CSR Activities Reserve	-	6.01
Self Insurance Reserve	194.17	102.58
Interim dividend paid	523.15	418.53
Tax on Interim dividend	105.40	85.01
Final Dividend (refer note 65(b))	789.97	685.34
Tax on Final Dividend	173.58	149.04
Balance at the end of the year	2742.85	270.09

24.9 Other Comprehensive Income Reserve

(₹ in crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at the beginning of the year	64.80	85.08
Addition during the year	38.96	0.00
Deduction during the year	-	20.28
Balance at the end of the year	103.76	64.80

Note 25/ Borrowings

Description		As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
A) BONDS				
A1) Domestic				
Secured Taxable, Redeemable, Non-Cumulative, Non-Convertible				
A1.1 i)	Bonds of ₹10 Lakh each			
	LV Issue-7.55% Redeemable at par on 21.09.2031	1238.62	-	-
	XXXIX Issue- 9.40% redeemable at par on 29.03.2027	1799.36	1,799.44	1,799.08
	LVIII Issue- 7.89% redeemable at par on 09.03.2027	2058.95	-	-
	XXXVIII Issue- 9.25% redeemable at par on 09.03.2027	854.48	854.52	854.36
	LVI Issue- 7.36% redeemable at par on 18.10.2026	1063.83	-	-
	XLII Issue-8.80% redeemable at par on 13.03.2023	1989.07	1,989.14	1,988.77
	LVII Issue- 7.20% redeemable at par on 21.12.2021	2118.27	-	-
ii)	Bonds of ₹30 Lakh each consisting of 3 STRPPs of Rs 10 lakh each redeemable at par in 3(Three) equal annual installments			
	LIV Issue-7.97% Redeemable on 15.07.2021, 15.07.2026 and 15.07.2031	2997.11	-	-
	LII Issue-8.32% redeemable on 23.12.2020,23.12.2025 and 23.12.2030	1396.75	1396.58	-
	XLIX Issue-8.15% redeemable on 09.03.2020,09.03.2025 and 09.03.2030	1304.38	1304.44	1304.24
	XLVI Issue-9.30% redeemable on 04.09.2019,4.09.2024 and 04.09.2029	4357.74	4356.38	4356.05
	XLIV Issue-8.70% redeemable on 15.07.2018,15.07.2023 and 15.07.2028	3962.03	3961.93	3961.47
iii)	Bonds of ₹1.20 crore each consisting of 12 STRPPs of Rs 10 lakh each redeemable at par in 12(twelve) equal annual installments			
	LIII Issue-8.13% Redeemable w.e.f 25.04.2020	3993.89	-	-
iv)	Bonds of ₹0.10 crore each redeemable at par at the end of 5th year			
	2900 Bonds-8.90% redeemable on 05.03.2020	290.00	290.00	-
v)	Bonds of ₹1.20 crore each consisting of 12 STRPPs of Rs 10 lakh each redeemable at par in 12(twelve) equal annual installments			
	LI Issue-8.40% redeemable w.e.f. 14.09.2019	2996.74	2996.56	-
	L Issue-8.40% redeemable w.e.f. 27.05.2019	2926.13	2926.18	-
	XLVII Issue-8.93% redeemable w.e.f 20.10.2018	2636.90	2636.67	2636.55
	XLV Issue-9.65% redeemable w.e.f. 28.02.2018	1831.36	1998.04	1997.61
	XLIII Issue-7.93% redeemable w.e.f. 20.05.2017	2863.58	3124.11	3123.67


Note 25/ Borrowings (Contd.)

Description	As at	As at	As at
	31 st March, 2017	31 st March, 2016	1 st April, 2015
XLI Issue-8.85% redeemable w.e.f. 19.10.2016	2365.63	2601.96	2838.68
XL Issue-9.30% redeemable w.e.f. 28.06.2016	3327.43	3660.13	3992.71
XXXVII Issue- 9.25% redeemable w.e.f 26.12.2015	1494.70	1660.54	1826.66
vi) Bonds of ₹40 Lakh each consisting of 4 STRPPs of Rs 10 lakh each redeemable at par in 4(Four) equal installments			
XLVIII Issue-8.20% redeemable on 23.01.2020, 23.01.2022,23.01.2025 and 23.01.2030	2578.29	2579.09	2577.90
vii) Bonds of ₹1.50 crores each, consisting of 15 STRPPs of ₹10.00 Lakhs each redeemable at par in 15 (fifteen) equal annual instalments			
XXXVI Issue- 9.35% redeemable w.e.f. 29.08.2016	2674.67	2880.26	3086.03
viii) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (twelve) equal annual instalments.			
XXXV Issue- 9.64% redeemable w.e.f 31.05.2015	1466.80	1629.80	1792.53
XXXIV Issue- 8.84% redeemable w.e.f 21.10.2014	2322.11	2612.16	2902.34
XXXIII Issue- 8.64% redeemable w.e.f 08.07.2014	1918.04	2157.77	2397.28
XXXII Issue- 8.84% redeemable w.e.f 29.03.2014	603.56	689.83	775.89
XXXI Issue- 8.90% redeemable w.e.f 25.02.2014	1193.66	1363.92	1534.52
XXX Issue- 8.80% redeemable w.e.f 29.09.2013	1358.84	1552.85	1746.90
XXIX Issue- 9.20% redeemable w.e.f 12.03.2013	648.39	756.51	864.40
XXVIII Issue- 9.33% redeemable w.e.f 15.12.2012	1198.48	1398.03	1597.79
XXVII Issue- 9.47% redeemable w.e.f 31.03.2012	293.65	352.40	411.04
XXVI Issue- 9.30% redeemable w.e.f 07.03.2012	415.99	499.22	582.30
XXV Issue- 10.10% redeemable w.e.f 12.06.2011	443.23	531.89	620.46
XXIV Issue- 9.95% redeemable w.e.f 26.03.2011	266.41	333.04	399.56
XXIII Issue- 9.25% redeemable w.e.f 09.02.2011	102.41	127.99	153.61
XXII Issue- 8.68% redeemable w.e.f 07.12.2010	229.73	287.13	344.57
XXI Issue- 8.73% redeemable w.e.f 11.10.2010	169.77	212.20	254.64
XX Issue- 8.93% redeemable w.e.f 07.09.2010	499.29	624.10	748.91
XIX Issue- 9.25% redeemable w.e.f 24.07.2010	164.77	205.97	247.14
XVIII Issue- 8.15% redeemable w.e.f 09.03.2010	249.63	332.86	416.00
XV Issue-6.68% redeemable w.e.f. 23.02.2008	74.95	149.90	224.88
ix) Bonds of ₹1.00 crores each, consisting of 10 STRPPs of ₹10.00 Lakhs each redeemable at par in 10 (ten) equal annual instalments.			

Note 25/ Borrowings (Contd.)

Description	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
XVII Issue- 7.39% redeemable w.e.f 22.09.2009	99.84	199.73	299.63
XVI Issue- 7.10% redeemable w.e.f 18.02.2009	-	74.92	149.89
A1.2 Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 lakh each redeemable at par in 12 (twelve) equal annual instalments			
XIII issue-8.63% redeemable w.e.f 31.07.2006	-	67.36	134.77
A1.3 Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 lakh each redeemable at par in 12 (twelve) equal annual instalments			
XII issue-9.70% redeemable w.e.f 28.03.2006	-	-	15.36
A1.4 Bonds of ₹3 crores each consisting of 12 STRPPs of ₹25 lakh each redeemable at par in 12 (twelve) equal annual instalments			
XI issue-9.80% redeemable w.e.f 07-12-2005	-	-	45.13
	68839.46	59175.55	55003.32
A2) Unsecured (Foreign Currency)			
A2.1 Redeemable Foreign Currency Notes			
3.875% Foreign Currency Notes redeemable at par on 17.01.2023	3262.79	3345.53	3153.42
Total (A)	72102.25	62521.08	58156.74
B) Term loans			
B1) from Banks			
B1.1 Secured			
i) Foreign Currency Loans (Guaranteed by Government of India (GOI))	20213.43	20455.20	19296.01
ii) Other Foreign Currency Loans	2672.65	2748.04	2595.85
iii) Rupee Loans	12752.00	12031.00	7600.00
	35638.08	35234.24	29491.86
B1.2 Unsecured			
i) Foreign Currency Loans (Guaranteed by GOI)	1445.26	587.16	184.91
ii) Other Foreign Currency Loans	1917.58	2120.83	1478.06
iii) Rupee Loans	150.00	-	-
	3512.84	2707.99	1662.97
B2) from Other Financial Institution			
B2.1 Secured			
i) Rupee Loans	-	-	0.22
Total B	39150.92	37942.23	31155.05
TOTAL (A to B)	111253.17	100463.31	89311.79

Further notes:**Details of terms of repayment and rate of interest**

- 1 Secured Foreign Currency Loans (Guaranteed by GoI) carry floating rate of interest linked to 6M LIBOR. These loans are repayable in semi annual installment, as per terms of the respective loan agreement, commencing after moratorium period of 3 to 5 years
- 2 Secured other Foreign Currency Loans carry floating rate of interest linked to 6M LIBOR /EURIBOR/STIBOR. These loans are repayable in semi annual installment, as per terms of the respective loan agreement, commencing after moratorium period of 3 to 5 years.
- 3 Secured Rupee loan from banks carry floating rate of interest linked to 1 year MCLR and 6M MCLR. These loans are repayable in semi annual installment, as per terms of the respective loan agreement, commencing after moratorium period of 5 years.


Note 25/ Borrowings (Contd.)

- 4 Unsecured Foreign Currency Loans (Guranteed by GoI) carry fixed rate of interest ranging from 1.63%p.a. to 2.30%p.a. These loans are repayable in semi annual installment as per terms of the respective loan agreement.
- 5 Unsecured Foreign Currency Loans carry floating rate of interest linked to 6M STIBOR/EURBOR. These loans are repayable in semi annual installment as per terms of the respective loan agreement, commencing after moratorium period of 4 to 5 years.
- 6 Unsecured Rupee loan from bank carry floating rate of interest linked to 6 months MCLR. These loans are repayable in semi annual installment, as per terms of the respective loan agreement, commencing after moratorium period of 5.5 years.

Details of Securities

- 1 Domestic Bonds mentioned at A1.1 are Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.
- 2 Domestic Bonds mentioned at A1.2 are secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage & hypothecation on assets of Kishenpur Moga & Dulhasti Contingency Transmission System
- 3 Domestic Bonds mentioned at A1.3 are secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage and hypothecation on assets of Kayamkulam & Ramagundam Hyderabad Transmission System
- 4 Domestic Bonds mentioned at A1.4 are secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage & hypothecation on assets of Anta, Auriya, Moga-Bhiwani, Chamera-Kishenpur, Sasaram-Allahabad, LILO of Singrauli-Kanpur and Allahabad Sub-Station
- 5 Secured Foreign Currency Loans (Guranteed by GoI) at B1.1(i) are secured by pari passu interest in the lien created on the assets as security for the debts.
- 6 Secured other Foreign Currency Loans and Rupee Loans at B1.1(ii & iii) are secured by way of the pari passu charge on the assets of the company except investments, land and building, roads and bridges, water supply, drainage and sewerage and current assets. Loan from NIB is secured by way of the pari passu charge on the assets of the company except investments and current assets. Loan from Bank of India is secured by floating charge on the immovable properties of the company.
- 7 Secured ₹ Loan from Other financial institution at B2.1 is secured by floating charge on the fixed assets of the Company.

Note 26/ Other Non-current financial liabilities

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Deposits /Retention money from contractors and others.	284.34	486.68	631.82
Dues for Capital Expenditure	190.26	384.31	23.59
Total	474.60	870.99	655.41

Further Notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 53

Note 27/ Provisions

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Employee Benefits			
As per last balance sheet	650.45	609.51	610.06
Additions/(adjustments) during the year	139.11	40.94	(0.55)
Closing Balance	789.56	650.45	609.51

Employee Benefits

Provision is created for the purpose of leave encashment, Settlement Allowance, and long service award and other benefits. Detailed disclosure related to provisions for Employee benefit is given in note 69.

Note 28/ Deferred tax liabilities (Net)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Deferred Tax Liability			
Depreciation difference on Property, Plant and Equipment	11257.94	8558.08	6784.59
Finance Lease assets	90.83	106.27	78.86
Others	66.30	59.51	61.88
Share of undistributed dividends in Joint Ventures	46.55	33.44	30.67
Share of undistributed dividends of Subsidiary		0.72	4.21
Assets Held for Sale		7.99	
Sub-total (A)	11461.62	8766.01	6960.21
Deferred Tax Assets			
Income during Construction Period	18.69	92.35	110.25
Self Insurance Reserve	11.26	11.67	13.49
Provisions allowable on payment basis	236.77	135.59	113.14
Advance Against Depreciation	562.31	621.41	670.90
Others	228.41	137.08	133.00
Sub-total (B)	1057.44	998.10	1040.78
Deferred Tax Liability (Net) (A-B)	10404.18	7767.91	5919.43
Less: Deferred assets for deferred tax liability	7868.20	5249.13	3437.71
Net Deferred tax liability	2535.98	2518.78	2481.72

Movement in Deferred Tax Liabilities

(₹ in crore)

Particulars	Depreciation Difference in Property, Plant and Equipment	Finance Lease Asset	Others	Undistributed Dividend in JVs	Undistributed Dividend in Subsidiary	Assets held for sale	Total
At 1 April 2015	6784.59	78.86	61.88	30.67	4.21	-	6960.21
Charged/(credited)							
- to profit or loss	1773.49	27.41	(2.37)	2.77	(3.49)	7.99	1805.8
- to other comprehensive income	-	-	-	-	-	-	-
At 31 March 2016	8558.08	106.27	59.51	33.44	0.72	7.99	8766.01
Charged/(credited)							
- to profit or loss	2699.86	(15.44)	6.79	13.11	(0.72)	(7.99)	2695.61
- to other comprehensive income	-	-	-	-	-	-	-
At 31 March 2017	11257.94	90.83	66.3	46.55	-	-	11461.62

- a) Charge of ₹17.20 crore (Previous year ₹ 37.06 crore) has been made in the Statement of Profit & Loss.
- b) The tariff norms for the block period 2014-2019 notified by the CERC provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax provided during the year ended 31st March, 2017 on the transmission income is accounted as 'Deferred Assets against Deferred Tax Liability'. Deferred Assets against Deferred Tax Liability for the year will be reversed in future years (including tax holiday period) when the related deferred tax liability forms a part of current tax. This is in line with Guidance Note on Rate Regulated Activities, issued by ICAI.

Note 28/ Deferred tax liabilities (Net) (Contd.)
Movement in Deferred Tax Assets

(₹ in crore)						
Particulars	Income during construction	Self-insurance reserve	Provision and 43B Expenses	Advance against depreciation	Others	Total
At 1 April 2015	110.25	13.49	113.14	670.90	133.00	1040.78
Charged/(credited)						
- to profit or loss	(17.90)	(1.82)	22.45	(49.49)	4.08	(42.68)
At 31 March 2016	92.35	11.67	135.59	621.41	137.08	998.10
Charged/(credited)						
- to profit or loss	(73.66)	(0.41)	101.18	(59.10)	91.33	59.34
At 31 March 2017	18.69	11.26	236.77	562.31	228.41	1057.44

Amount taken to statement of Profit and Loss

(₹ in crore)		
Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Increase in Deferred Tax Liabilities	2,695.61	1805.80
Decrease/(Increase) in Deferred Tax Assets	(59.34)	42.68
Total	2636.27	1848.48
Less: Deferred Assets for deferred tax liability	2619.07	1811.42
Net Amount taken to Statement of Profit and Loss	17.20	37.06

Note 29/Other non-current liabilities

(₹ in crore)			
Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Advance from customers (Consultancy/Telecom contracts)	448.16	431.20	401.03
Others*	127.04	0.38	0.58
Total	575.20	431.58	401.61

*Others includes amount Payable to Customers on recovery

Note 30/Borrowings

(₹ in crore)			
Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Short Term -Unsecured			
From Banks	-	2,000.00	1,200.00
From Others			
- Commercial Paper	1500.00	-	-
Total	1500.00	2000.00	1200.00

Note 31/Trade payables

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
For goods and services	413.98	313.89	392.97
Total	413.98	313.89	392.97

Further Notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 53.

Note 32/Other Current Financial Liabilities

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Current maturities of long term borrowings			
Secured			
Bonds	3812.37	3445.94	2791.60
Rupee Term Loans	454.00	454.23	101.68
Foreign Currency Loans	1715.36	1906.71	1489.18
	5981.73	5806.88	4382.46
Un-secured			
Foreign Currency Loans	253.01	274.72	86.10
	6234.74	6081.60	4468.56
Interest accrued but not due on borrowings from			
Indian Banks & Financial Institutions	-	-	5.78
Foreign Banks & Financial Institutions	124.76	78.26	41.32
Secured/Unsecured redeemable Bonds	3067.45	2610.35	2313.63
	3192.21	2688.61	2360.73
Others			
Dues for capital expenditure	3793.43	4422.09	4729.45
Employee related liabilities	135.88	85.02	116.10
Unclaimed dividends & FPO*	11.18	9.31	10.39
Deposits/Retention money from contractors and others.	5648.99	4611.49	4820.97
Related parties	40.31	56.25	48.23
Others#	753.20	282.48	171.33
	10382.99	9466.64	9896.47
Total	19809.94	18236.85	16725.76

Further notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No. 53

* No amount is due for payment to Investor Education and Protection Fund

Others include liability for dead cheques, Price variation, Long Term Access(LTA), Short Term Open Access(STOA) etc

Note 33/Other current liabilities

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Advances from customers	2,495.83	3,431.48	2,397.14
Statutory dues	93.25	107.43	195.10
Liability on account of Truing up	-	-	180.31
Other Liability- Third Party	-	-	55.94
STU	-	-	85.65
PSDF Grant	-	-	185.46
Employee Related Liability	-	-	0.27
Others	-	-	13.87
Total	2589.08	3538.91	3113.74

Note 34/ Provisions

(₹ in crore)

Description	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
A) Employee Benefits			
i) Performance related pay /special incentive			
As per last balance sheet	182.52	213.13	133.19
Addition during the year	168.04	160.31	117.12
Amount paid/adjusted during the year	240.73	190.92	37.18
Closing Balance	109.83	182.52	213.13
ii) Wage revision			
As per last balance sheet	-	-	-
Additions during the year	265.43	-	-
Amounts utilised/paid during the year	-	-	-
Closing Balance	265.43	-	-
ii) Other Employee Benefits			
(Leave Encashment, Settlement Allowance and Long Service Award etc.)			
As per last balance sheet	46.56	43.39	40.68
Additions/(adjustments) during the year	27.30	3.17	2.71
Closing Balance	73.86	46.56	43.39
Total (A)	449.12	229.08	256.52
B) Others			
i) Downtime Service Credit-Telecom			
As per last balance sheet	10.10	6.78	5.23
Additions during the year	9.11	4.07	2.15
Amounts adjusted during the year	4.36	0.75	0.60
Closing Balance	14.85	10.10	6.78
ii) Provision Others			
As per last balance sheet	58.97	3.39	2.13
Additions/(adjustments) during the year	14.27	55.58	1.26
Closing Balance	73.24	58.97	3.39
Total (B)	88.09	69.07	10.17
Total (A+B)	537.21	298.15	266.69

Note 34/ Provisions (Contd.)**Notes:****Employee Benefits**Performance Related Pay/Special Incentive

Provision is created for Performance Related Pay to Executives and Non-Executives

Wage Revision

Pay revision of employees of the Company is due w.e.f 1st January, 2017. In line with the Report of the 3rd Pay Revision Committee for Central Public Sector Enterprises constituted by the GOI, provision has been made for the impact of the pay revision including towards increase in the ceiling limit of gratuity from the existing limit of ₹ 10 lakhs to ₹ 20 lakhs as per actuarial valuation.

Other Employee Benefits

Provision is created for the purpose of meeting out leave encashment, settlement allowance and long service award.

OthersDowntime Service Credit -Telecom

Provision is created in case when actual downtime is in excess of the permissible service level agreement, in such cases the necessary credit is passed on to the customer on demand.

However, in some case, the downtime is not claimed by the customer then in such cases necessary provision on account of downtime is made in the books of accounts as per the links availability reports received from National Telecom Control Centre (NTCC) for the period of non-operation of links given to the customers. The calculation of downtime credit is based on the SLA signed with various customers.

Note 35/ Current Tax Liabilities (Net)

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Taxation (Including interest on tax)			
As per last balance sheet	4134.05	4,503.22	4503.22
Additions during the year	1989.07	1575.89	-
Amount adjusted during the year	1275.97	1945.06	-
Total	4847.15	4134.05	4503.22
Net off against Advance tax and TDS	4428.74	3,833.30	4,362.75
Closing Balance	418.41	300.75	140.47

Note 36/Deferred Revenue

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Advance against depreciation	1624.81	1770.66	1911.50
Grants in aid*			
As per last Balance Sheet	109.17	74.42	74.33
Received during the year	63.02	58.00	0.33
Adjustments during the year	21.89	23.25	0.24
Closing balance	150.30	109.17	74.42
Deferred income from foreign currency fluctuation(Net)	3107.26	3818.31	2750.23
TOTAL	4882.37	5698.14	4736.15

Further Notes:

* Grants in aid include an amount of ₹ 63.02 crore (₹ 58.00 crore as at 31st march, 2016 and NIL as at 1st april, 2015) received for project under construction.

Note 37/Revenue from operations

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Sales of services		
Transmission Business		
Transmission Charges	24,360.05	19,599.11
Add: Revenue recognised out of Advance Against Depreciation	145.85	140.76
	24505.90	19739.87
Other Operating Revenue	218.62	76.04
	24724.52	19815.91
Telecom Business	559.36	434.92
Less: Inter Divisional Transfers	55.53	42.67
	503.83	392.25
Consultancy Project Management and Supervision	475.56	443.92
Total	25703.91	20652.08

Notes:

- In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of tariff) Regulations 2014" vide order dated 21st February, 2014 for the determination of transmission tariff for the block period 2014-19.
- The company has recognised transmission income during the year as per the following:-
 - ₹ 22160.14 crore (previous year ₹ 12630.71 crore) as per final tariff orders issued by CERC.
 - ₹ 2345.75 crore (previous year ₹ 7109.16 crore) in respect of transmission assets for which final tariff orders are yet to be issued as per CERC Tariff Regulations and other orders in similar cases.
- Other operating income includes interest on differential between provisional and final tariff and income from finance lease.

Note 38/Other income

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Dividend income from investment in		
Equity investments designated at fair value through other comprehensive income	3.51	2.64
Equity Investments in Asset held for Sale	3.56	20.07
	7.07	22.71
Interest income from financial assets at amortised cost		
Interest on Govt. securities	0.79	14.03
Indian Banks	121.94	82.51
Others*	16.16	15.88
	138.89	112.42
Interest from advances to contractors	70.41	64.12
	209.30	176.54
Others		
Profit on sale of Property, Plant and Equipment	0.03	1.59
Profit on reclassification of Investment	3.44	-
Transfer from Grants-in-aid	21.89	21.96
Finance Income from finance lease	75.99	59.59
Surcharge	188.50	92.91
Hire charges for equipments	-	0.03

Note 38/Other income (Contd.)

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
FERV gain	27.34	0.05
Rebate	0.30	0.32
Provisions written back	3.98	3.90
Fair Value gain on initial recognition of Financial liability/investment	57.44	74.93
Miscellaneous income	128.02	93.20
	506.93	348.48
	723.30	547.73
Less : Transferred to expenditure during construction (Net)-Note 45	139.49	81.44
TOTAL	583.81	466.29

Further Notes:

* Other Interest-Others include interest on employee loans & unwinding of finance cost on employee loans.

Note 39/Employee benefits expense

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Salaries, wages, allowances & benefits	1393.10	1157.44
Contribution to provident and other funds	357.03	205.09
Staff Welfare expenses(Including Deferred Employee cost)	161.47	140.66
	1911.60	1503.19
Less : Transferred to Expenditure during Construction (Net) - Note 45	534.47	509.45
TOTAL	1377.13	993.74

Further Notes

- a) Employee benefits expense include the following for the whole time directors and Key Managerial Personnel including Chairman and Managing Director and excluding arrears paid to ex-directors.

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Salaries and Allowances	2.05	2.31
Contribution to Provident Fund and other Funds, Gratuity and Group Insurance	0.30	0.35
Other benefits	1.26	0.41

In addition to the above remuneration, the whole time directors have been allowed to use the staff car (including for private journeys) on payment of ₹ 2000/- p.m. as contained in the Department of Public Enterprises (DPE) OM No. 2 (23)/11-DPE (WC)-GL-V/13 dated 21/01/2013.

- b) Employee benefits expense includes ₹ 204.51 crore (net of amount transferred to Expenditure during Construction) towards Pay Revision of employees of the Company due w.e.f. 1st January, 2017, of which ₹ 107.75 crore is towards proposed increase in the ceiling limit of gratuity from ₹ 10 lakhs to ₹ 20 lakhs.
- c) Pending approval of Ministry of Power and Department of Public Enterprises, special allowance upto 10% of basic pay amounting to ₹ 12.34 crore for the Financial Year 2016-17 (₹ 17.67 crore for F.Y. 2015-16) (Cumulative amounting to ₹ 126.35 crore upto 31st March, 2017) is being paid to employees who are posted in the difficult and far flung areas. The above allowance is in addition to the maximum ceiling of 50% of basic Pay as per DPE office memorandum No. 2(70)/08-DPE (WC)-GL-XVI/08 dated 26th November, 2008.


Note 40/ Finance costs

(₹ in crore)		
Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
i) Interest and finance charges on financial liabilities at amortised cost		
Indian Banks & Financial Institutions	1311.61	1092.88
Foreign Banks and Financial Institutions	397.31	269.81
Secured/Unsecured redeemable Bonds	5927.22	5405.03
Foreign Currency Bonds	121.62	141.68
ii) Unwinding of discount on financial liabilities	60.82	88.32
iii) Interest-Others	75.80	80.43
	7894.38	7078.15
Other Finance charges		
Commitment charges	9.56	12.07
Guarantee Fee	263.30	259.49
Others*	35.66	47.01
	308.52	318.57
Exchange differences regarded as adjustment to Borrowing Cost	(46.23)	
	262.29	318.57
	8156.67	7396.72
Less: Transferred to Expenditure during Construction(Net)-Note 45	1953.12	2310.49
TOTAL	6203.55	5086.23

*Others includes agency fees, trustee fees etc

Note 41/ Depreciation and amortization expense

(₹ in crore)		
Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Depreciation of Property, Plant and Equipment	7804.88	6322.45
Amortisation of Intangible assets	86.68	68.25
	7891.56	6390.70
Less: Transferred to Expenditure During Construction(Net)-Note 45	16.18	12.12
	7875.38	6378.58
Less: Depreciation amortised due to FERV adjustment	153.13	196.76
Charged To Statement of Profit & Loss	7722.25	6181.82

Note 42/ Other expenses

(₹ in crore)		
Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Repair & Maintenance		
Buildings	54.98	47.67
Plant & Machinery		
Sub-Stations	270.55	234.18
Transmission lines	174.91	91.53
Telecom equipments	42.60	45.34
Others	28.98	25.2
	517.04	396.25
System and Market Operation Charges	9.37	11.13
Power charges	226.01	158.79
Less: Recovery from contractors	2.11	0.74
	223.90	158.05

Note 42/Other expenses (Contd.)

(₹ in crore)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Expenses of Diesel Generating sets	4.55	4.49
Stores consumed	3.92	4.59
Water charges	4.12	3.24
Right of Way charges-Telecom	5.20	4.88
Patrolling Expenses-Telecom	2.62	1.92
Last Mile connectivity-Telecom	9.51	6.61
Training & Recruitment Expenses	28.95	28.25
Less:Fees for training and application	1.46	1.01
	27.49	27.24
Legal expenses	19.04	15.82
Professional charges	15.76	29.95
Consultancy expenses	33.02	30.20
Communication expenses	21.58	15.96
Inland Travelling expenses	99.62	102.16
Foreign travel	8.30	11.62
	107.92	113.78
Tender expenses	28.71	28.90
Less: Sale of tenders	3.15	4.49
	25.56	24.41
Payments to Statutory Auditors		
Audit Fees	0.94	0.65
Tax Audit Fees	0.26	0.14
In Other Capacity	1.03	0.74
Arrears	0.66	-
Out of pocket Expenses	1.05	0.94
	3.94	2.47
Advertisement and publicity	15.67	12.00
Printing and stationery	7.41	6.92
Books Periodicals and Journals	1.27	1.27
EDP hire and other charges	10.81	9.33
Entertainment expenses	2.06	1.62
Brokerage & Commission	0.64	0.41
Research & Development expenses	2.63	5.40
Cost Audit and Physical verification Fees	1.15	1.34
Rent	12.44	10.36
Capital Expenditure on assets not owned by the Company	-	0.62
CERC petition & Other charges	59.15	49.02
Miscellaneous expenses	76.60	63.05
Horticulture Expenses	16.96	14.04
Security Expenses	140.11	119.90
Hiring of Vehicle	111.75	108.74
Insurance	88.50	84.34
Rates and taxes	6.43	7.44
License Fees to DOT	44.20	34.28
Bandwidth charges dark fibre lease charges (Telecom) etc	23.66	22.14
Expenditure on Corporate Social Responsibility (CSR) & Sustainable development	142.63	114.06



Note 42/Other expenses (Contd.)

Particulars	(₹ in crore)	
	As at 31 st March, 2017	As at 31 st March, 2016
Transit Accomodation Expenses	14.58	11.22
Less : Income from Transit Accomodation	1.10	1.15
	13.48	10.07
Foreign Exchange Rate Variation	-	4.56
Provisions	9.05	7.41
	1876.12	1586.98
Less:Transferred to Expenditure during Construction (Net)-Note 45	140.50	193.96
	1735.62	1393.02
Loss on Disposal/Write off of Property, Plant & Equipment	3.85	7.21
Total	1739.47	1400.23

Note 43/Net Movement in Regulatory Deferral Balances-Incomes/(expenses)

Particulars	(₹ in crore)	
	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
For Foreign Currency Fluctuation	(33.25)	(0.05)
For Employee Benefits Expense	103.18	-
TOTAL	69.93	(0.05)
Refer note 56		

Note 44/Other Comprehensive Income

Particulars	(₹ in crore)	
	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Items that will not be reclassified to Profit or Loss		
- Gain/(Loss) on valuation of Investment in Equity	38.96	-20.28
- Provisions for actuarial valuation	15.28	12.66
	54.24	-7.62
Less: Transferred to Expenditure during Construction(Net)-Note 45	4.41	4.35
TOTAL	49.83	(11.97)

Note 45/ Expenditure during Construction (Net)

Particulars	(₹ in crore)	
	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
A. Employees Remuneration & Benefits		
Salaries wages allowances and benefits	409.73	409.57
Contribution to provident and other funds	105.14	79.60
Welfare expenses	19.60	20.28
Total (A)	534.47	509.45
B. Other Expenses		
Repair and maintenance	3.51	22.23
Power charges	10.21	3.73
Less: Recovery from contractors	1.72	0.24
	8.49	3.49
Expenses on Diesel Generating sets	0.37	0.35
Training & Recruitment Expenses	1.44	2.28
Legal expenses	0.94	2.38

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Professional charges	17.20	22.27
Consultancy expenses	20.36	29.99
Communication expenses	2.32	1.97
Travelling & Conv.exp. (Including Foreign Travel)	26.54	34.57
Tender expenses	5.63	7.04
Less: Sale of tenders	2.88	4.33
	2.75	2.71
Payment to Auditors	0.05	0.15
Advertisement and Publicity	1.60	1.54
Printing and stationery	0.66	0.64
Books,Periodicals and Journals	0.02	0.02
EDP hire and other charges	0.27	0.30
Entertainment expenses	0.25	0.03
Brokerage and commission	0.06	0.07
Rent	3.70	3.14
Miscellaneous expenses	11.62	14.64
Horticulture Expenses	0.90	0.59
Security Expenses	14.58	16.81
Hiring of Vehicles	20.75	31.84
Insurance	0.03	0.05
Rates and taxes	0.80	1.28
Bandwidth charges, dark fibre lease charges(Telecom)	0.24	0.15
Transit Accomodation Expenses	1.06	0.48
Less : Income from Transit Accomodation	0.01	0.01
	1.05	0.47
Total (B)	140.50	193.96
C. Depreciation/Amortisation	16.18	12.12
D. Finance Costs		
a) Interest and finance charges on financial liabilities at amortised cost		
Indian Banks and Financial Institutions	455.19	541.74
Foreign Banks and Financial Institutions	100.14	94.23
Secured/Unsecured Redeemable Bonds	1253.48	1516.88
Foreign Currency Bonds	26.36	59.21
Others	92.73	-
	1927.90	2212.06
b) Other finance charges		
Commitment charges	9.44	11.67
Guarantee fee	43.63	65.27
Others	14.67	21.49
	67.74	98.43
c) FERV adjustment to borrowing cost	(42.52)	-
Total (D)	1953.12	2,310.49
E. Less: Other Income		
Interest from		
Indian banks	36.94	27.58
Contractors	72.05	48.45
Others	25.43	0.28
	134.42	76.31
Miscellaneous income	5.07	5.13
Total (E)	139.49	81.44
F. Less: Other Comprehensive Income		
Other Comprehensive Income	4.41	4.35
GRAND TOTAL (A+B+C+D-E-F)	2500.37	2940.23

46. Interest in Other Entities

46.1 Subsidiaries:

The Company's subsidiaries at 31st March, 2017 are set out below. Unless otherwise stated, they have share capital consists solely of equity share that are held directly by the Company, and the proportion of ownership interest held equals the voting rights held by the Company:

Company		Place of business	Proportion (%) of Shareholding as on			Principle activities
			31 st March, 2017	31 st March, 2016	1 st April, 2015	
1	Power System Operation Corporation Limited (POSOCO)*	India	-	100%	100%	Grid Operation
2	Grid Conductor Limited**	India	100%	100%	-	Manufacturing of Conductor
3	Powergrid Jabalpur Transmission Limited	India	100%	100%	100%	Transmission
4	Powergrid Kala Amb Transmission Ltd	India	100%	100%	100%	Transmission
5	Powergrid NM transmission Ltd	India	100%	100%	100%	Transmission
6	Powergrid Parli Transmission Limited	India	100%	100%	-	Transmission
7	Powergrid Southern Interconnector Transmission Limited	India	100%	100%	-	Transmission
8	Powergrid Unchahar Transmission Ltd	India	100%	100%	100%	Transmission
9	Powergrid Vemagiri transmission Ltd	India	100%	100%	100%	Transmission
10	Powergrid Vizag Transmission Ltd	India	100%	100%	100%	Transmission
11	Powergrid Warora Transmission Limited	India	100%	100%	-	Transmission
12	Medinipur Jeerat Transmission Limited***	India	100%	-	-	Transmission

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

** Share Capital of ₹ 0.05 crore in Grid Conductor Limited has been paid in April 2016. However based on control of composition of board of directors by Power Grid Corporation of India Limited, the company has been considered as wholly owned subsidiary company.

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

Financial statements used for consolidation are unaudited except for Grid Conductor Limited.

46.1.1 Pursuant to communication of Ministry of Power vide office memorandum 18/02/2015-PG dated 25th March, 2015 and 29th December, 2015, Board of Directors in its meeting held on 9th March, 2016 had approved to sell and transfer 3,06,40,000 equity shares of ₹ 10 each (100% shareholding) held by the company in Power System Operation Corporation Limited (POSOCO) to GOI. Accordingly, investment in above equity shares were shown as 'Assets held for sale' as on 31st March, 2016 in accordance with IND-AS 105 "Non –current Assets held for sale and Discontinued operation"

Ministry of Power vide their order dated 23/09/2016 conveyed sanction for release of ₹ 81.21 crore to POWERGRID towards consideration for transfer of above equity shares based on the book value of POSOCO as at 31st March, 2013. The Company has taken up with the GOI for payment of ₹ 113.88 crore towards consideration for transfer of shares in POSOCO based on the book value as at 30th September, 2016.

The above shares were transferred to GOI on 2nd January, 2017 after receipt of ₹ 81.21 crore. Matter is being pursued with Ministry of Power for payment of the balance amount of ₹ 32.67 crore (i.e. ₹ 113.88 crore- ₹ 81.21 crore).

46.1.2 During the year company has made investment of ₹ 0.01 crore in Medinipur -Jeerat Transmission Limited, a wholly owned subsidiary company. The Company was taken over from PFC Consulting Limited vide share purchase agreement dated 28th March 2017 to carry over the business awarded under tariff based bidding, After transfer Medinipur Jeerat Transmission Limited become wholly owned subsidiary of the Company.

46.1.3 The company has made further Investment of ₹ 25.05 crore (Previous Year ₹ 0.05 crore) in Powergrid Warora Transmission Limited which is wholly owned subsidiary company of the company.

46.1.4 The company has made further Investment of ₹ 0.05 crore (Previous Year ₹ 0.05 crore) in Powergrid Parli Transmission Limited which is wholly owned subsidiary company of the company.

46.1.5 The company has made further Investment of ₹ 155.00 crore (Previous Year ₹ Nil crore) in Powergrid Vizag Transmission Limited which is wholly owned subsidiary company of the company.

46. Interest in Other Entities (Contd.)

- 46.1.6 The company has made further Investment of ₹ 1.00 crore (Previous Year ₹ Nil crore) in Powergrid Kala Amb Transmission Limited which is wholly owned subsidiary company of the company.
- 46.1.7 The company has made further Investment of ₹ 0.10 crore (Previous Year ₹ Nil crore) in Powergrid Jabalpur Transmission Limited which is wholly owned subsidiary company of the company.
- 46.1.8 The company has made further Investment of ₹ 12.91 crore (Previous Year ₹ Nil crore) in Powergrid Unchahar Transmission Limited which is wholly owned subsidiary company of the company.
- 46.1.9 During the year company has made Investment of ₹ 0.05 crore (Previous Year ₹ Nil crore) in Grid Conductors Limited which is wholly owned subsidiary company of the company. However based on the control of composition of board of directors by Power Grid Corporation of India Limited, the company was considered as wholly owned subsidiary company.
- 46.1.10 The company has made further Investment of ₹ 138.00 crore (Previous Year ₹ Nil crore) in Powergrid NM Transmission Limited which is wholly owned subsidiary company of the company. The above investment includes share application money amounting to ₹ 28 crore.

46.2 Joint Ventures:

Set out below are joint ventures of the Company as at 31st March 2017, which in the opinion of the management, are material to the Company. The entities listed below have share capital consisting solely of equity shares, which are held directly by ownership interest in the same as the proportion of voting rights held:

(₹ in crore)

Company	Place of business	Proportion (%) of Shareholding as at 31 st March			Carrying amount as at 31 st March			Nature of activity
		2017	2016	2015	2017	2016	2015	
1 Powerlinks Transmission Limited	India	49	49	49	408.69	359.62	353.77	Transmission system associated with Tala HEP in Bhutan – under successful operation since Aug' 06
2 Torrent Powergrid Limited	India	26	26	26	26.48	27.56	27.01	Transmission System associated with 1100 MW Sugan generating project at Surat - progressively commissioned in Mar'11
3 Jaypee Powergrid Limited	India	26	26	26	94.43	97.33	89.57	Transmission system associated with 1000 MW Power Project at Karcham-Wangtoo in HP - progressively commissioned in Apr'12
4 Parbati Koldam Transmission Company Limited	India	26	26	26	92.70	76.19	72.31	Transmission Lines associated with Parbati-II (800 MW) and Koldam (800 MW) HEPs. - Progressively commissioned in Nov'15
5 Teestavalley Power Transmission Limited	India	26	26	26	93.65	66.15	46.69	Transmission System associated with 1200 MW Teesta – III HEP in Sikkim
6 North East Transmission Company Limited	India	26	26	26	98.45	90.32	78.75	Transmission system associated with 726.6 MW Gas Based Combined Cycle Power Project at Pallatana in Tripura. - Progressively commissioned in Feb'15
7 National High Power Test Lab Pvt Limited	India	20	21.64	20	29.97	23.44	21.66	To create high power short circuit test facility
8 Energy Efficiency Services Limited *	India	-	13.63	25	-	32.75	27.85	To carry out and promote business related to Energy Efficiency, Energy Conservation and Climate change
9 Bihar Grid Company Limited	India	50	50	50	147.46	40.31	10.03	Establishment of Intra-State Transmission system in the State of Bihar

46. Interest in Other Entities (Contd.)

(₹ in crore)

Company	Place of business	Proportion (%) of Shareholding as at 31 st March			Carrying amount as at 31 st March			Nature of activity
		2017	2016	2015	2017	2016	2015	
10 Kalinga Bidyut Prasaran Nigam Pvt Limited	India	50	50	50	-	0.01	0.01	Establishment of Intra-State Transmission system in the State of Odisha
11 Cross Border Transmission Limited	India	26	26	26	18.19	15.20	6.10	Establishment of Indian Portion of Indo-Nepal Cross Boarder Transmission Line from Muzaffarpur to Sursand
12 RINL POWERGRID TLT Pvt. Limited	India	50	50	-	3.40	0.10	-	Establishment of manufacturing of Transmission Line Tower parts plant
13 Power Transmission Company Nepal Ltd	Nepal	26	26	26	7.34	5.24	0.98	Establishment of Nepal Portion of Indo-Nepal Cross Boarder Transmission Line from Dhalkebar to Bittamod

* ceased to be Joint Venture w.e.f. 25th April, 2016

(i) All joint venture companies are unlisted entities.

(ii) Financial statements used for consolidation are unaudited except for North East Transmission Company Limited, Powerlinks Transmission Limited and RINL POWERGRID TLT Pvt. Limited.

- 46.3.1 The Company has made further investment of ₹ 108.19 crore (Previous year ₹ 30.29 crore) in Bihar Grid Company Limited, a joint venture company in which 50% share are held by the Company and balance 50% share are held by Bihar State Power Holding Company.
- 46.3.2 The Company has made further investment of ₹ 2.30 crore (Previous year ₹ 5.38 crore) in Cross Border Power Transmission Company Limited, a joint venture company in which 26% share are held by the Company and balance 74% share are held by IL&FS Energy Development Company Limited, SJVN Limited & Nepal Electricity Authority.
- 46.3.3 The Company has made further investment of ₹ 27.17 crore (Previous year ₹ 26.10 crore) in Teestavalley Power Transmission Limited, a joint venture company in which 26% share are held by the Company and balance 74% share are held by Teesta Urja Limited.
- 46.3.4 The Company has made further investment of ₹ 6.50 crore (Previous year ₹ Nil crore) in National High Power Test Laboratory Pvt Ltd, a joint venture company in which 20% share are held by the Company and balance 20% share are held by NTPC Limited, 20% share are held by NHPC Limited, 20% share are held by Damodar Valley Corporation and 20% share are held by Central Power Research Institute.
- 46.3.5 The Company has made further investment of ₹ 3.30 crore (Previous year ₹ 0.10 crore) in RINL Power Grid TNT Pvt Limited, a joint venture company in which 50% share are held by the Company and balance 50% are held by Rashtriya Ispat Nigam Limited.
- 46.3.6 During the year, the company has not made any further investment in Energy Efficiency Services Limited (EESL) whereas other venturer's have increased their investment resulting in the decrease of company's shareholding from 13.63% to 4.87% (previous year 25.00% to 13.63%) and the Director nominated by POWERGRID in the Board of EESL ceased to be member of the board of EESL. Therefore as on 31st March, 2017, EESL ceased to be a jointly controlled entity and is measured at fair value through OCI. Accordingly not considered for equity accounting while consolidation as on 31st March, 2017.
- 46.3.7 Commitments and contingent liabilities in respect of joint venture:

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Share of Joint Venture's			
Commitment	220.21	493.84	579.59
Contingent Liabilities	55.18	40.48	31.55
Total commitments and contingent liabilities	275.39	534.32	611.14

- 46.3.8 Summarised financial information for joint ventures

Table below provide summarised financial information for these joint ventures that are material to the Company. The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture.

46. Interest in Other Entities (Contd.)**Summarised Balance Sheet**

(₹ in crore)

Particulars	Powerlinks Transmission Limited			Torrent Powergrid Limited			Jaypee Powergrid Limited			Parbati Koldam Transmission Company Limited		
	31 st March, 2017	31 st March, 2016	1 st April, 2015	31 st March, 2017	31 st March, 2016	1 st April, 2015	31 st March, 2017	31 st March, 2016	1 st April, 2015	31 st March, 2017	31 st March, 2016	1 st April, 2015
Current Assets												
Cash & Cash Equivalent	0.08	0.29	2.61	0.41	1.23	0.60	2.99	4.73	14.51	43.99	26.99	20.18
Other Assets	265.65	219.57	220.37	37.42	32.94	26.83	58.88	61.75	58.98	93.84	39.47	58.87
Total Current Assets	265.73	219.86	222.98	37.83	34.17	27.43	61.87	66.48	73.49	137.83	66.46	79.05
Total Non-Current Assets	914.53	983.93	1,059.49	205.00	221.44	237.89	847.08	886.90	912.95	844.26	877.31	892.37
Current Liabilities												
Financial Liabilities	118.68	124.54	108.00	30.45	21.95	21.97	67.85	71.06	84.69	74.40	112.32	115.97
Other Liabilities	38.61	28.02	27.52	0.56	0.58	0.52	19.09	0.29	6.15	1.88	1.31	1.93
Total Current Liabilities	157.29	152.56	135.52	31.01	22.53	22.49	86.94	71.35	90.84	76.28	113.63	117.90
Non- Current Liabilities												
Financial Liabilities	156.64	176.78	267.32	81.66	102.02	122.38	363.24	422.65	481.43	542.09	536.57	574.91
Other Liabilities	32.26	140.54	157.65	28.30	25.05	16.55	95.59	85.04	69.68	7.17	0.53	0.49
Total Non-Current Liabilities	188.90	317.32	424.97	109.96	127.07	138.93	458.83	507.69	551.11	549.26	537.10	575.40
Net Assets	834.07	733.91	721.98	101.86	106.01	103.90	363.18	374.34	344.49	356.55	293.04	278.12

(₹ in crore)

Particulars	North East Transmission Company Limited			National High Power Test Lab Pvt Limited			Energy Efficiency Services Limited		Bihar Grid Company Limited			Kalinga Bidyut Prasaran Nigam Pvt Limited		
	31 st March, 2017	31 st March, 2016	1 st April, 2015	31 st March, 2017	31 st March, 2016	1 st April, 2015	31 st March, 2016	1 st April, 2015	31 st March, 2017	31 st March, 2016	1 st April, 2015	31 st March, 2017	31 st March, 2016	1 st April, 2015
Current Assets														
Cash & Cash Equivalent	55.28	230.49	229.21	0.57	9.22	-	244.97	35.20	16.44	16.72	0.26	0.01	0.01	0.01
Other Assets	182.40	33.01	13.46	43.27	2.76	24.11	637.91	128.51	2.66	2.64	1.13	-	-	-
Total Current Assets	237.68	263.50	242.67	43.84	11.98	24.11	882.88	163.71	19.10	19.36	1.39	0.01	0.01	0.01
Total Non-Current Assets	1,803.70	1,912.25	2,001.68	326.98	258.80	210.31	610.71	148.23	1,362.49	568.30	66.44	1.17	1.16	1.16
Current Liabilities														
Financial Liabilities	195.29	248.08	209.42	-	-	-	690.13	99.37	-	-	-	-	-	-
Other Liabilities	0.33	0.28	39.02	47.57	16.58	6.29	30.79	6.63	257.60	205.01	9.29	1.17	1.16	1.16
Total Current Liabilities	195.62	248.36	248.44	47.57	16.58	6.29	720.92	106.00	257.60	205.01	9.29	1.17	1.16	1.16
Non-Current Liabilities														
Financial Liabilities	1,414.05	1,527.18	1,640.24	173.30	145.23	119.82	331.39	91.60	826.70	302.04	38.49	-	-	-
Other Liabilities	53.02	52.83	52.79	0.12	0.66	-	2.98	2.95	2.38	-	-	-	-	-
Total Non -Current Liabilities	1,467.07	1,580.01	1,693.03	173.42	145.89	119.82	334.37	94.55	829.08	302.04	38.49	-	-	-
Net Assets	378.69	347.38	302.88	149.83	108.31	108.31	438.30	111.39	294.91	80.61	20.05	0.01	0.01	0.01

46. Interest in Other Entities (Contd.)

(₹ in crore)

Particulars	Cross Border Transmission Limited			RINL POWERGRID TLT Private Limited			Power Transmission Company Nepal Ltd			Teestavalley Power Transmission Limited		
	31 st March, 2017	31 st March, 2016	1 st April, 2015	31 st March, 2017	31 st March, 2016	1 st April, 2015	31 st March, 2017	31 st March, 2016	1 st April, 2015	31 st March, 2017	31 st March, 2016	1 st April, 2015
Current Assets												
Cash & Cash Equivalent	22.56	2.08	4.40	0.16	0.17	-	11.21	0.64	6.99	46.67	93.11	51.34
Other Assets	53.23	48.69	5.24	-	-	-	2.81	3.63	3.63	6.82	6.79	1.38
Total Current Assets	75.79	50.77	9.64	0.16	0.17	-	14.02	4.27	10.62	53.49	99.90	52.72
Total Non-Current Assets	210.01	221.65	151.94	7.69	0.65	-	82.39	73.55	30.61	1308.04	963.35	723.07
Current Liabilities												
Financial Liabilities	28.85	61.98	26.75	-	-	-	7.44	11.71	14.68	43.29	94.27	0.86
Other Liabilities	9.88	0.76	0.73	1.05	0.62	-	2.17	0.36	-	88.29	44.21	40.90
Total Current Liabilities	38.73	62.74	27.48	1.05	0.62	-	9.61	12.07	14.68	131.58	138.48	41.76
Non-Current Liabilities												
Financial Liabilities	172.74	146.80	106.00	-	-	-	54.58	45.58	14.36	869.40	670.00	536.24
Other Liabilities	4.36	4.43	1.22	-	-	-	-	-	-	0.36	0.34	18.21
Total Non-Current Liabilities	177.10	151.23	107.22	-	-	-	54.58	45.58	14.36	869.76	670.34	554.45
Net Assets	69.97	58.45	26.88	6.80	0.20	-	32.22	20.17	12.19	360.19	254.43	179.58

Reconciliation to carrying amounts

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Powergrid Limited		Jaypee Powergrid Limited		Parbati Koldam Transmission Company Limited		North East Transmission Company Limited		National High Power Test Lab Pvt Limited		Teestavalley Power Transmission Limited	
	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016
Opening net assets	733.91	721.98	106.01	103.90	374.34	344.49	293.04	278.12	347.38	302.88	108.31	108.31	254.43	179.58
Investment by JV Partners	-	-	-	-	-	-	-	-	-	-	41.52	-	104.47	75.23
Profit for the year	195.78	121.76	3.45	8.07	50.24	51.49	71.79	14.88	31.56	93.97	-	-	1.29	(0.38)
Other Comprehensive income	0.14	(0.01)	(0.02)	0.00	(0.02)	0.04	(0.07)	0.04	(0.12)	0.06	-	-	-	-
Dividend Paid	95.76	109.82	7.58	5.96	61.38	21.68	8.21	-	-	49.53	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	(0.13)	-	-	-	-	-
Closing net assets	834.07	733.91	101.86	106.01	363.18	374.34	356.55	293.04	378.69	347.38	149.83	108.31	360.19	254.43
Group's share in %	49%	49%	26%	26%	26%	26%	26%	26%	26%	26%	20%	21.64%	26%	26%
Group's share in INR	408.69	359.62	26.48	27.56	94.43	97.33	92.70	76.19	98.45	90.32	29.97	23.44	93.65	66.15
Carrying Amount	408.69	359.62	26.48	27.56	94.43	97.33	92.70	76.19	98.45	90.32	29.97	23.44	93.65	66.15

46. Interest in Other Entities (Contd.)

(₹ in crore)

Particulars	Energy Efficiency Services Limited	Bihar Grid Company Limited		Kalinga Bidyut Prasaran Nigam Pvt Limited		Cross Border Transmission Limited		RINL POWERGRID TLT Pvt. Limited		Power Transmission Company Nepal Ltd	
	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016
Opening net assets	111.39	80.61	20.05	0.01	0.01	58.45	26.88	0.20	0.00	20.17	12.19
Investment by JV Partner	273.00	216.39	60.56	-	-	8.81	17.25	6.6	0.2	4	6.56
Profit for the year	57.20	(2.09)	-	-	-	13.86	14.32	-	-	8.05	1.42
Other Comprehensive income	(0.02)	-	-	-	-	-	-	-	-	-	-
Dividend Paid	3.29	-	-	-	-	11.15	-	-	-	-	-
Other Adjustments	0.02	-	-	-	-	-	-	-	-	-	-
Closing net assets	438.30	294.91	80.61	0.01	0.01	69.97	58.45	6.80	0.20	32.22	20.17
Group's share in %	13.63%	50%	50%	50%	50%	26%	26%	50%	50%	26%	26%
Group's share in INR	32.75	147.46	40.31	0.01	0.01	18.19	15.20	3.40	0.10	7.34	5.24
Carrying Amount	32.75	147.46	40.31	0.00	0.01	18.19	15.20	3.40	0.10	7.34	5.24

Summarised Statement of Profit and Loss

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Powergrid Limited		Jaypee Powergrid Limited		Parbati Koldam Transmission Company Limited		North East Transmission Company Limited		National High Power Test Lab Pvt Limited	
	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016
Revenue From Operations	150.66	164.09	38.98	54.24	171.41	171.14	160.28	147.04	384.71	402.69	-	-
Other Income	12.12	14.36	2.26	2.52	3.81	2.87	70.16	5.45	9.80	15.69	-	-
Total Income	162.78	178.45	41.24	56.76	175.22	174.01	230.44	152.49	394.51	418.38	-	-
Purchase of Stock in Trade												
Employee benefits expense	7.07	6.68	1.19	1.01	3.26	3.13	3.70	3.38	2.86	2.10	-	-
Finance costs	20.96	30.77	11.41	14.53	54.03	62.39	103.14	78.85	229.13	201.47	-	-
Depreciation and amortization expense	-	-	16.45	16.45	53.04	53.11	28.02	47.81	114.31	112.50	-	-
Transmission, administration & other expenses	7.93	11.28	3.14	3.29	4.21	5.16	3.86	3.59	9.62	8.34	-	-
Total Expenses	35.96	48.73	32.19	35.28	114.54	123.79	138.72	133.63	355.92	324.41	-	-
Tax Expenses	(68.96)	7.96	5.60	13.41	10.44	(1.27)	19.93	3.98	7.03		-	-
Profit for the year	195.78	121.76	3.45	8.07	50.24	51.49	71.79	14.88	31.56	93.97	-	-
Other Comprehensive income	0.14	(0.01)	(0.02)	-	(0.02)	0.04	(0.07)	0.04	(0.12)	0.06	-	-
Total Comprehensive income	195.92	121.75	3.43	8.07	50.22	51.52	71.72	14.92	31.44	94.03	-	-
Dividend Received	46.92	53.82	1.97	1.55	15.96	5.63	2.13	-	-	10.69	-	-

46. Interest in Other Entities (Contd.)

(₹ in crore)

Particulars	Energy Efficiency Services Limited	Bihar Grid Company Limited		Kalinga Bidyut Prasaran Nigam Pvt Limited		Cross Border Transmission Limited		RINL POWERGRID TLT Pvt. Limited		Power Transmission Company Nepal Ltd		Teestavalley Power Transmission Limited	
	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016
Revenue From Operations	806.81	0.76	-	-	-	5.60	96.25	-	-	16.14	2.16	5.87	-
Other Income	23.23	0.01	-	-	-	35.58	19.84	-	-	0.10	-	0.05	-
Total Income	830.04	0.77	-	-	-	41.18	116.09	-	-	16.24	2.16	5.92	-
Purchase of Stock in Trade	482.64	-	-	-	-	-	-	-	-	-	-	-	-
Employee benefits expense	12.78	0.02	-	-	-	1.20	1.19	-	-	0.37	0.04	-	-
Finance costs	13.88	0.16	-	-	-	18.35	15.00	-	-	2.75	0.27	-	-
Depreciation and amortization expense	17.55	0.23	-	-	-	0.01	0.02	-	-	1.31	-	-	-
Transmission, administration & other expenses	233.45	0.01	-	-	-	4.00	81.89	-	-	0.38	0.07	4.31	0.38
Total Expenses	760.30	0.42	-	-	-	23.56	98.10	-	-	4.81	0.38	4.31	0.38
Tax Expenses	12.54	2.44	-	-	-	3.76	3.67	-	-	3.38	0.36	0.32	-
Profit for the year	57.20	(2.09)	-	-	-	13.86	14.32	-	-	8.05	1.42	1.29	(0.38)
Other Comprehensive income	(0.02)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income	57.18	(2.09)	-	-	-	13.86	14.32	-	-	8.05	1.42	1.29	(0.38)
Dividend Received	-	-	-	-	-	2.90	-	-	-	-	-	-	-

47. Cash equivalent of deemed export benefits availed of ₹ 209.99 crore in respect of supplies effected for East South Inter Connector-II Transmission Project (ESI) and Sasaram Transmission Project (STP), were paid to the Customs and Central Excise Authorities in accordance with direction from Ministry of Power (Govt. of India) during 2002-03 due to non-availability of World Bank loan for the entire supplies in respect of ESI project and for the supplies prior to March 2000 in respect of STP project and the same was capitalised in the books of accounts. Thereafter, World Bank had financed both the ESI project and STP project as originally envisaged and they became eligible for deemed export benefits. Consequently, the company has lodged claims with the Customs and Excise Authorities.

In this regard the Cumulative amount received and de-capitalized upto 31st March, 2017 is ₹ 12.12 crore (₹ 12.12 crore as on 31st March, 2016; ₹ 12.12 crore as on 1st April, 2015). The company continued to show the balance of ₹ 197.87 crore as at 31st March, 2017 (₹ 197.87 crore as on 31st March, 2016; ₹ 197.87 crore as on 1st April, 2015) in the capital cost of the respective assets / projects pending receipt of the same from Customs and Excise Authorities.

- 48.** a) Balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/reconciliation and consequential adjustments if any. However reconciliations are carried out on ongoing basis.
- b) In the opinion of the management, the value of any of the assets other than Property, Plant and Equipment and non-current investments on realization in the ordinary course of business will not be less than value at which they are stated in the Balance Sheet.

49. Information in respect of cost plus consultancy contracts, considering the same as consultancy business as required under Ind AS-11 "Construction Contracts" is provided as under:

(₹ in crore)

Particulars		For the Year ended 31 st March, 2017	For the Year ended 31 st March, 2016
i)	The amount of revenue recognised on cost plus consultancy contract works	494.82	360.02
ii)	The methods used to determine the contract revenue recognised 15% of total consultancy fees upto award stage to executing agencies (out of which 10% upto issue of notices inviting tenders), 85% with progress of work including supplies (Progress of work is taken as certified by engineer in charge).	Accounting Policy -2.18	Accounting Policy -2.18
iii)	Cumulative amount of costs incurred on construction contracts	18426.50	16057.72
iv)	Cumulative amount of advance received from customers as at the year end	20715.04	18167.29
v)	Amount of retention money with customers as at the year end	16.01	14.95
vi)	Gross amount due from customers for contract works as an asset as at the year end	162.29	25.97
vii)	Gross amount due to customers for contract works as a liability as at the year end	2274.79	2289.82

50. The company has been entrusted with the responsibility of billing collection and disbursement (BCD) of the transmission charges on behalf of all the ISTS (Interstate transmission System) licensees through the mechanism of the POC (Point of Connection) charges introduced w.e.f. 01st July 2011 which involves billing based on approved draw/injection of power in place of old mechanism based on Mega Watt allocation of power by Ministry of Power. By this mechanism, revenue of the company will remain unaffected.

Some of the beneficiaries aggrieved by the POC mechanism have preferred appeal before various High Courts of India. All such appeals have been transferred to Delhi High Court as per order of the Supreme Court on the appeal preferred by the company and company has also requested for directing agitating states to pay full transmission charges as per new methodology pending settlement of the matter. Honorable Delhi High Court has directed all the above beneficiaries to release payments and accordingly the beneficiaries have started making payments as per the said directions.

51. (i) FERV gain of ₹ 810.37 crore (Previous Year loss of ₹ 1841.03 crore) has been adjusted in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP)/lease receivables.
- (ii) FERV gain of ₹ 31.05 crore (Previous Year loss of ₹ 4.51 crore) has been recognised in the Statement of Profit and Loss.
52. Borrowing cost capitalised during the year is ₹ 1953.12 crore (previous year ₹ 2310.49 crore) in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23- "Borrowing Costs".
53. Based on information available with the company, there are few suppliers/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by MSMED Act, 2006 is given as under:

(₹ in crore)

Sr. No	Particulars	Current Year	Previous Year
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:		
	Principal	0.50	Nil
	Interest	Nil	Nil
2	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

54. Disclosure as per Ind AS 17-“Leases”
a) Finance Leases:-

Other Non-Current Financial Assets and Other Current Financial Assets include lease receivables representing the present value of future lease rentals receivable on the finance lease transactions entered into by the company with the constituents in respect of State Sector ULDC. Disclosure requirements of Ind AS 17 “Leases” notified under the Companies Act, 2013 are given as under:

- (i) The reconciliation of the lease receivables (as per project cost data submitted to / approved by the CERC for tariff fixation) is as under: (₹ in crore)

	Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
	Gross value of assets acquired and leased at the beginning of the year	1493.26	1353.88	1299.36
Add	Adjustment for gross value of assets acquired prior to the beginning of the year	1.26	(18.13)	21.92
	Revised Gross value of the assets at the beginning of the year	1494.52	1335.75	1321.28
Less	Capital recovery provided up to the beginning of the year	869.44	782.26	706.45
Add	Capital recovery for assets acquired prior to the beginning of the year	1.51	(1.30)	6.65
	Revised Capital recovery provided up to the beginning of the year	870.95	780.96	713.10
	Capital recovery outstanding as on 31 st March of last financial year	623.57	554.79	608.18
Add	Gross value of assets acquired and leased during current financial year	87.19	157.51	32.60
Less	Capital recovery for the current year	99.64	88.49	69.16
	Lease receivables at end of the year	611.12	623.81	571.62

- (ii) Details of gross investment in lease and present value of minimum lease payments receivables at the end of financial year is given as under:

			(₹ in crore)
Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Gross investment in Lease	1982.50	1778.67	1535.98
Un-earned Finance Income	1371.38	1154.86	964.37
Present value of Minimum Lease Payment (MLP)	611.12	623.81	571.62

- (iii) The value of contractual maturity of such leases is as under:

						(₹ in crore)
Particulars	Gross Investment in Lease			Present Value of MLPs		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Not later than one year	143.99	162.37	116.93	70.94	82.72	73.68
Later than one year and not later than five years	468.22	415.23	415.45	177.27	189.70	212.84
Later than five years	1370.29	1201.07	1003.60	362.91	351.39	285.10
Total	1982.50	1778.67	1535.98	611.12	623.81	571.62

- (iv) There are differences in balance lease receivable as at year end as per accounts and tariff records on account of:

- (a) Undischarged liabilities amounting to ₹ 66.41 crore (₹ 68.52 crore as on 31st March, 2016; ₹ 17.33 crore as on 1st April, 2015). Such cost become part of project cost only on discharge of such liabilities.
- (b) Unamortized FERV on loans included in lease receivable amounting to ₹ 28.65 crore (₹ 57.79 crore as on 31st March, 2016 ₹ 61.14 crore as on 1st April, 2015). Such FERV are allowed to be recovered as part of tariff on actual payment basis.

b) Operating leases:-

The company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and guest houses/transit camps which are usually renewable on mutually agreed terms but are not non-cancellable. Employee benefits expense include ₹ 40.59 crore (previous year ₹ 40.59 crore) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments of ₹ 12.44 crore (previous year ₹ 10.36 crore) in respect of premises for offices and guest house/transit camps are shown under the head Rent in Note 42- Other expenses.

55. Foreign Currency Exposure**Not hedged by a derivative instrument or otherwise**

Particulars		Amount in Foreign Currency (in crore)			Amount (₹ in crore)		
		31 st March, 2017	31 st March, 2016	1 st April, 2015	31 st March, 2017	31 st March, 2016	1 st April, 2015
Borrowings	USD	418.09	416.87	412.01	27481.07	27888.87	26034.82
	EURO	24.26	11.17	4.33	1710.32	848.22	297.12
	SEK	300.85	314.14	250.27	2220.25	2591.68	1841.97
	JPY	181.77	199.95	218.13	107.01	119.47	115.04
Interest accrued but not due thereon including Agency Fee, Commitment Fee & other Charges	USD	1.81	1.33	0.94	118.78	88.86	59.54
	EURO	0.10	0.02	0.02	7.03	1.64	1.04
	SEK	1.04	0.60	1.16	7.69	4.97	8.51
	JPY	0.46	0.52	0.55	0.27	0.31	0.29
Trade Payables/deposits and retention money	USD	13.70	8.54	10.79	7230.26	571.16	679.18
	EURO	1.01	1.70	7.92	40.12	128.85	543.53
	SEK	23.42	19.81	114.61	172.14	163.40	843.58
	CHF	0.19	0.00	0.03	12.23	0.00	1.51
	GBP	-	1.19	0.64	-	114.64	58.71
Trade receivables and Bank balances	USD	0.08	0.08	0.22	4.90	5.37	13.78
	NPR	0.05	0.09	0.07	0.03	0.06	0.04
	EURO	0.01	-	-	0.53	-	-
Amount of contracts remaining to be executed	USD	36.24	50.18	23.44	2376.17	3357.27	1480.92
	EURO	28.53	8.15	10.00	1996.27	618.45	685.64
	SEK	165.46	0.40	25.80	1174.80	3.30	189.89
	CHF	0.01	0.12	0.90	0.87	8.62	54.14
	GBP	12.47	15.38	18.66	993.76	1481.71	1709.07
	JPY	866.45	-	-	507.74	-	-

56. Disclosures relating to Regulatory Deferral Account Balances

The company is mainly engaged in the business of transmission of power. The tariff for transmission of power is determined by the CERC through tariff regulations. The tariff is based on capital cost admitted by CERC and provides for transmission charges recovery of annual fixed cost consisting of Return on equity, Interest on loan capital, Depreciation, interest on working capital and Operation & Maintenance expenses.

FERV arising during the construction period for settlement/transmission of monetary items (other than non-current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC Tariff Regulations are accounted as Regulatory Deferral Account Balances. In respect of long term foreign currency loans drawn on or after 1st April, 2016, exchange difference to the extent recoverable as per CERC Tariff Regulations are recognised as Regulatory Deferral Account Balances. The company expects to recover these amounts through depreciation component of the tariff over the life of the asset or as exchange rate variation on repayment of the loan.

56. Disclosures relating to Regulatory Deferral Account Balances (Contd.)

The impact of pay revision effective from 1st January, 2017 was not considered while fixing the norms for recovery of Operation and Maintenance charges under the CERC Tariff Regulations 2014, which are valid for the period 1st April, 2014 to 31st March, 2019. Keeping in view the provisions of the Ind AS 114 'Regulatory Deferral Accounts', CERC Tariff Regulations 2014, the company has recognized an amount of ₹ 103.18 crore as recoverable from the beneficiaries in subsequent periods under Regulatory Deferral Account Balances. These balances are to be adjusted in the year in which they become recoverable from beneficiaries as per approval of the CERC.

The Regulatory Deferral Account Balances (assets) recognized in the books to be recovered from the beneficiaries in future periods are as follows:

Particulars	Regulated Assets (₹ in crore)
A. Opening Balance as on 1 st April, 2015	37.72
B. Addition/(deduction) during the year	(0.05)
C. Amount collected/refunded during the year	NIL
D. Regulated Income/(Expense) recognized in the statement of Profit and Loss	(0.05)
E. Closing Balance as on 31 st March, 2016	37.67
F. Opening Balance as on 1 st April, 2016	37.67
G. Addition/(deduction) during the year	69.93
H. Amount collected/refunded during the year	NIL
I. Regulated Income/(Expense) recognized in the statement of Profit and Loss	69.93
J. Closing Balance as on 31 st March, 2017	107.60

Any change in the Tariff regulations beyond the current tariff period ending on 31st March, 2019 may have an impact on the recovery of Regulatory Deferral Account Balances.

57. Corporate Social Responsibility Expenses (CSR)

As per Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 read with DPE guidelines no F.No.15 (13)/2013-DPE (GM), the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately financial years in accordance with its CSR Policy. Accordingly, the Company has spent ₹ 147.31 crore (previous year ₹ 115.78 crore) on CSR activities.

58. Additional Information as required under Schedule III of the Companies Act, 2013: -

₹ In crore

Particulars	Net Asset i.e. assets minus total liabilities				Share in profit or loss				Share in Other Comprehensive Income				Share in Total Comprehensive Income			
	31 st March, 2017	31 st March, 2016	1 st April, 2015		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
	As % of consol.	Amount	As % of consol.	Amount	As % of consol.	Amount	As % of consol.	Amount	As % of consol.	OCI	Amount	As % of consol.	Amount	As % of consol.	Amount	As % of consol.
Parent																
Power Grid Corporation of India Limited	97.26%	48498.56	97.97%	43075.61	97.34%	38469.38	98.63%	7348.50	98.02%	5840.48	99.98%	49.83	100.25%	(11.97)	7398.33	98.01%
5828.51																
Subsidiaries																
Indian																
Power System Operation Corporation Limited*	-	-	-	-	0.65%	257.53	-	-	-	-	-	-	-	-	-	-
Grid Conductor Limited	0.00%	-	0.00%	(0.07)	-	-	0.00%	(0.02)	0.00%	(0.07)	0.00%	-	0.00%	-	(0.02)	0.00%
Powergrid Jabalpur Transmission Limited	0.00%	0.15	0.00%	0.05	0.00%	0.05	0.00%	-	0.00%	-	0.00%	-	0.00%	-	-	0.00%
Powergrid Kala Amb Transmission Ltd	0.00%	1.05	0.00%	0.05	0.00%	0.05	0.00%	-	0.00%	-	0.00%	-	0.00%	-	-	0.00%
Powergrid NM transmission Ltd	0.28%	140.61	0.05%	21.55	0.05%	21.55	(0.25%)	(18.94)	0.00%	-	0.00%	-	0.00%	-	(18.94)	0.00%
Powergrid Parli Transmission Limited	0.00%	0.10	0.00%	0.05	-	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	-	0.00%
Powergrid Southern Interconnector Transmission Limited	0.00%	0.03	0.00%	0.05	-	-	0.00%	(0.02)	0.00%	-	0.00%	-	0.00%	-	(0.02)	0.00%
Powergrid Unchahar Transmission Ltd	0.03%	12.90	0.00%	0.05	0.00%	0.05	0.00%	(0.05)	0.00%	-	0.00%	-	0.00%	-	(0.05)	0.00%
Powergrid Vemagiri transmission Ltd	(0.04%)	(19.38)	(0.04%)	(19.38)	(0.05%)	(19.37)	0.00%	-	0.00%	(0.01)	0.00%	-	0.04%	-	-	(0.01)
Powergrid Vizag Transmission Ltd	0.37%	184.27	0.13%	57.70	0.14%	54.73	(0.29%)	(21.81)	0.05%	2.97	0.00%	-	0.00%	-	(21.81)	0.05%
2.97																
Powergrid Warora Transmission Limited	0.05%	26.42	0.00%	0.05	-	-	0.02%	1.32	0.00%	-	0.00%	-	0.00%	-	1.32	0.00%
Medinipur Jeerat Transmission Limited	0.00%	0.01	-	-	-	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	-	0.00%
Indian																
Powerlinks Transmission Limited	0.82%	408.69	0.82%	359.62	0.90%	353.77	1.29%	95.93	1.00%	59.66	0.14%	0.07	0.00%	-	96.00	1.00%
59.66																
Torrent Powergrid Limited	0.05%	26.48	0.06%	27.56	0.07%	27.01	0.01%	0.90	0.04%	2.10	(0.02%)	(0.01)	0.00%	-	0.89	0.04%
2.10																



58. Additional Information as required under Schedule III of the Companies Act, 2013 (Contd.)

₹ In crore

Particulars	Net Asset i.e. assets minus total liabilities				Share in profit or loss				Share in Other Comprehensive Income				Share in Total Comprehensive Income						
	31 st March, 2017		31 st March, 2016		1 st April, 2015		2016-17		2015-16		2016-17		2015-16		2016-17		2015-16		
	As % of consol.	Amount	As % of consol.	Amount	As % of consol.	Amount	As % of consol.	Amount	As % of consol.	Amount	As % of consol.	Amount	As % of consol.	Amount	As % of consol.	Amount	Total Comp. Income	Amount	Total Comp. Income
Jaypee Powergrid Limited	0.19%	94.43	0.22%	97.33	0.23%	89.57	0.18%	13.06	0.22%	13.39	6.02%	(0.01)	0.00%	0.01	0.17%	13.05	0.23%	13.40	
Parbati Koldam Transmission Company Limited	0.19%	92.70	0.17%	76.19	0.18%	72.31	0.25%	18.67	0.06%	3.87	(0.02%)	(0.01)	(0.08%)	0.01	0.25%	18.66	0.07%	3.88	
Teestavaley Power Transmission Limited	0.19%	93.65	0.15%	66.15	0.12%	46.69	0.00%	0.34	0.00%	(0.10)			0.00%	-	0.00%	0.34	0.00%	(0.10)	
North East Transmission Company Limited	0.20%	98.45	0.21%	90.32	0.20%	78.75	0.11%	8.21	0.41%	24.43	(0.08%)	(0.03)	(0.17%)	0.02	0.11%	8.17	0.41%	24.45	
National High Power Test Lab Pvt Limited	0.06%	29.97	0.05%	23.44	0.05%	21.66	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	
Energy Efficiency Services Limited **	0.00%	-	0.07%	32.75	0.07%	27.85	0.00%	-	0.13%	7.80	0.00%		0.08%	(0.01)	0.00%	-	0.13%	7.79	
Bihar Grid Company Limited	0.30%	147.46	0.09%	40.31	0.03%	10.03	(0.01%)	(1.05)	0.00%	-	0.00%	-	0.00%	-	(0.01%)	(1.05)	0.00%	-	
Kainga Bidyut Prasaran Nigam Pvt Limited	0.00%	0.00	0.00%	0.01	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	
Cross Border Transmission Limited	0.04%	18.19	0.03%	15.20	0.02%	6.10	0.05%	3.60	0.06%	3.72	0.00%		0.00%	-	0.05%	3.60	0.06%	3.72	
RINL POWERGRID TLT Pvt. Limited	0.01%	3.40	0.00%	0.10	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	
Foreign																			
Power Transmission Company Nepal Ltd	0.01%	7.34	0.01%	5.24	0.00%	0.98	0.03%	2.09	0.01%	0.37	0.00%	-	0.00%	-	0.03%	2.09	0.01%	0.37	
Total	100.00%	49865.50	100.00%	43969.93	100.00%	39518.70	100.00%	7450.73	100.00%	5958.61	100.00%	49.84	100.00%	(11.94)	100.00%	7500.57	100.00%	5946.67	

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

** ceased to be a joint venture w.e.f. 25th April, 2016

59. In view of massive expansion of business considering uncertainty of paying normal tax MAT credit is not recognised as an asset.

60. Fair Value Measurements

(₹ in crore)

Financial Instruments by category	31 st March, 2017		31 st March, 2016		1 st April, 2015	
	FVOCI	Amortised cost	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets						
<u>Investments</u>						
<u>Equity Instruments</u>						
- PTC India Limited (1200006 shares of ₹ 10 each)*	112.08	-	76.80	-	97.08	-
- Energy Efficiency Services Limited (22500000 shares of ₹ 10 each)**	29.62	-	-	-	-	-
<u>Government Securities</u>						
- 8.5% Bonds	-	2.50	-	7.50	-	192.92
Trade Receivables	-	3131.93	-	2739.47	-	2132.06
Loans	-	172.18	-	175.81	-	173.14
Cash & cash Equivalents	-	3241.45	-	1543.59	-	2491.19
Bank Balance	-	270.41	-	913.09	-	341.95
<u>Other Financial Assets</u>						
Current	-	3254.57	-	3341.65	-	2558.95
Non-Current	-	635.32	-	667.45	-	576.41
Total Financial assets	141.70	10708.36	76.80	9388.56	97.08	8466.62
Financial Liabilities						
Borrowings	-	122180.12	-	111233.52	-	97341.08
Trade Payables	-	413.98	-	313.89	-	392.97
<u>Other Financial Liabilities</u>						
Current	-	10382.99	-	9466.64	-	9896.47
Non-Current	-	474.60	-	870.99	-	655.41
Total financial liabilities	-	133451.69	-	121885.04	-	108285.93

* Investment in PTC Ltd. being a listed equity instrument is a Level 1 fair value hierarchy.

** Investment in Energy Efficiency Services Limited is a Level 2 fair value hierarchy.

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

60. Fair Value Measurements (Contd.)

(₹ in crore)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level 1	Level 2	Level 3	Total
At 31st March, 2017				
Financial Assets				
<u>Investments</u>				
8.5% Bonds	-	2.55	-	2.55
<u>Loans</u>				
Loans to employees	-	195.27	-	195.27
Total Financial Assets	-	197.82	-	197.82
Financial Liabilities				
Borrowings	-	129289.13	-	129289.13
Deposits/retention money from contractors and others		490.71		490.71
Total financial liabilities	-	129779.84	-	129779.84

(₹ in crore)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level 1	Level 2	Level 3	Total
At 31st March, 2016				
Financial Assets				
<u>Investments</u>				
8.5% Bonds	-	7.69	-	7.69
<u>Loans</u>				
Loans to employees	-	188.97	-	188.97
Total Financial Assets	-	196.66	-	196.66
Financial Liabilities				
Borrowings	-	115993.40	-	115993.40
Deposits/retention money from contractors and others	-	826.58	-	826.58
Total financial liabilities	-	116819.98	-	116819.98

(₹ in crore)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level 1	Level 2	Level 3	Total
At 1st April, 2015				
Financial Assets				
<u>Investments</u>				
8.5% Bonds	-	206.80	-	206.80
<u>Loans</u>				
Loans to employees	-	176.78	-	176.78
Total Financial Assets	-	383.58	-	383.58
Financial Liabilities				
Borrowings	-	101822.52	-	101822.52
Deposits/retention money from contractors and others	-	604.23	-	604.23
Total financial liabilities	-	102426.75	-	102426.75

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity bonds which are traded in the stock exchanges, valued using the closing price as at the reporting period.

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

60. Fair Value Measurements (Contd.)

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

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

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

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

All of the resulting fair value estimates are included in level 2 apart from equity instruments of PTC India Limited which is included in Level 1 fair value hierarchy.

The fair value of Energy Efficiency Services Limited has been determined by making qualitative adjustment to trading multiples such as P/E, EV/ EBITDA of comparable listed prices. The same has been included in Level 2 fair value hierarchy.

Fair value of financial instruments has been determined by an independent valuer.

Fair value of financial assets and liabilities measured at amortized cost

Particulars	31 st March, 2017		31 st March, 2016		1 st April, 2015	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets						
Investments						
<u>Government Securities</u>						
8.5% Bonds	2.50	2.55	7.50	7.69	192.92	206.80
Loans						
Loans to employees	167.50	195.27	175.81	188.97	173.10	176.78
Total Financial Assets	170.00	197.82	183.31	196.66	366.02	383.58
Financial Liabilities						
Borrowings	122180.12	129289.13	111233.52	115993.40	97341.08	101822.52
Deposits/retention money from contractors and others	474.60	490.71	870.99	826.58	655.41	604.23
Total financial liabilities	122654.72	129779.84	112104.51	116819.98	97996.49	102426.75

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

For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

61. Related party Transactions

(a) Joint Ventures

Name of entity	Place of business/ country of incorporation	Proportion of Ownership Interest		
		31 st March, 2017	31 st March, 2016	1 st April, 2015
Powerlinks Transmission Limited	India	49%	49%	49%
Torrent Power Grid Limited	India	26%	26%	26%
Jaypee Powergrid Limited	India	26%	26%	26%
Parbati Koldam Transmission Company Limited	India	26%	26%	26%
Teestavalley Power Transmission Limited	India	26%	26%	26%
North East Transmission Company Limited	India	26%	26%	26%
National High Power Test Laboratory Private Limited	India	20%	21.64%	20%

60. Fair Value Measurements (Contd.)

Name of entity	Place of business/ country of incorporation	Proportion of Ownership Interest		
		31 st March, 2017	31 st March, 2016	1 st April, 2015
Energy Efficiency Services Limited*	India	-	13.63%	25%
Bihar Grid Company Limited	India	50%	50%	50%
Kalinga Vidyut Prasaran Nigam Private Limited	India	50%	50%	50%
Cross Border Power Transmission Company Limited	India	26%	26%	26%
RINL Powergrid TLT Private Limited	India	50%	50%	-
Power Transmission Company Nepal Ltd	Nepal	26%	26%	26%

* ceases to be Joint Venture w.e.f. 25th April, 2016

(b) Key Managerial Personnel

Name	Designation
Shri I.S. Jha	Chairman and Managing Director
Shri R.T. Agarwal	Director (Finance) - retired on 31 st Aug, 2016
Shri K. Sreekant	Director (Finance) - w.e.f. 1 st Sep, 2016
Shri Ravi P. Singh	Director (Personnel)
Shri R.P. Sasmal	Director (Operations)
Sh. Prabhakar Singh	Director (Projects) -w.e.f. 8 th Feb, 2017
Dr. Pradeep Kumar	Government Nominee
Smt. Jyoti Arora	Government Nominee
Shri Jagdish Ishwar Bhai Patel	Independent Director
Shri Tse Ten Dorji	Independent Director
Ms. Jyotika Kalra	Independent Director
Smt. Divya Tandon	Company Secretary

(c) List of Other Related Parties

Name of Entity	Place of business/country of incorporation	Nature of Relationship
Powergrid Employees P.F. Trust	India	Post-employment benefit plan of Powergrid
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Gratuity Fund Trust	India	Post-employment benefit plan of Powergrid

(d) Government Related Entities

The company is controlled by the Government of India (GOI), being a Central Public Sector Enterprise (CPSE) under the Ministry of Power, with GOI holding 57.90% of equity shares capital issued and paid up (previous year 57.90%).

The Company has business transactions with other entities controlled by the GOI for procurement of capital equipment, spares and services. Transactions with these entities are carried out at market terms on arms-length basis through a transparent price discovery process against open tenders, except in a few cases of procurement of spares/services from Original Equipment Manufacturer (OEM) for proprietary items/or on single tender basis due to urgency, compatibility or other reasons. Such single tender procurements are also done through a process of negotiation with prices benchmarked against available price data of same/similar items.

The above transactions are in the course of normal day-to-day business operations and are not considered to be significant keeping in view the size, either individually or collectively.

60. Fair Value Measurements (Contd.)**(e) Outstanding balances arising from sales/purchases of goods and services**

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

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Trade payables (purchases of goods and services)			
Parbati Koldam Transmission Company Limited	-	0.09	0.09
National High Power Test Laboratory Private Limited	-	5.36	-
Powerlinks Transmission Limited	-	2.78	2.78
Bihar Grid Company Limited	-	-	3.28
Cross Border Power Transmission Company Limited	9.53	7.58	1.70
Teestavalley Power Transmission Limited	30.78	40.44	40.38
Total payables to related parties	40.31	56.25	48.23

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Trade receivables (sale of goods and services)			
Subsidiary			
Power System operation Corporation Limited		57.15	
Joint Ventures			
Parbati Koldam Transmission Company Limited	0.36	-	0.01
North East Transmission Company Limited	5.22	21.50	22.21
National High Power Test Laboratory Private Limited	4.67	-	4.19
Energy Efficiency Services Limited	-	0.13	0.25
Bihar Grid Company Limited	4.92	9.19	7.08
Kalinga Vidyut Prasaran Nigam Private Limited	0.85	0.85	0.84
Cross Border Power Transmission Company Limited	-	-	0.30
Power Transmission Company Nepal Limited	-	0.03	-
RINL Powergrid TLT Pvt. Ltd	0.08	0.08	-
Powerlinks Transmission Limited	0.97	0.06	0.10
Total receivables to related parties	17.07	88.99	34.98

(f) Loans to Key Managerial Personnel

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Loans	0.15	0.18	0.16

Other Related Parties

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Outstanding balances with Employees Benefit Trust			
Powergrid Employees P.F. Trust	-	4.79	(3.89)
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	-	(10.41)	(7.91)
Powergrid Employees Gratuity Fund Trust	56.67	29.21	(1.78)
Total	56.67	23.59	(13.58)

60. Fair Value Measurements (Contd.)
(g) Transactions with related parties

The following transactions occurred with related parties:

Other Related Parties

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
<u>Contribution made during the year</u>		
Powergrid Employees P.F. Trust	89.47	84.57
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	109.83	102.19
Powergrid Employees Gratuity Fund Trust	26.85	28.66
Total	226.15	215.42

Investments made during the year (Equity)

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Joint Ventures		
Teestavalley Power Transmission Limited	27.16	26.11
Parbati Koldam Transmission Company Limited	-	-
National High Power Test Laboratory Private Limited	6.50	-
Bihar Grid Company Limited	108.19	30.28
Cross Border Power Transmission Company Limited	2.29	5.38
RINL Powergrid TLT Pvt. Ltd	3.30	0.10
Power Transmission Company Nepal Limited	-	3.90
Total	147.44	65.77

Recovery for Deputation of Employees

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Joint Ventures		
Jaypee Powergrid Limited	0.11	-
Cross Border Power Transmission Company Limited	-	0.35
Total	0.11	0.35

Terms and Conditions

The loans to key management personnel are on the same terms and conditions as applicable to all other employees

All other transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.

Transaction in the capacity of Central Transmission Utility (CTU) with the related parties

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
Joint Ventures		
Parbati Koldam Transmission Company Limited	162.46	163.13
Torrent Power Grid Limited	52.71	57.62
Powerlinks Transmission Limited	262.14	260.98
Jaypee Powergrid Limited	195.56	170.69
North East Transmission Company Limited	321.43	401.29
Total	994.03	1053.71

Remuneration to Key Managerial Personnel is ₹ 3.61 crore (previous year ₹ 3.07 crore) and amount of dues outstanding to the company as on 31st March, 2017 are ₹ 0.15 crore (₹ 0.18 crore as on 31st March, 2016) (₹ 0.16 crore as on 1st April, 2015).

62. Segment Information

a) Business Segment

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

- **Transmission**-- Company's principal business is transmission of bulk power across different states of India.
- **Telecom**-- leverages Powergrid's nationwide transmission infrastructure and operates as a neutral carrier in the point to point Bandwidth Leasing Business
- **Consultancy**-- provides in-house expertise in the Transmission, Distribution and Telecom sectors, including Planning Design, Engineering, Load Dispatch, OPGW on intra state Transmission network, Procurement Management, Operation & Maintenance, Financing and Project Management.

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

Segment Revenue and Expenses

Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment Assets and Liabilities

Segment assets include all operating assets comprising of Property, Plant and Equipment, current assets and loan and advances. Construction, Work-in-progress, construction stores and advances and investments are included in unallocated assets. Segment facilities include operating liabilities and provisions.

62. Segment Information (Contd.)
Segment Reporting

(₹ in crore)

	Transmission			Consultancy			Telecom			Elimination			Total		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Revenue:															
Revenue from Operations (including allocable other income)	25214.81	20147.33		483.69	455.85		503.83	392.25		-	-		26202.33	20995.43	
Inter Segment Revenue				106.87	21.54		55.53	42.67		(162.40)	(64.21)		-	-	
Net Revenue from Operations	25214.81	20147.33		590.56	477.39		559.36	434.92		(162.40)	(64.21)		26202.33	20995.43	
Segment results	14911.95	12021.56		408.70	350.97		254.51	162.30					15575.16	12534.83	
Unallocated Interest and Other Income													85.39	122.94	
Unallocated Finance Costs													6203.55	5086.23	
Profit before Tax													9457.00	7571.54	
Provision for Taxes													2006.27	1612.93	
Profit after Tax													7450.73	5958.61	
Other information:															
Segment Assets	148357.28	125811.95	98195.25	2128.67	1703.82	1135.07	861.20	816.71	800.39				151347.15	128332.48	100130.71
Unallocated Assets													44297.85	50959.25	59423.81
Total Assets													195645.00	179291.73	159554.52
Segment Liabilities:	7763.37	8103.48	7444.04	2361.41	2776.43	1877.92	654.16	586.26	544.76				10778.94	11466.17	9866.72
Unallocated Other Liabilities (including loans)													135000.56	123855.63	110169.10
Total liabilities													145779.50	135321.80	120035.82
Depreciation and Amortisation	7629.84	6090.32		1.20	0.90		91.21	90.60					7722.25	6181.82	
Non-cash expenditure other than Depreciation	2.46	7.21		1.55	2.88		8.92	4.53					12.93	14.62	
Capital Expenditure	22980.66	24036.74		2.00	(0.43)		141.51	37.50					23124.17	24073.81	

63. Capital and other Commitments

(₹ in crore)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	36911.35	26066.78	25521.31
Company's commitment towards further investment in joint venture entities	39.24	336.24	427.61

64. Contingent Liabilities and contingent assets**Contingent Liabilities****1. Claims against the Company not acknowledged as debts in respect of:****(i) Capital Works**

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the company seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts.

The company is pursuing various options under the dispute resolution mechanism available in the contract for settlement of these claims. In such cases, contingent liability of ₹ 1381.17 crore (₹ 1666.86 crore as on 31st March, 2016; ₹ 219.14 crore as on 1st April, 2015) has been estimated.

(ii) Land compensation cases

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹ 2671.53 crore (₹ 4041.30 crore as on 31st March, 2016; ₹ 2253.11 crore as on 1st April, 2015) has been estimated.

(iii) Other claims

In respect of claims made by various State/Central Government Departments/Authorities towards building permission fees, penalty on diversion of agriculture land to non-agriculture use, Nala tax, water royalty etc. and by others, contingent liability of ₹ 4.00 crore (₹ 28.66 crore as on 31st March, 2016; ₹ 44.09 crore as on 1st April, 2015) has been estimated.

(iv) Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to ₹ 388.38 crore (₹ 359.03 crore as on 31st March, 2016; ₹ 900.46 crore as on 1st April, 2015) are being contested before various Appellate Authorities. Many of these matters are disposed of in favour of the company but are disputed before higher authorities by the concerned departments.

(v) Others

- a) Other contingent liabilities amounts to ₹ 201.80 crore (₹ 345.42 crore as on 31st March, 2016; ₹ 312.59 crore as on 1st April, 2015)
 - b) Some of the beneficiaries have filed appeals against the tariff orders of the CERC. The amount of contingent liability in this regard is not ascertainable.
 - c) Under the Transmission Service Agreement (TSA) with Powerlinks Transmission Ltd, the company has an obligation to purchase the JV company (Powerlinks Transmission Ltd) at a buyout price determined in accordance with the TSA. Such an obligation may result in case JV company (Powerlinks Transmission Ltd) serves a termination notice either on "POWERGRID event of default" or on "force majeure event" prescribed under TSA. No contingent liability on this account has been considered as the same is not ascertainable.
- a). Details of Bank guarantees given by the company on behalf of SPV companies, which were taken over to carry out the business awarded under tariff based bidding, towards performance of the work awarded are as under:

Name of SPV	31 st March, 2017	31 st March, 2016	1 st April, 2015
Powergrid NM Transmission Company Ltd	-	45.00	45.00
Powergrid Vizag Transmission Company Ltd	43.59	45.00	45.00
Powergrid Unchahar Transmission Company Ltd	2.17	5.40	5.40
Powergrid Kala Amb Transmission Limited	5.96	5.96	5.96

64. Contingent Liabilities and contingent assets (Contd.)

Name of SPV	31 st March, 2017	31 st March, 2016	1 st April, 2015
Powergrid Jabalpur Transmission Limited	31.50	31.50	31.50
Powergrid Warora Transmission Limited	62.10	62.10	-
Powergrid Parli Transmission Limited	63.90	63.90	-
Powergrid Southern Interconnector Transmission System Limited	110.04	110.04	-
Medinipur Jeerat Transmission Limited	141.89	NA	NA

- b) The Company has given guarantee for the dues & punctual payment and discharge of the obligations amounting to ₹ 290 crore (₹ 290 crore as on 31st March, 2016; NIL as on 1st April, 2015) against bond issued by Powergrid Vizag Transmission Company Ltd.

65. Capital management
a) Risk Management

The company's objectives when managing capital are to

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

For the purpose of the company's capital management, equity capital includes issued equity capital, securities premium reserve and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares. The company monitors capital using debt-equity ratio, which is the ratio of long term debt to total net worth. The policy is to keep the debt-equity ratio wherein the debt is less than 75% of total capital employed (i.e. debt to equity ratio less than 75:25). The company includes within long term debt, interest bearing loans and borrowings and current maturities of long term debt.

The debt –equity ratio of the Company was as follows :-

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Long term debt (₹ in crore)	117487.91	106544.91	93780.35
Equity (₹ in crore)	49865.50	43969.93	39518.70
Long term debt to Equity ratio	70:30	71:29	70:30

Under the terms of the major borrowing facilities, the company is required to comply with the financial covenants. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current reporting period.

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

b) Dividends

(₹ in crore)

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
(i) Equity shares		
Final dividend for the year ended 31 st March, 2016 of ₹ 1.51		
(31 st March, 2015 – ₹ 1.31) per fully paid share	789.97	685.34
Interim dividend for the year ended 31 st March, 2017 of ₹ 1.00		
(31 st March, 2016 – ₹ 0.80) per fully paid share	523.15	418.53

Dividend not recognized at the end of the reporting period

In addition to above dividend, the Board of Directors on 29th May, 2017 recommended the payment of a final dividend of INR 3.35 per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual general meeting.

66. Earnings per share

(Amount in ₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the company	31st March, 2017	31st March, 2016
Including movement in Regulatory deferral balances	14.24	11.39
Excluding movement in Regulatory deferral balances	14.11	11.39
Total basic and diluted earnings per share attributable to the equity holders of the company	14.24	11.39

(₹ in crore)

(b) Reconciliation of earnings used in calculating earnings per share	31st March, 2017	31st March, 2016
Earnings attributable to the equity holders of the company including movement in Regulatory deferral balances	7450.73	5958.61
Earnings attributable to the equity holders of the company excluding movement in Regulatory deferral balances	7380.80	5958.66
Total Earnings attributable to the equity holders of the company	7450.73	5958.61

(c) Weighted average number of shares used as the denominator	31st March, 2017 No. of shares	31st March, 2016 No. of Shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	5231589648	5231589648
Adjustments for calculation of diluted earnings per share	-	-
Total weighted average number of equity shares used as the denominator in calculating basic earnings per share	5231589648	5231589648

67. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings denominated in Indian rupees or foreign currencies, trade payables and other payables. The Company has also provided financial guarantee in respect of bonds issued by its wholly owned subsidiary, Powergrid Vizag Transmission Limited. The main purpose of these financial liabilities is to finance the Company's capital investments and operations.

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

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

- Credit risk,
- Liquidity risk,
- Market risk.

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

Risk management framework

The Company has a duly constituted Risk Management Committee headed by Director (Operations) with Director (Finance) and Director (Personnel) as members. For the purpose of evaluating and managing the uncertainties the enterprise faces, Enterprise Risk Management framework has been implemented in the Company. The framework is a structured, consistent and continuous process for identification, assessment, monitoring and management of risks. As per this framework, the significant business processes / risks are monitored and controlled through various Key Performance Indicators (KPIs). The Committee meets at regular intervals and reviews KPIs and provides updates to the Audit Committee/Board.

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

A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities on account of trade receivables and loans and advances and from its financing activities due to deposits with banks and financial institutions, foreign exchange transactions and other financial instruments and for its investment activities due to investment in State Government Bonds

67. Financial Risk Management (Contd.)

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

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

(i) Trade Receivables

The Company primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments. The Company has a robust payment security mechanism in the form of Letters of Credit (LC) backed by the Tri-Partite Agreements (TPA). The TPA was signed among the GOI, Reserve Bank of India and the individual State Governments subsequent to the issuance of the One Time Settlement Scheme of State Electricity Boards dues during 2001-02 by the GOI, which was valid till October 2016. GOI has approved the extension of these TPAs for a further period of 10 years. Majority of the States have executed the agreements for extension of TPAs and matter is being pursued with the remaining states.

As per the provisions of the TPA, the customers are required to establish LC covering 105% of the average monthly billing of the Company for last 12 months. The TPA also provides that if there is any default in payment of current dues by any State Utility, the outstanding dues can be deducted from the State's RBI account and paid to the concerned CPSU. There is also provision for regulation of power by the Company in case of non-payment of dues and non-establishment of LC.

CERC tariff regulations allow payment against monthly bills towards transmission charges within a period of 60 days from the date of the bill and levy of surcharge on delayed payment beyond 60 days. A graded rebate is provided by the Company for payments made within 60 days.

Trade receivables consist of receivables relating to transmission services of ₹ 2857 crore (31st March, 2016: ₹ 2608.89 crore, 1st April, 2015: ₹ 2027.90 crore), receivables relating to consultancy services of ₹ 204.92 crore (31st March, 2016: ₹ 77.10 crore, 1st April, 2015: ₹ 80.67 crore) and receivables relating to telecom business of ₹ 102.42 crore (31st March, 2016: ₹ 83.10 crore, 1st April, 2015: ₹ 50.82 crore).

(ii) Other Financial Assets (excluding trade receivables)

- **Cash and cash equivalents**

The Company held cash and cash equivalents of ₹ 1414.59 crore (31st March, 2016: ₹ 911.84 crore, 1st April, 2015: ₹ 1066.57 crore). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

- **Deposits with banks and financial institutions**

The Company held deposits with banks and financial institutions of ₹ 2097.27 crore (31st March, 2016: ₹ 1544.84 crore, 1st April, 2015: ₹ 1766.57 crore). Term deposits are placed with public sector banks and have negligible credit risk.

- **Investments**

The Company holds investment of ₹ 2.50 crore (31st March, 2016: ₹ 7.50 crore, 1st April, 2015: ₹ 192.92 crore) in 8.5% tax free State government bonds issued under the One Time Settlement Scheme. The Company does not expect the counterparty to fail to meet its obligations, and has not experienced any impairment losses in respect of these investments.

- **Loans**

The Company has given loans to employees, subsidiaries and other parties. House building loans and conveyance advance to the employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company. The loans provided to group companies are for projects under Tariff Based Competitive Bidding route. The risk of default in respect of these loans is considered negligible.

67. Financial Risk Management (Contd.)

- **Exposure to credit risk**

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

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)			
Non-Current Investments	-	2.50	7.49
Non-Current Loans	132.36	145.09	146.17
Other non-current financial assets	635.32	667.45	576.41
Current Investments	2.50	5.00	185.43
Cash and cash equivalents	1414.59	911.84	1066.57
Deposits with banks and financial institutions	2097.27	1544.84	1766.57
Current loans	39.82	30.72	26.97
Other current financial assets	3254.57	3341.65	2558.95
Total	7576.43	6649.09	6334.56
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)			
Trade receivables	3164.34	2769.09	2159.39

- **Provision for expected credit losses**

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

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

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

In respect of trade receivables from Telecom and Consultancy, customer credit risk is managed by regular monitoring of the outstanding receivables and follow-up with the consumer for realization.

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

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

(c) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

(₹ in crore)

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as on 31 st March, 2017	28.58	1572.40	808.28	145.53	257.70	351.85	3164.34
Gross carrying amount as 31 st March, 2016	6.08	1538.08	782.10	77.27	139.19	226.37	2769.09
Gross carrying amount as 1 st April, 2015	3.71	1281.69	399.55	185.17	13.80	275.47	2159.39

67. Financial Risk Management (Contd.)

(d) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

(₹ in crore)

Particulars	Trade receivables	Investments	Loans	Advances	Claims recoverable	Total
Balance as at 1st April, 2015	27.33	-	-	-	-	27.33
Impairment loss recognized	2.29	-	-	-	-	2.29
Amounts written off	-	-	-	-	-	-
Balance as at 31st March, 2016	29.62	-	-	-	-	29.62
Impairment loss recognized	2.79	-	-	0.86	-	3.65
Amounts written off	-	-	-	-	-	-
Balance as at 31st March, 2017	32.41	-	-	0.86	-	33.27

Based on historic default rates, the Company believes that, apart from the above, no impairment allowance is necessary in respect of any other assets as the amounts are insignificant.

B) Liquidity risk

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

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

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

i) Financial Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016	1 st April, 2015
Expiring within 1 year (bank overdraft and other facilities)	5134.38	-	113.74
Expiring beyond one year (bank loans)	7730.51	11343.55	18268.15

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have remaining availability period of 1 to 5 years (2 to 4 years in 2016, and 1 to 5 years in 2015).

ii) Maturities of financial liabilities

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

67. Financial Risk Management (Contd.)

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

(₹ in crore)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
31st March, 2017				
Borrowings (including interest outflows)	15807.46	66134.76	92633.85	174576.07
Trade payables	413.98	-	-	413.98
Other financial liabilities	10382.99	474.60	-	10857.58
Total	26604.43	66609.36	92633.85	185847.63
31st March, 2016				
Borrowings (including interest outflows)	15296.95	57446.91	86467.68	159211.54
Trade payables	313.89	-	-	313.89
Other financial liabilities	9466.64	870.99	-	10337.63
Total	25077.48	58317.90	86467.68	169863.06
1st April, 2015				
Borrowings (including interest outflows)	11921.30	50178.99	79369.72	141470.01
Trade payables	392.97	-	-	392.97
Other financial liabilities	9896.47	655.41	-	10551.88
Total	22210.74	50834.40	79369.72	152414.86

C) Market risk

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

- Currency risk
- Interest rate risk
- Other price risk, such as equity price risk and commodity risk.

i) Currency risk

The Company is exposed to currency risk mainly in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchase consideration is denominated in foreign currency. Transmission tariff are regulated by the CERC. According to the CERC tariff regulations for the block 2014-19 the Company may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the transmission system, in part or full in its discretion and recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year.

If hedging of the foreign exchange exposure is not undertaken, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year is permissible to be recovered as part of transmission tariff provided it is not attributable to the generating Company or the transmission licensee or its suppliers or contractors. During the financial year 2016-17, no hedging for foreign exchange exposure has been undertaken by the Company. In respect of goods and services procured for Capital Investment, the exchange rate variation is part of the project cost, for determination of transmission tariff. The currency risk in respect of goods and services procured for operation activities is not significant.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR is provided in Note No.54.

Sensitivity

Since the impact of strengthening or weakening of Indian rupee against USD, Euro, JPY and other currencies on the statement of profit and loss would not be very significant; therefore, sensitivity analysis for currency risk is not disclosed.

ii) Interest rate risk

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Company manages the interest rate risks by maintaining a debt portfolio comprising a mix of fixed and floating rate borrowings in domestic and foreign currencies.

67. Financial Risk Management (Contd.)

At the reporting date, the interest rate profile of the Company's variable interest rate-bearing financial instruments is as follows:

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016
Long Term Debt with floating rate of interest		
-Domestic	13356.00	12485.00
-Foreign	26752.78	27485.43
Sub Total	40108.78	39970.43
Long Term Debt with fixed rate of interest		
-Domestic	72651.84	62621.71
-Foreign	4727.29	3,952.77
Sub Total	77379.13	66574.48
Total Long Term Debt	117487.91	106544.91
% of Floating Interest Rate Debt to Total Long Term Debt	34.14%	37.52%

Fair value sensitivity analysis for interest-rate risk

As per CERC Regulations, interest on loan during construction forms part of project cost for the purpose of tariff and after the date of commercial operation, interest on loans is recoverable through tariff calculated on the normative average loan of the year by applying the weighted average rate of interest of the actual loan portfolio.

Accordingly, the Company's interest rate risk is not considered significant; hence sensitivity analysis for the risk is not disclosed.

iii) Other price risk

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as fair value through OCI.

Considering the magnitude of equity investments, no significant risk is expected to arise.

68. Income Tax expense

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

(a) Income tax expense

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016
Current Tax		
Current tax on profits for the year	1989.07	1575.87
Adjustments for current tax of prior periods	-	-
Total current tax expense	1989.07	1575.87
Deferred Tax		
Decrease (increase) in deferred tax assets	(21.88)	40.99
(Decrease) increase in deferred tax liabilities	39.08	(3.93)
Total deferred tax expense / benefit	17.20	37.06
Income tax expense	2006.27	1612.93

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

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016
Profit before income tax expense	9387.07	7571.17
Tax at the Indian tax rate of 21.3416% (2015-16 – 21.3416 %)	2003.35	1615.81
<u>Tax effect of amounts which are not deductible (non- taxable) in calculating taxable income</u>		
Provisions made	1.93	1.63
Advance against depreciation	(31.13)	(30.50)

68. Income Tax expense (Contd.)

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016
Provision written back	(0.85)	(1.59)
Bond Interest & Dividend income exempted	(13.27)	(20.72)
Adjustments due to Adoption/ reclassification	4.95	16.68
Revaluation of EESL Shares	(0.73)	-
Others	24.82	(5.44)
Deferred Tax	17.20	37.06
Income Tax expenses	2006.27	1612.93

(c) Unrecognised Temporary Differences

(₹ in crore)

Particulars	31 st March, 2017	31 st March, 2016
Temporary differences relating to investments in subsidiaries for which deferred tax liabilities have not been recognised:		
Undistributed earnings	1.32	2.97
Unrecognised deferred tax liabilities relating to the above temporary differences	0.27	0.60

69. Employee Benefit Obligations

(₹ in crore)

Particulars	31 st March, 2017			31 st March, 2016			1 st April, 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Leave Obligations	59.60	430.37	489.97	33.37	336.24	369.61	27.64	305.16	332.80
Post-Retirement Medical Facility (PRMF)	9.28	331.00	340.28	7.25	288.11	295.36	6.55	250.25	256.80
Other Employee benefits /Long Service Award	0.97	12.36	13.33	1.35	11.55	12.90	1.08	10.86	11.94
Gratuity	76.07	549.48	625.55	37.72	439.76	477.48	34.94	433.92	468.86
Other Defined retirement benefits (ODRB)/ Baggage Allowance	1.81	15.83	17.64	1.47	14.55	16.02	1.18	13.96	15.14
Total employee benefit obligations	147.73	1339.04	1486.77	81.16	1090.21	1171.37	71.39	1014.15	1085.54

(i) Long Term Employee Benefits**Leave Obligations**

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the company which accrue annually at 30 days and 20 days respectively. Earned leave is encashable while in service. Half pay leaves (HPL) are encashable only on separation beyond the age of 55 years upto the maximum of 300 days (HPL). However, total number of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half pay leave shall be permissible. The liability for same is recognized on the basis of actuarial valuation.

(ii) Post-employment obligations (Defined Employee Benefit/Contribution Schemes)**A. Post-Retirement Medical Facility (PRMF)**

The Company has Post-Retirement Medical Facility (PRMF), under which retired employees and the spouse are provided medical facilities in the empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the company. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date.

B. Other employee benefits – Long Service Award

This benefit is applicable to all regular employees of the company (except for Directors and CMD) who have superannuated after completing at least 10 years of service.

69. Employee Benefit Obligations (Contd.)
C. Gratuity

The company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus, dearness allowance) for each completed year of service on superannuation, resignation, termination, disablement or on death subject to a maximum of ₹ 10 lakhs. As per recommendation of the 3rd Pay Revision Committee for CPSEs, the limit is proposed to be revised to ₹ 20 lakhs w.e.f. 1st January, 2017. The scheme is funded by the company and is managed by a separate trust. The liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date.

D. Other Defined Retirement Benefits (ODRB)/Baggage Allowance

The Company has a scheme for settlement at the time of superannuation at home town for employees and dependents to superannuated employees. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date.

E. Provident Fund

Company pays fixed contribution to Provident Fund at predetermined rate to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution to the fund and EPS scheme for the year amounting to ₹ 89.47 crore (previous year ₹ 84.57 crore) has been recognized as expense and is charged to Statement of Profit and Loss. The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of interest on contributions to the members as specified by GOI. As per the report of actuary overall interest earning and cumulative surplus is more than statutory interest payment requirement. Hence, no further provision is considered necessary. Since the company does not have unconditional right over the PF corpus, the surplus has not been recognised in the Balance Sheet.

(₹ In crore)

Particulars	31 st March, 2017			31 st March, 2016			1 st April, 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Provident Fund (PF)	429.30	1892.65	2321.95	292.30	1757.63	2049.93	281.75	1534.02	1815.77

(₹ In crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2015	1815.77	1827.62	(11.85)
Service cost	81.43	-	81.43
Interest expense (income)	145.26	172.21	(26.95)
Total	226.69	172.21	54.48
Re measurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-
Experience (Gain)/ Losses	7.49	-	7.49
Total	7.49	-	7.49
Employee contributions	108.44	189.86	(81.42)
Benefits payments	(108.45)	(108.45)	-
31st March, 2016	2049.94	2081.24	(31.30)

69. Employee Benefit Obligations (Contd.)

(₹ In crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2016	2049.94	2081.24	(31.30)
Service cost	84.19	-	84.19
Interest expense (income)	163.99	189.54	(25.55)
Total	248.18	189.54	58.64
Re measurements	-	-	-
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-
Experience (Gain)/ Losses	15.50	-	15.50
Total	15.50	-	15.50
Acquisition Adjustment	-	-	-
Employee contributions	113.17	197.36	(84.19)
Benefits payments	(104.84)	(104.84)	-
31st March, 2017	2321.95	2363.30	(41.35)

The net liability disclosed above relates to Provident Fund is as follows:

(₹ In crore)

Particulars	PF		
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Present value of funded obligations	2321.95	2049.94	1815.77
Fair value of plan assets	2363.30	2081.24	1827.62
Deficit/(Surplus) of funded plan	(41.35)	(31.30)	(11.85)

Sensitivity Analysis of Provident Fund:

(₹ in crore)

Particulars	PF
a) Impact of change in discount rate	
Present value of Obligation at the end of period	2321.95
- Impact due to increase of 0.5%	(0.22)
- Impact due to decrease of 0.5%	0.22

The major categories of plan assets (PF) are as follows

(₹ in crore)

Particulars	31 st March, 2017				31 st March, 2016				1 st April, 2015			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	34.49	-	34.49	2%	15.37	-	15.37	1%	-	-	-	-
Debt instruments												
Govt/State Bonds	1261.14	-	1261.14	53%	1090.32	-	1090.32	52%	950.66	-	950.66	52%
PSU and Private Bonds	997.75	-	997.75	42%	904.46	-	904.46	43%	809.11	-	809.11	44%
Bank Balance	9.65	-	9.65	0%	11.17	-	11.17	1%	14.56	-	14.56	1%
Other Receivables	60.27	-	60.27	3%	59.92	-	59.92	3%	53.29	-	53.29	3%
Total	2363.30	-	2363.30		2081.24	-	2081.24		1827.62	-	1827.62	

Fair value of company's own transferable financial instruments held as plan assets is ₹ 113.27 crore as on 31st March, 2017 (₹ 119.98 crore as on 31st March, 2016) (₹ 130.50 crore as on 1st April, 2015).

69. Employee Benefit Obligations (Contd.)

The expected maturity analysis of provident fund is as follows:

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
31st March, 2017	429.31	160.06	457.77	1,274.81	2,321.95
31st March, 2016	292.30	111.25	367.48	1,278.91	2,049.94
1st April, 2015	281.75	99.22	336.35	1,098.45	1,815.77

F. Pension

The Company has scheme of employees defined Pension Contribution. Company contribution is paid to separate trust. Amount of contribution paid/payable for the year is ₹ 109.83 crore (previous year ₹ 102.19 crore) has been recognized as expense and is charged to Statement of Profit & Loss.

The summarized position of various employee benefit obligations is as follows:

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PMRF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2015	468.86	467.08	1.78	15.14	-	15.14	332.80	-	332.80	256.80	-	256.80
Service cost	25.54	-	25.54	0.78	-	0.78	21.27	-	21.27	9.45	-	9.45
Interest expense (income)	37.51	37.37	0.14	1.21	-	1.21	26.62	-	26.62	20.54	-	20.54
Total amount recognized in profit or loss	63.05	37.37	25.68	1.99	-	1.99	47.89	-	47.89	29.99	-	29.99
Re measurements												
Return on plan assets, excluding amount included in interest expense/ (income)	-	4.05	(4.05)	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-	-	-	-	-	-	-	-	-	-
Experience (Gain)/ Losses	(23.99)	-	(23.99)	(0.26)	-	(0.26)	48.85	-	48.85	16.22	-	16.22
Total amount recognized in other comprehensive income	(23.99)	4.05	(28.04)	(0.26)	-	(0.26)	48.85	-	48.85	16.22	-	16.22
Employee contributions	-	28.66	(28.66)	-	-	-	-	-	-	-	-	-
Benefits payments	30.44	(30.44)	-	(0.85)	-	(0.85)	(59.93)	-	(59.93)	(7.65)	-	(7.65)
31st March, 2016	477.48	506.72	(29.24)	16.02	-	16.02	369.61	-	369.61	295.36	-	295.36

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PMRF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2016	477.48	506.72	(29.24)	16.02	-	16.02	369.61	-	369.61	295.36	-	295.36
Service cost	163.24	-	163.24	0.87	-	0.87	29.55	-	29.55	10.32	-	10.32
Interest expense (income)	38.20	40.54	(2.34)	1.28	-	1.28	29.57	-	29.57	23.63	-	23.63
Total amount recognized in profit or loss	201.44	40.54	160.90	2.15	-	2.15	59.12	-	59.12	33.95	-	33.95
Re measurements												
Return on plan assets, excluding amount included in interest expense/ (income)	-	5.16	(5.16)	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-	-	-	-

69. Employee Benefit Obligations (Contd.)

Particulars	Gratuity			ODRB			Leaves			PMRF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
(Gain)/Loss from change in financial assumptions	19.51	-	19.51	0.61	-	0.61	19.05	-	19.05	24.77	-	24.77
Experience (Gain)/ Losses	(46.89)	-	(46.89)	(1.22)	-	(1.22)	101.40	-	101.40	(6.01)	-	(6.01)
Total amount recognized in other comprehensive income	(27.38)	5.16	(32.54)	(0.61)	-	(0.61)	120.45	-	120.45	18.76	-	18.76
Acquisition Adjustment	1.44	-	1.44	0.08	-	0.08	0.95	-	0.95	0.76	-	0.76
Employee contributions	-	26.85	(26.85)	-	-	-	-	-	-	-	-	-
Benefits payments	(27.44)	(27.44)	-	-	-	-	(60.16)	-	(60.16)	(8.55)	-	(8.55)
31st March, 2017	625.54	551.83	73.71	17.64	-	17.64	489.97	-	489.97	340.28	-	340.28

The net disclosed above relates to funded and unfunded plans are as follows:-

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PMRF		
	31 st March, 2017	31 st March, 2016	1 st April, 2015	31 st March, 2017	31 st March, 2016	1 st April, 2015	31 st March, 2017	31 st March, 2016	1 st April, 2015	31 st March, 2017	31 st March, 2016	1 st April, 2015
Present value of funded obligations	625.54	477.48	468.86	-	-	-	-	-	-	-	-	-
Fair value of plan assets	551.83	506.72	467.08	-	-	-	-	-	-	-	-	-
Deficit/ (Surplus) of funded plan	73.71	(29.24)	1.78	-	-	-	-	-	-	-	-	-
Unfunded plans	-	-	-	17.64	16.02	15.14	489.97	369.61	332.80	340.28	295.36	256.80

The company expects to contribute ₹ 39.61 crore to the gratuity trust during the FY 2017-18.

(iii) Significant actuarial assumptions for Post-Employment Benefits:**Economic Assumptions**

Particulars	Gratuity, ODRB, Pension, PMRF, PF		
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Discount rate	7.5%	8.0%	8.0%
Salary growth rate(except for PF)	6.5%	6.5%	6.5%

Demographic Assumptions

Particulars	31 st March, 2016	31 st March, 2017
i) Retirement Age	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2006-08)	
iii) Ages		
	Withdrawal rate %	Withdrawal %
Upto 30 years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

69. Employee Benefit Obligations (Contd.)
Mortality rates for specimen ages

Age	Mortality rate	Age	Mortality rate	Age	Mortality rate
15	0.000614	45	0.002874	75	0.039637
20	0.000888	50	0.004946	80	0.060558
25	0.000984	55	0.007888	85	0.091982
30	0.001056	60	0.011534	90	0.138895
35	0.001282	65	0.017009	95	0.208585
40	0.001803	70	0.025855	100	0.311628

(iv) Sensitivity Analysis of the defined benefit obligation

(₹ In crore)

Particulars	Gratuity	ODRB	Leave	PMRF
a) Impact of change in discount rate				
Present value of Obligation at the end of period	625.55	17.64	489.97	340.28
- Impact due to increase of 0.5%	(19.51)	(0.61)	(19.05)	(19.75)
- Impact due to decrease of 0.5%	20.91	0.62	20.59	20.11
b) Impact of change in salary increase				
Present value of Obligation at the end of period	625.55	-	489.97	-
- Impact due to increase of 0.5%	7.51	-	20.69	-
- Impact due to decrease of 0.5%	(7.81)	-	(19.31)	-

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

(v) The major categories of plan assets (Gratuity) are as follows:

(₹ in crore)

Particulars	31 st March, 2017				31 st March, 2016				1 st April, 2015			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	5.94	-	5.94	1%	2.57	-	2.57	0.5%	-	-	-	
Debt instruments												
Govt/State Bonds	269.34	-	269.34	48%	238.70	-	238.70	45.9%	222.56	-	222.56	47%
PSU and Private Bonds	289.76	-	289.76	51%	279.22	-	279.22	53.6%	254.38	-	254.38	53%
Total	565.04	-	565.04		520.49	-	520.49		476.94	-	476.94	
Less: Plan Assets related to POSOCO	13.21	-	13.21		13.77	-	13.77		9.86	-	9.86	
Total	551.83	-	551.83		506.72	-	506.72		467.08	-	467.08	

Fair value of company's own transferable financial instruments held as plan assets is ₹ 103.38 crore as on 31st March, 2017 (₹ 112.94 crore as on 31st March, 2016) (₹ 127.37 crore as on 1st April, 2015).

(vi) Description of Risk exposures

Valuation is based on certain assumptions which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- Salary Increases (except for PF) – Actual salary increase will increase the plan's liability. Increase in salary increase rate assumptions in future valuation will also increase the liability.
- Investment risk – If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability
- Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

69. Employee Benefit Obligations (Contd.)

(vii) Defined benefit liability and employee contribution

The weighted average duration of the defined benefit obligations is 43.08 years (2015-16—42.85 years, 2014-15—42.99 years). The expected maturity analysis of undiscounted pension, gratuity, other defined retirement benefit and post-employment medical benefits is as follows:

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
31st March, 2017					
Defined benefit obligation (Gratuity)	76.06	68.00	178.52	302.96	625.54
Post-employment medical benefits	9.28	10.06	36.16	284.80	340.30
ODRB	1.81	1.16	4.47	10.20	17.64
Other employee benefits(LSA)	0.97	0.65	2.59	9.12	13.33
Total	88.12	79.87	221.74	607.08	996.81
31st March, 2016					
Defined benefit obligation (Gratuity)	37.72	37.57	112.58	289.62	477.49
Post-employment medical benefits	7.25	7.87	28.25	251.99	295.36
ODRB	1.47	1.43	4.09	9.03	16.02
Other employee benefits(LSA)	1.35	1.27	3.56	6.71	12.89
Total	47.79	48.14	148.48	557.35	801.76
1st April, 2015					
Defined benefit obligation (Gratuity)	34.94	31.21	111.58	291.13	468.86
Post-employment medical benefits	6.55	7.11	25.53	217.60	256.79
ODRB	1.18	1.21	3.80	8.94	15.13
Other employee benefits(LSA)	1.08	1.05	3.25	6.56	11.94
Total	43.75	40.58	144.16	524.23	752.72

70. Recent Accounting Pronouncements:

Standard issued but not yet effective

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

Amendment to Ind AS 7 'Statement of cash flows':

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

71. First time adoption of Ind AS

Transition to Ind AS

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

71. First time adoption of Ind AS (Contd.)
Reconciliation of equity as at 31st March, 2016 and 1st April, 2015

(₹ in crore)

Particulars	Notes to first time adoption	31 st March, 2016	1 st April 2015
Total equity (shareholder's funds) as per previous GAAP		42967.68	38438.73
Adjustments			
Fair Valuation of Investments	I	64.80	85.08
Change in policy for recognition of Property, Plants & Equipments	XII	(21.15)	(42.37)
Borrowings – transaction cost adjustment	III	38.49	45.28
Fair valuation of employee loans	VII	(1.35)	0.00
Bilateral Lines as finance lease	XI	(3.98)	0.00
Retention Money Adjustment	X	49.66	63.29
Dividend (including dividend tax)	V	950.79	840.12
Restatement of Prior period Depreciation	XIII	2.44	62.28
Tax Adjustments	II	(28.15)	(28.17)
Impact of Ind AS adjustments – Joint Venture	XV	(49.30)	54.46
Total adjustments		1002.25	1079.97
Total equity as per Ind AS		43969.93	39518.70

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

(₹ in crore)

Particulars	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
Profit after tax as per previous GAAP		6014.56		
Adjustments				
Change in policy for recognition of Property, Plants and Equipments	XII		21.22	
Re measurement of post-employment benefit obligations	VI		(8.31)	
Borrowings – transaction cost adjustment	III		(6.81)	
Fair valuation of employee loans	VII		(1.35)	
Bilateral Lines as finance lease	XI		(3.98)	
Retention Money Adjustment	X		(13.63)	
Self-Insurance Reserve	XIV		(5.29)	
Restatement due to Prior Period error	XIII		(60.07)	
Tax adjustments	II		(0.02)	
Impact of Ind AS adjustments – Joint Venture	XV		22.29	
Total adjustments			(55.95)	
Profit after tax as per Ind AS				5958.61
Other comprehensive income	IX			(11.94)
Total comprehensive income as per Ind AS				5946.67

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

(₹ in crore)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	16900.00	(1891.92)	15008.08
Net cash flow from investing activities	(22021.24)	444.74	(21576.50)
Net cash flow from financing activities	5720.55	(99.73)	5620.82
Net increase/(decrease) in cash and cash equivalents	599.31	(1,546.91)	(947.60)
Cash and cash equivalents as at 1 st April, 2015	2988.55	(497.36)	2491.19
Cash and cash equivalents as at 31 st March, 2016	3587.86	(2,044.27)	1543.59

71. First time adoption of Ind AS (Contd.)

A. Note to First Time adoption

Note I: Fair Value Investments

Under the previous GAAP, investments in equity instruments were classified as long term investments or current investments based on the intended holding period and realisability. Long term investments were carried at cost less provisions for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under IND-AS, these investments are required to be measured at fair value.

Fair value changes with respect to investments in equity instruments designated as FVOCI have been recognized in Other Comprehensive Income as at the date of transition and subsequently in the other comprehensive income for the year ended 31st March 2016. This increased other comprehensive reserve by ₹ 64.80 crore as at 31st March 2016 (1st April 2015 ₹ 85.08 crore).

Consequent to the above, the total equity as at 31st March, 2016 increased by ₹ 64.80 crore (1st April 2015 ₹ 85.08 crore) and other comprehensive income for the year ended 31st March 2016 decreased by ₹ 20.28 crore

Note II: Deferred Tax

Deferred tax has been recognized on the adjustments made on transition to Ind AS. Further company has created deferred tax liability amounting to ₹ 7.27 crore (1st April, 2015 ₹ 34.88 crore) on unremitted earnings of joint ventures and Subsidiary's and deferred tax asset amounting to ₹ 7.29 crore (1st April, 2015 ₹ 6.71 crore) on unrealized profit arising on intra group consultancy services

Note III. Borrowings:

Ind AS 109 'Financial Instruments' requires transaction costs incurred for borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were recognized in Statement of Profit and Loss as and when incurred. Accordingly, borrowing as at 31st March, 2016 have been reduced by ₹ 66.50 crore (1st April, 2015 ₹ 64.21 crore) with a corresponding adjustment to Other Equity, Capital work in progress and Property, Plant and Equipment The total equity increased by an equivalent amount. The profit for the year ended 31st March, 2016 reduced by ₹ 6.81 crore as a result of the additional interest expense

Note IV. Investment property

Under the previous GAAP, investment properties were presented as part of Property, Plant and Equipment. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity and on profit as a result of this adjustment.

Note V. Proposed Dividend Under the previous GAAP dividend 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 recognized as a liability. Under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of ₹ 950.79 crore as at 31st March, 2016 (1st April, 2015 ₹ 840.12 crore) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note VI. Re measurement of post-employment benefit obligations

Under Ind AS, re measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the previous GAAP, these re measurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2016 decreased by ₹ 8.31 crore. There is no impact on the total equity as at 31st March, 2016.

Note VII. Fair valuation of employee loans

Under the previous GAAP, employee loans at concessional rates are recorded at their transaction value. Under Ind AS these are required to be recognized at fair value. Difference between the fair value and transaction value of the employee loans has been recognized as deferred employee cost. Consequent to the change, the amount of employee loans decreased by ₹ 52.80 crore as at 31st March, 2016 (1st April, 2015 ₹ 49.71 crore). The deferred employee cost increased by ₹ 51.45 crore as at 31st March, 2016 (1st April, 2015 ₹ 49.71 crore).

The profit for the year and total equity as at 31st March, 2016 decreased by ₹ 1.35 crore due to amortization of the deferred employee cost which is partially offset by the interest income recognized on employee loans

Note VIII. Retained earnings

Retained earnings as at 1st April, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

71. First time adoption of Ind AS (Contd.)**Note IX. Other comprehensive income**

Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re measurements of defined benefit plans, fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

Note X. Retention Money Adjustment

Under the previous GAAP, retention money on capital expenditure is recorded at face value. Under Ind AS financial liabilities are measured at fair value, if the effect of time value is material. Accordingly, retention money has been discounted to their present values with corresponding decrease in other equity and capital work in progress. This change reduced the retention money liability as at 1st April, 2015 and 31st March, 2016 by ₹ 60.59 crore and ₹ 53.95 crore with corresponding increase in other equity and capital work in progress by ₹ 63.29 crore and ₹ 1.57 crore as at 1st April, 2015 and by ₹ 49.66 crore and ₹ 4.29 crore as at 31st March, 2016. The profit for the year ended 31st March, 2016 decreased by ₹ 13.63 crore due to charging of notional interest on retention money liability.

Note XI. Recognition of Bilateral Lines as Finance Leases

Under the previous GAAP, bilateral lines are recorded as assets in the books of the company under Property, Plant and Equipment. Appendix C of Ind AS 17 'Leases' specified criteria for determining at the inception of an arrangement, whether the arrangement contains a lease. As per Ind AS 101 'First Time Adoption of Indian Accounting Standards' entities may determine whether arrangements in existence on the date of transition to Ind AS contains leases by applying the requirement of Appendix C to Ind AS 17 'Leases' to those arrangements on the basis of the facts and circumstances existing at the date of transition. Accordingly such bilateral lines have been assessed as finance leases by the company and to be recorded as finance leases (lessors).

Note XII. Change in policy for recognition of Property, Plants & Equipments

Impact of change in accounting policy for spares qualifying as asset as per Ind AS 16- 'Property, Plant & Equipment' on the date of transition has been recognized in opening reserves and changes thereafter are recognized in Statement of Profit and Loss. This increased the Property, Plant and Equipment as at 1st April, 2015 and 31st March, 2016 by ₹ 46.07 crore and ₹ 45.32 crore respectively with decrease in inventory by ₹ 88.43 crore and ₹ 112.59 crore and other equity as on 1st April, 2015 by ₹ 42.35 crore. The profit for the year ended 31st March, 2016 increased by ₹ 21.22 crore.

Note XIII. Restatement due to Prior Period error

Under Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' material prior period error shall be corrected by retrospective restatement. A Prior period income was recognised in the Financial Year 2015-16 which is restated at 1st April, 2015. This decreased the accumulated depreciation by ₹ 60.07 crore and increased CWIP and other current financial liability by ₹ 14.07 crore and ₹ 16.51 crore with the corresponding increase in total equity by ₹ 62.28 crore as at 1st April, 2015. The profit for the year ended 31st March, 2016 decreased by ₹ 60.07 crore.

Note XIV. Self-Insurance Reserve

Under the previous GAAP, in case of loss of fixed asset an amount was transferred to Statement of Profit and Loss as income. Under Ind AS Self-insurance reserve is to be transferred to General Reserve instead of taking as income. Due to this the profit for the year ended 31st March, 2016 decreased by ₹ 5.29 crore.

Note XV. Impact of Ind AS adjustments – Joint Venture and Asset held for sale

This includes impact of the Ind AS adjustments by the joint venture company The profit for the year ended 31st March, 2016 decreased by ₹ 22.29 crore and other equity decreased by ₹ 103.76 crore.

Note XVI. Consolidation of Joint Venture

Under the previous GAAP, the jointly controlled entities were accounted for using the proportionate consolidation method. Under IndAS, these entities has been classified as a joint venture and accounted for using the equity method since these entities are limited liability companies whose legal form offers separation of the company from the investors. The parties to the joint arrangements do not have direct right to the assets and liabilities of these entities.

For the purpose of applying the equity method, the investment in these entities, as at the date of transition, has been measured as the aggregate of the carrying amounts of the assets and liabilities that the Company had previously proportionately consolidated.

71. First time adoption of Ind AS (Contd.)

(i) The following assets and liabilities of Joint Venture were previously proportionately consolidated under previous GAAP:

₹ in crore

Particulars	Powerlinks Transmission Limited		Torrent Powergrid Limited		Jaypee Powergrid Limited		Parbati Koldam Transmission Company Limited		Teestavalley Power Transmission Limited		North East Transmission Company Limited		National High Power Test Lab Pvt Limited	
	31 st March, 2016	1 st April, 2015	31 st March, 2016	1 st April, 2015	31 st March, 2016	1 st April, 2015	31 st March, 2016	1 st April, 2015	31 st March, 2016	31 st March, 2016	1 st April, 2015	31 st March, 2016	1 st April, 2015	31 st March, 2016
Non-Current Assets														
Property Plant and Equipment	-	-	57.57	61.85	207.13	220.55	225.19	211.70	0.04	0.03	483.59	506.03	0.08	0.02
Other Non-Current Assets	482.13	519.15	-	-	23.46	16.82	2.91	20.32	251.06	188.60	13.59	14.41	55.92	42.04
Total Non-Current Assets	482.13	519.15	57.57	61.85	230.59	237.36	228.10	232.02	251.10	188.64	497.19	520.44	56.00	42.06
Current Assets														
Inventories	-	-	0.17	0.14	-	-	-	-	-	-	-	-	-	-
Trade Receivable	14.26	12.19	2.10	2.41	11.51	11.51	10.08	15.25	-	-	-	-	-	-
Cash and Cash equivalents	0.14	1.28	0.32	0.16	1.23	3.77	7.02	5.25	24.21	13.35	59.93	59.59	2.00	-
Other Current Assets	93.33	95.79	6.30	4.42	4.55	3.82	0.18	0.05	1.77	0.36	8.58	3.50	0.60	4.82
Total Current Assets	107.73	109.26	8.88	7.13	17.29	19.11	17.28	20.55	25.98	13.71	68.51	63.09	2.60	4.82
Total Assets	589.86	628.41	66.46	68.98	247.88	256.47	245.38	252.57	277.08	202.35	565.70	583.53	58.60	46.88
Non-Current Liabilities														
Borrowings	86.62	130.99	26.53	31.82	109.89	125.17	139.50	149.47	168.03	139.42	397.06	426.46	31.43	23.87
Employee Benefit Obligations	0.52	0.57	0.01	0.02	0.02	0.02	0.14	0.13	0.09	0.08	0.02	0.01	-	-
Other Non-Current Liabilities	68.34	76.68	6.50	4.28	22.09	18.10	-	-	6.17	4.66	13.72	13.72	0.14	0.10
Total Non-Current Liabilities	155.48	208.24	33.04	36.12	132.00	143.29	139.64	149.60	174.29	144.16	410.80	440.19	31.57	23.97
Current Liabilities														
Borrowings	-	-	-	-	2.90	6.49	-	-	-	-	-	-	-	-
Trade Payable	1.58	1.52	-	-	0.11	0.10	0.07	0.07	0.46	0.10	23.53	28.38	3.59	1.24
Other Current Liabilities	73.18	64.88	5.86	5.85	15.54	17.02	29.48	30.59	35.55	10.76	41.05	36.21	-	0.02
Total Current Liabilities	74.76	66.40	5.86	5.85	18.55	23.61	29.55	30.65	36.00	10.86	64.58	64.59	3.59	1.26
Net Assets derecognized	359.62	353.77	27.56	27.01	97.33	89.57	76.19	72.31	66.78	47.33	90.32	78.75	23.44	21.65
Share of net assets recognised under equity method	359.62	353.77	27.56	27.01	97.33	89.57	76.19	72.31	66.78	47.33	90.32	78.75	23.44	21.65

71. First time adoption of Ind AS (Contd.)

(₹ in crore)

Particulars	Energy Efficiency Services Limited		Bihar Grid Company Limited		Kalinga Bidyut Prasaran Nigam Pvt Limited		Cross Border Transmission Limited		RINL POWERGRID TLT Pvt. Limited		Power Transmission Company Nepal Ltd	
	31 st March, 2016	1 st April, 2015	31 st March, 2016	1 st April, 2015	31 st March, 2016	1 st April, 2015	31 st March, 2016	1 st April, 2015	31 st March, 2016	1 st April, 2015	31 st March, 2016	1 st April, 2015
Non-Current Assets												
Property Plant and Equipment	37.79	13.95	2.07	1.01	-	-	0.01	0.01	-	-	0.03	0.03
Other Non-Current Assets	45.45	23.11	282.09	32.22	0.58	0.58	57.62	39.50	0.33	-	19.09	7.93
Total Non-Current Assets	83.24	37.06	284.16	33.23	0.58	0.58	57.63	39.51	0.33	-	19.12	7.96
Current Assets												
Inventories	24.47	0.03	-	-	-	-	-	-	-	-	-	-
Trade Receivable	49.14	9.17	-	-	-	-	0.22	-	-	-	0.56	-
Cash and Cash equivalents	33.39	8.80	8.36	0.13	0.01	0.01	0.54	1.14	0.09	-	0.17	1.82
Other Current Assets	13.34	22.93	1.32	0.56	-	-	12.44	1.36	-	-	0.38	0.94
Total Current Assets	120.34	40.93	9.68	0.69	0.01	0.01	13.20	2.50	0.09	-	1.11	2.76
Total Assets	203.58	77.99	293.84	33.92	0.59	0.59	70.83	42.01	0.42	-	20.23	10.72
Non-Current Liabilities												
Borrowings	41.06	21.94	151.02	19.25	-	-	38.17	27.56	-	-	11.85	3.73
Employee Benefit Obligations	0.05	0.13	-	-	-	-	0.02	-	-	-	-	-
Other Non-Current Liabilities	4.47	1.57	-	-	-	-	1.13	0.32	-	-	-	-
Total Non-Current Liabilities	45.58	23.64	151.02	19.25	-	-	39.32	27.88	-	-	11.85	3.73
Current Liabilities												
Borrowings	38.85	-	-	-	-	-	-	-	-	-	-	-
Trade Payable	33.06	19.36	-	-	-	-	13.83	6.39	-	-	3.04	3.82
Other Current Liabilities	53.34	7.14	102.51	4.64	0.58	0.58	2.48	1.65	0.31	-	0.09	2.19
Total Current Liabilities	125.25	26.50	102.51	4.64	0.58	0.58	16.31	8.04	0.31	-	3.13	6.01
Net Assets derecognised	32.75	27.85	40.31	10.03	0.01	0.01	15.20	6.09	0.11	-	5.25	0.98
Share of net assets recognised under equity method	32.75	27.85	40.31	10.03	0.01	0.01	15.20	6.09	0.11	-	5.25	0.98

71. First time adoption of Ind AS (Contd.)

(ii) The following items of income and expenditure were previously proportionately consolidated under previous GAAP for the period ending 31st Mar 2016:

Particulars	Powerlinks Transmission Limited	Torrent Powergrid Limited	Jaypee Powergrid Limited	Parbati Koldam Transmission Company Limited	Teesta Valley Power Transmission Limited	North East Transmission Company Limited	National High Power Test Lab Pvt Limited	Energy Efficiency Services Limited	Bihar Grid Company Limited	Kalinga Bidyut Prasaran Nigam Pvt Limited	Cross Border Transmission Limited	RINL POWERGRID TLT Pvt. Limited	Power Transmission Company Nepal Ltd
Revenue	87.44	14.76	45.24	39.65	-	108.78	-	113.13	-	-	30.18	-	0.56
Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee Benefit Expenses	3.27	0.26	0.81	0.88	-	0.55	-	1.74	-	-	0.31	-	0.01
Depreciation & Amortisation Expenses	-	4.28	13.81	12.43	-	29.25	-	2.39	-	-	0.01	-	-
Finance Cost	15.08	3.78	16.22	20.50	-	52.38	-	1.89	-	-	3.90	-	0.07
Other Expenses	5.53	0.86	1.34	0.93	0.10	2.17	-	97.60	-	-	21.29	-	0.02
Current Tax Expenses	3.90	3.49	(0.33)	1.03	-	-	-	1.71	-	-	0.95	-	0.09
Profit after tax	59.66	2.10	13.39	3.87	(0.10)	24.43	-	7.80	-	-	3.72	-	0.37

(₹ in crore)

(iii) Impact on account of equity accounting of the joint venture under Ind AS:

Share of profit of joint venture recognized as per equity method	59.66	2.10	13.40	3.88	(0.10)	24.45	-	7.79	-	-	3.72	-	0.37
Share of other comprehensive income (remeasured) as per equity method	-	-	-	0.01	-	0.02	-	(0.01)	-	-	-	-	-

(₹ in crore)

(iv) Summarized statement of cash flow for the year ended 31st March 2016 not considered under Ind AS in the consolidated statement of cash flow:

Opening cash and cash equivalents 1 st April 2015	1.28	1.86	3.77	5.25	24.21	59.59	4.59	1.56	0.13	0.01	1.14	-	1.82
Cash flow from operating activities	105.79	12.95	26.87	41.12	13.47	84.83	1.97	7.39	231.03	-	(13.19)	0.31	1.93
Cash flow from Investing activities	6.70	1.36	-	(16.30)	(22.93)	(3.39)	(9.66)	(17.29)	(253.09)	-	0.08	(0.33)	(2.64)
Cash flow from financing activities	(113.63)	(10.62)	(29.41)	(26.65)	(2.61)	(81.10)	5.18	(13.11)	30.29	-	12.51	0.10	(0.95)
Closing cash and cash equivalents 31 st March 2016	0.14	5.54	1.23	3.42	12.13	59.92	2.07	4.77	8.36	0.01	0.54	0.09	0.17

(₹ in crore)



72. (a) Figures have been rounded off to nearest rupees in crore up to two decimals.
b) Previous year figures have been regrouped / rearranged wherever necessary.

(Divya Tandon)

Company Secretary

For S.K. Mittal & Co.
Chartered Accountants
Firm Regn No. 001135N

(CA S. K. Mittal)

Partner

Membership No. 008506

K. Sreekant

Director (Finance)

As per our report of even date

For R.G.N. Price & Co.
Chartered Accountants
Firm Regn No. 002785S

(CA R. Rangarajan)

Partner

Membership No. 041883

For and on behalf of the Board of Directors

I. S. Jha

Chairman & Managing Director

For Kothari & Co.
Chartered Accountants
Firm Regn No. 301178E

(CA Manaswy Kothari)

Partner

Membership No. 064601

For Parakh & Co.
Chartered Accountants
Firm Regn No. 001475C

(CA Indra Pal Singh)

Partner

Membership No. 410433

Place: New Delhi

Date: 29th May, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF POWER GRID CORPORATION OF INDIA LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of Power Grid Corporation of India Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated statement of cash flows and consolidated statement of changes in equity of the Group including its Joint ventures in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

We conducted our audit 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 consolidated 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 consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated 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 consolidated state of affairs (financial position) of the Group and its joint ventures as at 31st March, 2017, and their consolidated profit (financial performance including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Consolidated Ind AS Financial Statements:

- (a) Note No. 37 (b) (ii) in respect of recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC; and
- (b) Note No. 48(a) in respect of Balance confirmation, reconciliation and consequential adjustments, if any, of Trade Receivable and Recoverable and Trade and Other Payables.

Our opinion is not modified in respect of these matters.


Other Matters

- (a) The comparative financial information of the company for the transition date opening balance sheet as at 1st April 2015, included in these consolidated Ind AS financial statements, are based on the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditors whose report dated 30th May 2015, for the year ended 31st March 2015, expressed a qualified opinion on those comparative financial statements, as adjusted for the differences in the accounting principles adopted by the company on the transition to the Ind AS, which have been audited by us.
- (b) The comparative financial information of the company for the year ended 31st March 2016, included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and our report expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the company on the transition to the Ind AS, which have been audited by us.
- (c) We did not audit the financial statements/ financial information of the following subsidiary whose financial statements reflect the details given below of total assets and net assets as at 31 March 2017, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated Ind AS financial statements:

(₹ in crore)

Name of the Subsidiaries	Total Assets	Net Assets	Total Revenues	Net Cash Inflows/ (Outflows)
Grid Conductors Limited	-	-	-	-
Total	-	-	-	-

The consolidated Ind AS financial statements also include the Group's share of net profit/loss (including Other Comprehensive Income) for the year ended 31 March 2017 as considered in the consolidated Ind AS financial statements in respect of following joint ventures whose financial statements/ financial information have not been audited by us.

(₹ in crore)

Name of Joint Ventures	Group's share net profit/(loss)
North East Transmission Company Limited	8.17
Powerlinks Transmission Limited	96.00
RINL Powergrid TLT Pvt. Limited	0.00
Total	104.17

These financial statements/ financial information of subsidiaries and joint ventures have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management upto 26 May 2017 and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors after considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality.

- (d) We did not audit the financial statements/ financial information of the following subsidiary whose financial statements reflect the details given below of total assets and net assets as at 31 March 2017, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated Ind AS financial statements:

(₹ in crore)

Name of the Subsidiary	Total Assets	Net Assets	Total Revenues	Net Cash Inflows / (Outflows)
Powergrid Jabalpur Transmission Limited	264.79	0.15	-	(0.16)
Powergrid Kala Amb Transmission Limited	227.91	1.05	-	0.03
Powergrid NM Transmission Limited	1092.47	140.61	19.15	(0.01)
Powergrid Parli Transmission Limited	567.54	0.10	-	0.20
Powergrid Southern Interconnector Transmission Limited	581.58	0.03	-	1.74
Powergrid Unchahar Transmission Limited	79.73	12.91	4.08	7.16
Powergrid Vimagiri Transmission Limited	0.02	(19.38)	-	-
Powergrid Vizag Transmission Limited	1309.34	184.27	67.97	-

(₹ in crore)

Name of the Subsidiary	Total Assets	Net Assets	Total Revenues	Net Cash Inflows / (Outflows)
Powergrid Warora Transmission Limited	852.91	26.42	3.66	0.81
Medinipur Jeerat Transmission Limited	19.50	0.01	-	0.29
Total	4995.79	346.17	94.86	10.06

The consolidated Ind AS financial statements include the Group's share of net profit/loss (including Other Comprehensive Income) for the year ended 31 March 2017 as considered in the consolidated Ind AS financial statements in respect of following joint ventures whose financial statements/ financial information have not been audited by us.

(₹ in crore)

Name of Joint Ventures	Group's share of net profit/(loss)
Bihar Grid Company Limited	(1.05)
Cross Border Transmission Limited	3.60
Jaypee Powergrid Limited	13.06
Kalinga Bidyut Prasaran Nigam Private Limited	-
National High Power Test Laboratory Private Limited	-
Parbati Koldam Transmission Company Limited	18.65
Teestavalley Power Transmission Limited	0.34
Torrent Powergrid Limited	0.89
Power Transmission Company Nepal Limited *	2.09
Total	37.58

*Located Outside India

These financial statements/ financial information are unaudited and have been furnished to us by the Holding Company's Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint ventures, is based solely on such unaudited financial statements/ financial information. One of the joint ventures as above is located outside India in respect of which the Holding Company's management has provided us the financial statements prepared in accordance with accounting principles generally accepted in India. In our opinion and according to the information and explanations given to us by the Holding Company's Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Holding Company's Management.

Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures as noted in the other matter paragraph, we report, to the extent applicable, that:
 - 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 of the aforesaid consolidated Ind AS financial statements.
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.
 - In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - In view of exemption given vide notification no. G. S. R. 463(E) dated June 5, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Holding Company and its subsidiaries. Further, on the basis of the reports of the statutory auditors its joint ventures incorporated in India, none of the directors of the joint ventures incorporated in India is disqualified as on 31 March, 2017 from being appointed as a director in terms of section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiaries and

joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate report in '**Annexure 1'**.

- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other Matters' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note 50 and 64 to the consolidated Ind AS financial statements).
 - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
 - iv. The Group has provided requisite disclosures in the consolidated Ind AS financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016, on the basis of information available with the company. Based on audit procedures, audit reports submitted by other auditors and relying on management's representations we report that disclosures are in accordance with books of accounts maintained by the group and as produced to us by the management. Refer Note 16.

For S. K. Mittal & Co.
Chartered Accountants
FRN : 001135N

For Parakh & Co.
Chartered Accountants
FRN : 001475C

For Kothari & Co.
Chartered Accountants
FRN : 301178E

For R. G. N. Price & Co.
Chartered Accountants
FRN : 002785S

(CA S. K. Mittal)
Partner
M. No. 008506

(CA Indra Pal Singh)
Partner
M. No. 410433

(CA Manaswy Kothari)
Partner
M. No. 064601

(CA R. Rangarajan)
Partner
M. No. 041883

Place : New Delhi
Date : 29th May, 2017

ANNEXURE 1

ATTACHED TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF POWER GRID CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2017
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended on March 31, 2017, we have audited the internal financial controls over financial reporting of Power Grid Corporation of India Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture companies, which are companies incorporated in India as of March 31, 2017.

Management's Responsibility for Internal Financial Controls

The Respective Board of directors of the Holding company, its subsidiary companies and its joint controlled companies, which are companies incorporated in India, are 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.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

**Opinion**

In our opinion, the Holding Company, its subsidiaries, and joint ventures which are companies incorporated in India have, 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 March 31, 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.

Other Matters

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it related to one subsidiary company and three Joint Venture Companies incorporated in India, is based on the corresponding report of auditors of such companies incorporated in India.

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it related to Ten subsidiary companies and Eight Joint Venture Companies incorporated in India, whose financial statements / financial information is unaudited and we are unable to express our opinion on adequacy and operating effectiveness of internal financial controls over financial reporting, however according to the information and explanations given to us by the Holding Company's Management, these financial statements / financial information are not material to the Group.

For S. K. Mittal & Co.
Chartered Accountants
FRN : 001135N

(CA S. K. Mittal)
Partner
M. No. 008506

For Parakh & Co.
Chartered Accountants
FRN : 001475C

(CA Indra Pal Singh)
Partner
M. No. 410433

For Kothari & Co.
Chartered Accountants
FRN : 301178E

(CA Manaswy Kothari)
Partner
M. No. 064601

For R. G. N. Price & Co.
Chartered Accountants
FRN : 002785S

(CA R. Rangarajan)
Partner
M. No. 041883

Place : New Delhi
Date : 29th May, 2017

Notes



Notes





पावरग्रिड

POWER GRID CORPORATION OF INDIA LTD.

(A Government of India Enterprise)

Registered Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016
Corporate Office : "Saudamini", Plot No. 2, Sector 29, Gurugram, Haryana - 122 001
CIN:L40101DL1989GOI038121