पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड
(भारत सरकार का उद्यम)
POWER GRID CORPORATION OF INDIA LIMITED
(A Government of India Enterprise)
पावरग्रिड

केन्द्रीय कार्यालयः "सौदामिनी" प्लॉट सं. 2, सैक्टर–29, गुडगाँव–122 001, (हरियाणा) दूरभाषः 0124-2571700-719, फैक्स : 0124-2571762,
"Saudamini" Plot No. 2, Sector-29, Gurgaon-122 001, (Haryana) Tel. : 0124-2571700-719, Fax : 0124-2571762, Web.: www.powergridindia.com

CIN : L40101DL1989GOI038121

C/COS/Listing/NSE/ Dt: 26.09.2018

The GM (Listing)
National Stock Exchange of India Ltd.,
Exchange Plaza, Plot No.C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai.

Ref: Symbol: POWERGRID; Series: EQ; ISIN: INE752E01010

Dear Sir,

Sub: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report duly approved and adopted in the 29th Annual General Meeting of POWERGRID is submitted please.

Thanking You,

Yours faithfully,

(Divya Tandon)
General Manager & Company Secretary -
Compliance Officer

Encl: a/a

ीकृत कार्यालयः बी–9, कुतब इंस्टीट्यूशनल एरिया, कटवारिया सराय, नई दिल्ली–110016 दूरभाषः 011-26560112, 26560121, 26564812, 26564892,, फैक्सः 011-26601081
gd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel.: 011-26560112, 26560121, 26564812, 26564892, Fax: 011-26601081, Web.: www.powergridindia.com

स्वहित एवं राष्ट्रहित में ऊर्जा बचाएं
Save Energy for Benefit of Self and Nation

पावरग्रिड

POWERGRID

Annual Report 2017-18



Transmitting
Prosperity



www.powergridindia.com

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 47,700 kms connecting over 688 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 Registration 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.: 0124-2822000, 2823000, Fax: 0124-2571762
Website: www.powergridindia.com, Email ID: investors@powergrid.co.in

NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Members of Power Grid Corporation of India Limited will be held on **Tuesday, the 18th September, 2018 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, 2018, 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 2017-18.

3. To appoint a Director in place of Shri K. Sreekant (DIN 06615674), 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 2018-19.

SPECIAL BUSINESS:

5. **To appoint Ms. Seema Gupta (DIN 06636330) as a Director liable to retire by rotation.**

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

   "RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Ms. Seema Gupta (DIN 06636330), who was appointed as Director (Operations), by the President of India vide Ministry of Power Office Order No. 25-11/7/2017-PG dated 20th February, 2018 and subsequently appointed as an Additional Director by the Board of Directors with effect from 1st March, 2018 and holds office upto the date of ensuing Annual General Meeting under Section 161 of the Companies Act, 2013 and who has consented to act as director 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 (Operations), liable to retire by rotation."

6. **To approve appointment of Shri Manoj Kumar Mittal (DIN: 07937052) 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, Shri Manoj Kumar Mittal (DIN 07937052) who was appointed as an Independent Director by the President of India vide Ministry of Power Office Order No. 1/38/96-PG(Vol-III) dated 7th September, 2017 and appointed by the Board of Directors as an Additional Director - Independent Director w.e.f 12th September, 2017 and subsequently appointed again by the Board as Additional Director after the conclusion of 28th Annual General Meeting held on 19th September, 2017 and holds office upto the date of ensuing Annual General Meeting under Section 161 of the Companies Act, 2013 and who has consented to act as Director, be and is hereby appointed as Independent Director of the Company with effect from the date of his initial appointment i.e. 12th September, 2017 for a period of three years, not liable to retire by rotation."

7. **To approve appointment of Shri Sunil Kumar Sharma (DIN: 03614952) 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, Shri Sunil Kumar Sharma (DIN 03614952) who was appointed as an Independent Director by the President of India vide Ministry of Power Office Order No. 20/6/2017-Coord. dated 17th July, 2018 and subsequently appointed as an Additional Director - Independent Director by the Board of Directors with effect from 23rd July, 2018 and holds office upto the date of ensuing Annual General Meeting under Section 161 of the Companies Act, 2013 and who has consented to act as director be and is hereby appointed as Independent Director of the Company with effect from 23rd July, 2018 for a period of three years, not liable to retire by rotation."

8. **To approve appointment of Smt. A. R. Mahalakshmi (DIN: 08187493) 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, Smt. A. R. Mahalakshmi (DIN 08187493) who was appointed as an Independent Director by the President of India vide Ministry of Power Office Order No. 20/6/2017-Coord. dated 17th July, 2018 and subsequently appointed as an Additional Director - Independent Director by the Board of Directors with effect from 26th July, 2018 and holds office upto the date of ensuing Annual General Meeting under Section 161 of the Companies Act, 2013 and who has consented to act as director be and is hereby appointed as Independent Director of the Company with effect from 26th July, 2018 for a period of three years, not liable to retire by rotation."

9. Ratification of remuneration of the Cost Auditors for the Financial Year 2018-19.

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 read with the Companies (Audit and Auditors) Rules, 2014, 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 of Directors for the Financial Year 2018-19 at a remuneration of ₹2,50,000/- (Rupees Two Lakhs 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 an additional remuneration of ₹12500 plus Taxes as applicable to be paid extra, to M/s. Chandra Wadhwa & Co., Cost Accountants, the Lead Cost Auditor for consolidation and facilitation for filing of Consolidated Cost Audit Reports for the Financial Year 2018-19 of the Company as a whole, be and are hereby ratified and confirmed."

10. 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 2019-20 in upto 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 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 upto ₹20,000 crore in domestic market during the Financial Year 2019-20 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 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 the detailed terms and conditions of each issue / tranche of Bonds, Issue programme of Bonds, deposit / pay fees, execute and deliver / file such offer letter(s), 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 and incidental and consequential for raising funds up to ₹20,000 crore during the Financial Year 2019-20 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 the Director (Finance)/Company Secretary be and is hereby severally 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 or consequential for the purpose of giving effect to the aforesaid resolution."

By order of the Board of Directors

Divya Tandon

(Divya Tandon)
General Manager &
Company Secretary

Regd. Office:
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi - 110 016.
(CIN: L40101DL1989GOI038121)
Date: 6th August, 2018

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, 16th September, 2018. 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) Regulations, 2015, the relevant details of Shri K. Sreekant (DIN: 06615674), Director (Finance), retiring by rotation and seeking re-appointment under aforesaid Item No. 3 and, Ms. Seema Gupta (DIN: 06636330), Shri Manoj Kumar Mittal (DIN: 07937052), Shri Sunil Kumar Sharma (DIN: 03614952) and Smt. A. R. Mahalakshmi (DIN: 08187493), 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. 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 and obtain entry slips, as entry to the Hall will be strictly on the basis of the entry slip available at the counter at the venue of the Annual General Meeting. 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 12th September, 2018 to 18th September, 2018 (both days inclusive).

8. The Board of directors, in their meeting held on 1st February, 2018, had declared an Interim Dividend of ₹2.45 per share (i.e. @ 24.5%) on the paid-up equity share capital of the Company which was paid on 15th February, 2018. 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 obtaining duplicate warrant or revalidating the warrant. The Board had further recommended a Final Dividend of ₹2.80 per share (i.e. @ 28%) on the paid-up equity share capital of the Company in its meeting held on 29th May, 2018. The Dividend, if declared at the Annual General Meeting will be paid on 26th September, 2018 to those Members, whose names appear on the Register of Members of the Company as on 18th September, 2018 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 11th September, 2018 as per details to be furnished by the depositories.

9. Pursuant to provisions of Companies Act, 2013, unclaimed final dividend for the Financial Year 2009-10 and unclaimed interim dividend for the Financial Year 2010-11 have been transferred to the Investor Education and Protection Fund (IEPF) established by Central Government on 20th November, 2017 and 10th April, 2018, respectively. Pursuant to Provisions of IEPF Rules, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 19th September, 2017 (the date of last Annual General meeting) on the website of the Company (www.powergridindia.com) and also on the website of the Ministry of Corporate Affairs.

10. Unclaimed final dividend for the Financial Year 2010-11 and unclaimed interim dividend for the Financial Year 2011-12 will be due for transfer to the Investor Education and Protection Fund in October, 2018 and March, 2019 respectively pursuant to the provisions of Section 124 of the Companies Act, 2013.

11. Attention of the members is drawn to the provisions of Section 124(6) of the Act, which require a company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more. In accordance with the aforesaid provision of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has already initiated action for transfer of all shares in respect of which dividend has not been claimed or paid for seven consecutive years. Members are advised to visit the web-link: http/www.powergridindia.com/investor relation/ investor services to ascertain details of shares liable for transfer in the name of IEPF Authority

12. 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.

13. 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.

14. Pursuant to Section 139 (5) of the Companies Act, 2013 the Statutory 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 28th Annual General Meeting held on 19th September, 2017, had authorized the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2017-18. Accordingly, the Board of Directors has fixed audit fee of ₹99,60,000 plus applicable GST for the Statutory Auditors for the Financial Year 2017-18 in addition to reimbursement of actual travelling and out-of-pocket expenses for visit to accounting units. The C&AG have appointed M/s. S. K. Mittal & Co., M/s. R. G. N. Price & Co., M/s. Kothari & Co. and M/s. Parakh & Co. as Statutory Auditors of the Company for the Financial Year 2018-19. The Members may authorize the Board to fix remuneration of Statutory Auditors as may be deemed fit by the Board for the Financial Year 2018-19.

15. 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 17th September, 2018 and at the venue of the meeting.

16. 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.

17. Attention of the members is drawn to Securities and Exchange Board of India (SEBI) Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20.04.2018, which require shareholders holding shares in physical form and whose folio(s) do not have complete details relating to their PAN and bank account, or where there is any change in the bank account details provided earlier, to compulsorily furnish the details to RTA/ Company for registration /updation.

18. Members are informed that pursuant to SEBI (LODR) (Fourth Amendment) Regulations, dated 8th June, 2018 effective from 5th December, 2018, requests for effecting transfer of securities in physical form shall not be processed by the Company unless the securities are held in dematerialized form with a Depository. Hence, members are requested to dematerialize their physical holding.

19. Annual Listing fee for the year 2018-19 has been paid to the Stock Exchanges wherein shares of the Company are listed.

20. Members are requested to send all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other shares related matter to Company's Registrar and Share Transfer Agent.

21. 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.

22. 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.

23. 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').

24. 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 15th September, 2018.
- ☐ End of remote e-voting: Up to 5:00 p.m. (IST) on 17th September, 2018.

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_EVEN 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 15th September, 2018 (09.00 AM IST) and ends on 17th September, 2018 (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. 11th September, 2018 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 11th September, 2018, 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 and Share Transfer Agent as on cutoff date i.e. 11th September, 2018 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, 11th September, 2018**.

(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 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.

25. 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.

Annexure to Notice

EXPLANATORY STATEMENT

ITEM NO. 5

Appointment of Ms. Seema Gupta (DIN 06636330) as a Director liable to retire by rotation

Ms. Seema Gupta was appointed as Director (Operations) of the Company by the President of India vide Ministry of Power Order No. 25-11/7/2017-PG dated 20th February, 2018 and assumed charge w.e.f. 1st March, 2018. 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 1st March, 2018 co-opted Ms. Seema Gupta as an Additional Director. Ms. Seema Gupta holds office upto the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Ms. Seema Gupta as a Director on the Board of POWERGRID.

The above appointment of Ms. Seema Gupta as Director (Operations) 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.

Ms. Seema Gupta holds 8807 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 Ms. Seema Gupta is annexed.

ITEM NO. 6

Appointment of Shri Manoj Kumar Mittal (DIN: 07937052) as an Independent Director

Shri Manoj Kumar Mittal (DIN 07937052) was appointed as an Independent Director of the Company by the President of India vide Ministry of Power Office Order No. 1/38/96-PG(Vol-III) dated 7th September, 2017 to hold the office upto and including 11th September, 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 Annual General Meeting (AGM) after their appointment. Accordingly, the Board vide resolution by circulation dated 12th September, 2017 appointed Shri Mittal as an Additional Director till the date of last AGM and subsequently in the Board Meeting held on 19th September, 2017 appointed Shri Manoj Kumar Mittal again as an Additional Director. Shri Manoj Kumar Mittal holds office upto the date of the ensuing AGM.

Further, in the opinion of the Central Government, Ministry of Power Shri Mittal fulfills the conditions specified in the Act and the Rules made thereunder and that Shri Mittal is independent of the Management. It is proposed to appoint him as an Independent Director w.e.f the date of his initial appointment, i.e 12th September, 2017 for a period of three years.

The above appointment of Shri Manoj Kumar Mittal 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 Manoj Kumar Mittal 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. 6 as an Ordinary Resolution.

Brief resume of Shri Manoj Kumar Mittal is annexed.

ITEM NO. 7

Appointment of Shri Sunil Kumar Sharma (DIN: 03614952) as an Independent Director

Shri Sunil Kumar Sharma (DIN 03614952) was appointed as an Independent Director of the Company by the President of India vide Ministry of Power Office Order No. 20/6/2017-Coord. dated 17th July, 2018 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 Annual General Meeting (AGM) after their appointment. Accordingly, the Board vide resolution by circulation dated 23rd July, 2018 appointed Shri Sunil Kumar Sharma as an Additional Director. Shri Sunil Kumar Sharma holds office upto the date of the ensuing AGM.

Further, in the opinion of the Central Government, Ministry of Power Shri Sunil Kumar Sharma fulfills the conditions specified in the Act and the Rules made thereunder and that Shri Sunil Kumar Sharma is independent of the Management. It is proposed to appoint him as an Independent Director for a period of three years w.e.f. 23rd July, 2018.

The above appointment of Shri Sunil Kumar Sharma 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 Sunil Kumar Sharma 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 Sunil Kumar Sharma is annexed.

ITEM NO. 8

Appointment of Smt. A. R. Mahalakshmi (DIN: 08187493) as an Independent Director

Smt. A. R. Mahalakshmi (DIN 08187493) was appointed as an Independent Director of the Company by the President of India vide Ministry of Power Office Order No. 20/6/2017-Coord. dated 17th July, 2018 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 Annual General Meeting (AGM) after their appointment. Accordingly, the Board vide resolution by circulation dated 26th July, 2018 appointed Smt. A. R. Mahalakshmi as an Additional Director w.e.f. 26.07.2018. Smt. A. R. Mahalakshmi holds office upto the date of the ensuing AGM.

Further, in the opinion of the Central Government, Ministry of Power Smt. A. R. Mahalakshmi fulfills the conditions specified in the Act and the Rules made thereunder and that Smt. A. R. Mahalakshmi is independent of the Management. It is proposed to appoint her as an Independent Director for a period of three years w.e.f. 26th July, 2018.

The above appointment of Smt. A. R. Mahalakshmi 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.

Smt. A. R. Mahalakshmi 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. 8 as an Ordinary Resolution.

Brief resume of Smt. A. R. Mahalakshmi is annexed.

ITEM NO. 9

Ratification of remuneration of the Cost Auditors for the Financial Year 2018-19.

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.Under the Companies (Audit and Auditors) Rules 2014, the Board while appointing the cost auditors has to approve the remuneration payable to them and the remuneration so approved by the Board has to be ratified by the general meeting. 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 2018-19 for a fee of ₹2,50,000/- plus applicable taxes to be shared equally by each Auditor. The above 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 2018-19 at an additional fee of ₹12,500/- (Rupees Twelve Thousand Five Hundred only) excluding taxes and out of pocket expenses.

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

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 2019-20 in upto twenty tranches/offers

POWERGRID Board of Directors, in their 355th meeting held on 10th July, 2018, 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 2019-20 for financing of POWERGRID Capital expenditure requirement, providing inter corporate loans to wholly owned subsidiaries and for general corporate purposes.

An amount of ₹25,000 crore to ₹30,000 crore is being considered as expected Capital Expenditure (CAPEX) during the Financial Year 2019-20. 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 2019-20.

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 determined on the market conditions prevailing 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.

The proposed borrowing for FY 2019-20 will be within overall borrowing limits of ₹1,80,000 crore.

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.

The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and all the documents referred to in this Notice and Explanatory Statement are open for inspection between 11.00 a.m. to 1.00 p.m. on all working days at the Registered Office i.e. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016 upto Monday, 17th September, 2018 and at the venue of 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: 6th August, 2018

BRIEF RESUME OF THE DIRECTORS SEEKING RE-ELECTION

Directors seeking re-election at the 29th AGM:

1.

Name	**Shri K. Sreekant**
DIN	06615674
Date of Birth and Age	21st December 1963 / 54 Years
Date of Appointment	1st September, 2016
Qualification	B. Com (Honours), CMA and PGDM (Finance), MDI
Expertise in specific functional Area	Shri K. Sreekant has about 32 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.
Directorship held in other Companies (Part-time)	NTPC Ltd.
Membership / Chairmanship of Committees in other Companies	NTPC Ltd.: Stakeholders' Relationship Committee - Member
No. of Shares held	1029

Directors being appointed at the 29th Annual General Meeting

1.

Name	**Ms. Seema Gupta**
DIN	06636330
Date of Birth and Age	5th May, 1962 / 56 Years
Date of Appointment	1st March, 2018
Qualification	Graduate Engineer, Post Graduate Diploma in Management, IMT
Expertise in specific functional Area	Ms. Seema Gupta has more than 34 years of experience in power sector and has handled multi-disciplinary functions like Commercial, International Business, Corporate Planning, Corporate Monitoring Group and Central Transmission Utility in the Company. Before joining POWERGRID in 1991, Ms. Seema has worked for about 7 years in NTPC.
Directorship held in other Companies (Part-time)	1. Delhi Transco Limited 2. POWERGRID Varanasi Transmission System Limited 3. POWERGRID NM Transmission Limited 4. POWERGRID Kala Amb Transmission Limited 5. POWERGRID Warora Transmission Limited 6. POWERGRID Parli Transmission Limited 7. Cross Border Power Transmission Company Limited 8. POWERGRID Mithilanchal Transmission Limited
Membership / Chairmanship of Committees in other Companies	NIL
No. of Shares held	8807

2.

Name	**Shri Manoj Kumar Mittal**
DIN	07937052
Date of Birth and Age	9th March, 1964 / 54 Years
Date of Appointment	12th September, 2017
Qualification	Graduated in Civil Engineering, M.Sc. & MS degrees from BITS Pilani
Expertise in specific functional Area	Shri Manoj Kumar Mittal is practicing as Consulting Civil & Structural Engineer and has an experience of over 31 years in the field of Civil & Structural engineering Consulting. He also has expertise in structural retrofitting and rehabilitation of structures in distress. He has keen interest in the field of green & sustainable design of built environment. He is member of several professional bodies e.g. IEI (I), IAStructE, ICI, CEAI, CDC, ACCE (I), ACI-India Chapter, IBC and IOV. He is member of various BIS committees e.g. CED-29, and CED-54 & CED-46: P4, P11 & P19. Presently, he is also affiliated with SPA-New Delhi as visiting faculty.
Directorship held in other Companies (Part-time)	NIL
Membership / Chairmanship of Committees in other Companies	NIL
No. of Shares held	NIL

3.

Name	**Smt. A. R. Mahalakshmi**
DIN	08187493
Date of Birth and Age	28th May, 1970 / 48 Years
Date of Appointment	26th July, 2018
Qualification	M.A., M.B.A., M.Phil., P.G.D.L.A.
Expertise in specific functional Area	Smt. A. R. Mahalakshmi is a woman Entrepreneur. She has been honoured with many awards for her entrepreneurship and social works.
Directorship held in other Companies (Part-time)	NIL
Membership / Chairmanship of Committees in other Companies	NIL
No. of Shares held	NIL

4.

Name	**Shri Sunil Kumar Sharma**
DIN	03614952
Date of Birth and Age	22nd September, 1956 / 61 Years
Date of Appointment	23rd July, 2018
Qualification	Post graduate with MBA
Expertise in specific functional Area	Shri Sunil Kumar Sharma has served as Chairman & Managing Director of Bharat Electronics Limited. During his long professional tenure of about 4 decades, he has steered the development & execution of large defence projects and complex IT based national E-Governance projects such as Electronic Voting Machine, Biometrics for National Population Register and Smart Cards.
Directorship held in other Companies (Part-time)	BEL Multitone Private Limited*
Membership / Chairmanship of Committees in other Companies	NIL
No. of Shares held	NIL

* Under Liquidation

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.: 0124-2822000, 2823000, Fax: 0124-2571762
Website: www.powergridindia.com, Email ID: investors@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 29th Annual General Meeting of the company, to be held on **Tuesday, the 18th September, 2018 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 31st March, 2018, 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 2017-18.		
3.	To appoint a Director in place of Shri K. Sreekant (DIN 06615674), 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 2018-19.		
Special Business			
5.	To appoint Ms. Seema Gupta (DIN 06636330) as a Director liable to retire by rotation.		
6.	To approve appointment of Shri Manoj Kumar Mittal (DIN: 07937052) as an Independent Director.		
7.	To approve appointment of Shri Sunil Kumar Sharma (DIN: 03614952) as an Independent Director.		
8.	To approve appointment of Smt. A. R. Mahalakshmi (DIN: 08187493) as an Independent Director.		
9.	Ratification of remuneration of the Cost Auditors for the Financial Year 2018-19.		
10.	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 2019-20 in upto twenty tranches/offers.		

Signed this.....day of....., 2018.

Signature of Shareholder

Signature of Proxyholder(s)

Affix Revenue Stamp

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. For the resolutions, explanatory statements and Notes, please refer to the Notice of 29th Annual General Meeting.
3. Please complete all details including details of member(s) in the above box before submission.

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.: 0124-2822000, 2823000, Fax: 0124-2571762
Website: www.powergridindia.com, Email ID: investors@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.

Power Grid Corporation of India Limited

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Corp. Off.: "Saudamini", Plot No. 2, Sector-29, Gurgaon-122001 (Haryana) Phone No.: 0124-2822000, 2823000, Fax: 0124-2571762
Website: www.powergridindia.com, Email ID: investors@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

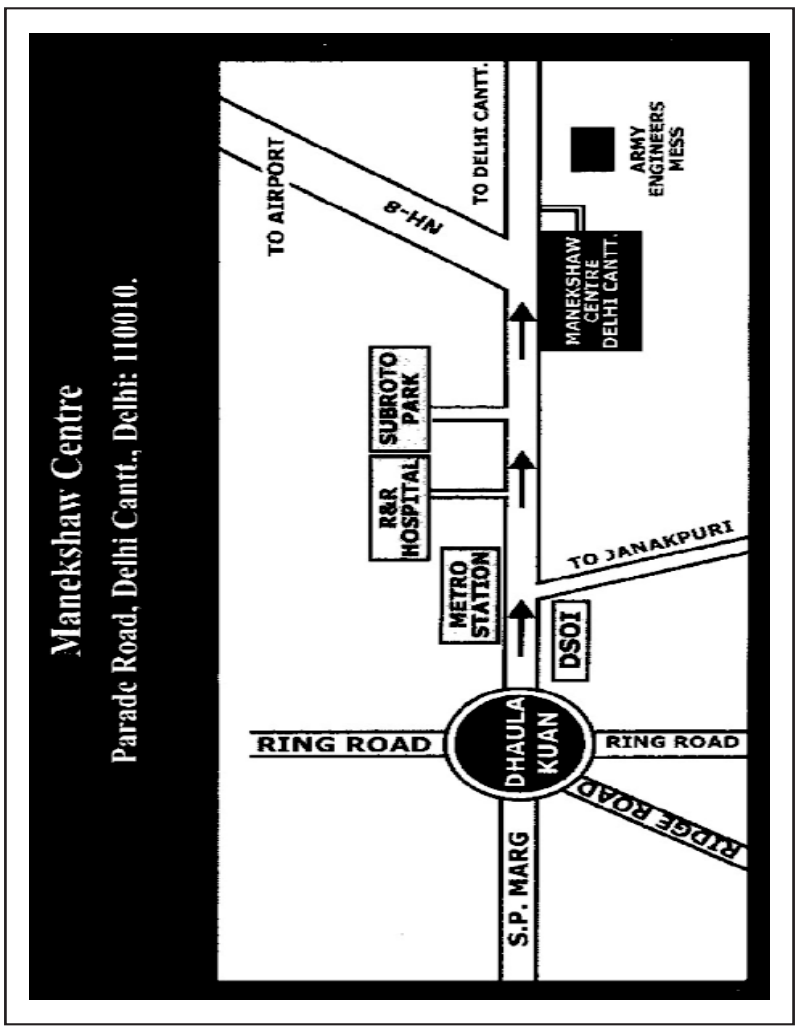
Income Tax Permanent Account Number (PAN) **(Please attach a photocopy of PAN Card)**	
Email ID	

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


Manekshaw Centre
Parade Road, Delhi Cantt., Delhi: 110010.
TO AIRPORT
NH-8
TO DELHI CANTT.
ARMY ENGINEERS MESS
MANEKSHAW CENTRE DELHI CANTT.
SUBROTO PARK
R&R HOSPITAL
METRO STATION
TO JANAKPURI
DSOI
RING ROAD
DHAULA KUAN
RING ROAD
RIDGE ROAD
S.P. MARG

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Reference Information

POWER GRID CORPORATION OF INDIA LIMITED

CIN: L40101DL1989GOI038121

<table>
<tr><td>Registered Office
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi - 110 016
Phone No. - 011-26560112, Fax – 011-26601081</td><td>GM & Company Secretary & Compliance Officer
Ms. Divya Tandon</td></tr>
<tr><td>Corporate Office
“Saudamini”, Plot No. 2,
Sector 29, Gurgaon - 122 001 (Haryana)
Phone No. – 0124-2822000, 2823000, Fax – 0124-2571762</td><td>Website: www.powergridindia.com
E-mail ID: investors@powergrid.co.in</td></tr>
<tr><td colspan="2">For the Financial year under review i.e. 2017-18</td></tr>
<tr><td>Statutory Auditors
1. M/s. S. K. Mittal & Co., Chartered Accountants
Mittal House,
E-29, South Extension Part-II,
New Delhi – 110049.
Email : skmittalca@yahoo.co.in
2. M/s. R. G. N. Price & Co., Chartered Accountants
Simpson Buildings,
861, Anna Salai,
Chennai - 600002.
Email : rangarajan@rgnprice.com
3. M/s. Kothari & Co., Chartered Accountants
1E, Neelkanth,
26-B, Camac Street,
Kolkata – 700016.
Email : manaswykothari@yahoo.co.in
4. M/s. Parakh & Co., Chartered Accountants
A-101 , Pratik Apartments,
Ramachandra Nagar 3,
Near Cadbury Signal, Thane West,
Mumbai – 400604.
Email : sharmapsd@yahoo.com</td><td>Cost Auditors
1. M/s Chandra Wadhwa & Co., Cost Accountants,
204, Krishna House,
4805/24, Bharat Ram Road,
Darya Ganj, New-Delhi-110002.
Email : wadhwafin@gmail.com
2. M/s R. M. Bansal & Co., Cost Accountants,
A-201, Twin Towers,
Lakhanpur,
Kanpur – 208024.
Email : cmarmbansal11@gmail.com</td></tr>
<tr><td>Registrar & Share Transfer Agent:
Equity Shares:
Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad – 500 032
Ph. : 040-67161569/72, Fax : 040-23420814
Toll Free No. 1800 345 4001
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</td><td>Bankers
Indian Overseas Bank
Bank of Baroda
Canara Bank
State Bank of India
Punjab National Bank
Union Bank of India
HDFC Bank Ltd
ICICI Bank Ltd
IDBI Bank
Corporation Bank
Axis Bank Ltd
Kotak Mahindra Bank
Dena Bank</td></tr>
</table>

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 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 LX 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,

Fiscal 2018 was yet another year of significant progress for your Company and it gives me great pleasure to share with you the performance of your company during the Financial Year (FY) 2017-18.

Your Company achieved capitalization of transmission projects (including TBCB projects) worth about `**27928 crore. Transmission assets consisting of 9072 Ckm of Extra High Voltage (EHV) transmission lines, 41,620 MVA transformation capacity with 15 new substations have been added during the year by your Company. Capital expenditure has been `25,791 crore against the target of `25,000 crore.** A number of large and important projects were commissioned/completed during the year including ± 800 kV, 3000 MW HVDC link from Alipurduar to Agra for evacuation of power from Bhutan; 2nd Pole of ± 800 kV HVDC Champa-Kurukshetra link; 765kV D/C Jabalpur-Orai-Aligarh, (WR–NR Inter-Regional strengthening link); 765kV D/C Nizamabad – Hyderabad transmission line, part of Wardha-Hyderabad link and several other 400kV lines and substations.

The Total Income of the Company increased to ₹30,766 crore and Profit After Tax (PAT) increased to ₹8,239 crore, registering a growth of about 16% and 10% respectively over the Total Income and PAT in Fiscal 2017. **Your Company's Gross Fixed Assets as on March 31, 2018 stood at ₹177,100 crore as against ₹149,730 crore as on March 31, 2017.**

On the operational front, your Company maintained availability of the transmission network at 99.81% with number of tripping per line contained at 0.60. As on March 31, 2018, your Company owns & operates a transmission network of 148,149 ckm of EHV transmission lines, 234 nos. of EHVAC & HVDC substations with 331,163 MVA transformation capacity.

Your Company continued to make significant progress in the Consultancy and Telecom business segments as well. Your Company has registered consultancy revenue of ₹662 crore and Telecom revenue of ₹607 crore, a growth of about 14% and 22%, respectively over the previous year. Some of the major consultancy assignments secured in the domestic market during the year include strengthening of Sub-transmission works and Rural Electrification work in the state of J&K under Prime Minister Development Programme (PMDP). A number of prestigious International Consultancy assignments with multilateral funding on competitive bidding basis have also been secured. On the Telecom front, network coverage has been increased by 13.68% to 47,735 km from the earlier reach of 41,998 km.

Your Company is performing well in the competitive environment under Tariff Based Competitive Bidding (TBCB). During the year your company won two more projects viz. **'Establishment of Transmission System for Eastern Region Strengthening Scheme XXI (ERSS-XXI)' and 'Establishment of 765kV D/C power transmission system for new Western Region – Northern Region Inter Regional Corridor'** under the TBCB route. As on March 31, 2018, your Company has secured 12 projects under this model and I am happy to share with you that five of these projects have been successfully completed till date and elements in other projects are being completed progressively.

Towards integration of Renewable Energy Resources with the Grid, your Company is playing an important role including undertaking the development of high capacity Green Energy Corridors as well as transmission schemes worth about `4300crore for 7200 MW Ultra Mega Solar Parks in various states. For development of Smart Grid in India, your Company is continuously focusing towards improving reliability, security, and efficiency of the grid through applications of intelligent Smart Grid technologies.

Friends, your Company continued to take various initiatives to fulfil its commitment towards the goal of Sustainable Development including design and installation of innovative towers for conservation of Right of Way (RoW), rain water harvesting system, installation of LED bulbs, solar lights, fuel catalysts devices for DG sets etc. Towards sustainability and green initiative, your Company is installing Rooftop Solar PV Systems in 55 locations of its own premises across the Country. **Your Company, the leader in Sustainability Reporting in the Indian Power Sector, released its 5th biennial Sustainability Report (for 2015-17) in January, 2018 based on internationally acclaimed GRI-G4 guidelines.** This report apart from show-casing Company's achievements gives all stakeholders a clear picture of contributions to sustainable development through its activities.

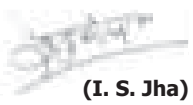
As a part of Corporate Social Responsibility, your Company continued to contribute to society at large through initiatives that have positive impact on society at large, especially the community in the neighborhood of its operations. Various CSR activities have been undertaken during the year with thrust on Rural Development/Infrastructural Development, Skill Development, Health, Education, Environment, etc. To help economically weak patients undergoing treatment and their attendants, your Company has constructed 'POWERGRID Vishram Sadan' at J.P. Apex Trauma Centre, AIIMS, New Delhi which has become functional during the year. **'POWERGRID Vishram Sadan' was dedicated to the nation by the Hon'ble Prime Minister on 29th June, 2018.** Four more Vishram Sadans are being constructed by your Company each at Lucknow, Patna, Guwahati and Ranchi. Further, your Company has actively participated in the 'Swachh Bharat Abhiyaan'. Company's employees and their family members voluntarily undertook Shram Daan during the year in more than 150 locations across the Country. During FY 2017-18, your Company has spent ₹157.99 crore on various CSR activities.

Your Company's contribution has been widely acknowledged and it has received several prestigious awards and distinctions. Some of the significant and recent awards / recognition include -

- 'Best Navratna Overall', 'Best Navratna: Services' & 'Electricity Sector: Transmission' at Dun & Bradstreet PSU Awards 2018;
- 'Fastest Growing Electric Utility in Asia for fourth successive year- as per Platts Top 250 Global Energy Company Rankings (2017, 2016, 2015 & 2014);
- 'SCOPE Award for Excellence and Outstanding Contribution to the Public Sector Management – Individual Leadership Category–I (Maharatna/ Navratna CPSE) 2016-17 to CMD, POWERGRID; and
- 'Best CEO' Award in 'PSU' category (except Banking Sector) and 'Best CEO' Award in 'Power' category to CMD, POWERGRID at Business Today 'Best CEO' Awards.

On behalf of the Company, I thank each shareholder for the unstinted support & trust placed on the Company and look forward for your continued support. I would also like to take this opportunity to thank the employees whose commitment and hard work has helped in delivering another successful year for the Company.

With best wishes,
Yours sincerely



(I. S. Jha)
Chairman & Managing Director

Date: 6th August, 2018
Place: New Delhi

Integrated Report

Financial Capital



Asset Capitalization FY2017-18
₹27,928 crore



Capital Investment FY2017-18
₹25,791 crore



Gross Fixed Assets upto 31.03.2018
₹177,100 crore



Turnover ₹30,767 Crore
(16% increase from previous FY)



PAT ₹8239 crore
(10% increase from previous FY)



EBITDA ₹27159 crore
(15% increase from previous FY)

Manufactured Capital



148,149ckm EHV Transmission Lines. 9,072ckm lines have been added during FY 2017-18



234 nos. EHVAC & HVDC substations. 15 new substations have been added during FY 2017-18



331,163 MVA Transformation Capacity. 41,620 MVA transformation capacity added during FY 2017-18



99.81% Transmission Network Availability. Up from 99.79% during previous FY.



47,735 KM Telecom Network Coverage. Up from 41,988 KM during previous FY. Increase of 13.68%.

Intellectual Capital



1200kV National Test Station at Bina, Madhya Pradesh – Indigenously developed.

1200kV UHVAC testing station has resulted in reduction in Right of Way and transmission losses



Geographical Information System Tool

Saves time and manpower for preliminary survey with reasonable accuracy



Process Bus Technology

Reduction in cabling, carbon footprint and commissioning time, Improved diagnostics



Software for monitoring of Transformers and Reactors

Software developed in-house for monitoring of wide fleet of equipment.



National Transmission Asset Management Centre (NTAMC)

185 substations being remotely monitored and operated

Human Capital



9500 Employees



Diversity and Inclusion:
650 Female Employees



698 Recruitments during FY 2017-18



POWERGRID Academy of Leadership – Learning and development Centre for Power Sector



5.75 Training Man Days Per Employee during FY 2017-18

Social & Relationship Capital



Environmental and Social Policy & Procedures First company in Asia to have a comprehensive environment & social policy document. Recognized by World Bank & ADB.



Alignment with UN Sustainability Development Goals POWERGRID's Sustainability Report has mapped 11 out of 17 UN Sustainability Development Goals



CSR
CSR spend of ₹158 crore during FY 2017-18. POWERGRID has constructed 300 bed Vishram Sadan at AIIMS New Delhi for patients in waiting and attendants.



Skill Development
Training of 5000 Youths in 33 locations across the country in collaboration with National Skill Development Fund and National Skill Development Corporation



Contribution to States
POWERGRID contributed in creating Infrastructure for 4279 partially/un-electrified villages and service connections to 11,600 BPL households. IPDS Work in Varanasi.



Make in India

Thrust on Make in India and MSEs. Total procurement from MSEs ₹777 crore.

Natural Capital



Conservation of Right of Way: Involvement of Forest has been reduced from 6% in 1998 to 2% in 2018



Renewable Energy Integration: Transmission Schemes for 7200 MW Ultra Mega Solar Power Parks



Emission Control: Control in leakages of Green House Gas from Power Systems. POWERGRID's efforts have lead to reduction in 59,782 equivalent tonnes of CO_2 as GHG reduction measure during 2015-17.



Waste Management: Hazardous and other wastes are disposed as per norms laid down by MoEF. During 2015-17, 3619 no. of used batteries have been disposed off as per govt. rules. Waste Paper Recycling plant installed at Gurgaon substation is contributing in recycling of waste paper.

DIRECTOR'S PROFILE



Shri I. S. Jha
Chairman & Managing Director

Shri I. S. Jha (59 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 37 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 (54 years), (DIN: 06615674) is Director (Finance) of the Company. He is a B. Com (Honours), CMA and PGDBM (Finance) from Management Development Institute, Gurgaon. Shri Sreekant has about 32 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 the Board in September, 2016.



Shri Ravi P. Singh
Director (Personnel)

Shri Ravi P. Singh (58 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 36 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 the Board in April, 2012.



Ms. Seema Gupta
Director (Operations)

Ms. Seema Gupta (56 years) (DIN:06636330) is Director (Operations) of the Company. Prior to taking up this assignment, she was Executive Director (Northern Region-I) in the company. She is a graduate Engineer from Delhi College of Engineering (DCE) and also holds a Post Graduate Diploma in Management from IMT. Ms. Seema Gupta has more than 34 years of experience in power sector and has handled multi-disciplinary functions like Commercial, International Business, Corporate Planning, Corporate Monitoring Group and Central Transmission Utility in the Company. Before joining POWERGRID in 1991, Ms. Seema has worked for about 7 years in NTPC. She is appointed as a Director on the Board in March, 2018.

Ms. Bharati
Government Nominee Director



Ms. Bharati (52 years), (DIN: 07925607) is currently working as Joint Secretary (Transmission) in the Ministry of Power. With over 26 years of professional experience in the field of conservation and management of forest biodiversity, she has worked with Central and State Governments in India both at field level as well as policy level. She holds Master's Degrees in Energy Studies, Physics and Forestry and has been an alumna of Goldman School of Public Policy, Univ. of California, Berkeley. She was appointed as a Director on the Board in August, 2017.



Shri Vivek Kumar Dewangan
Government Nominee Director

Shri Vivek Kumar Dewangan (51 years), (DIN:01377212), an Indian Administrative Service Officer of Manipur Cadre (1993 Batch), is B.E. in Electronics from NIT, Bhopal and P.G. in Optoelectronics & Optical Communication from IIT, Delhi. During his illustrious career of 25 years as IAS officer, he has held various administrative positions in the areas of Finance, Power/Energy, Elections/Law & Justice, Commerce & Industries, Minister's Office (Corporate Affairs/Agriculture & Food Processing Industries), Education/Human Resource Development, Sericulture/Agriculture & Cooperation, Economic Affairs, Economics & Statistics, Petroleum & Natural Gas, District Administration (Surguja & Raipur District in Chattisgarh and Senapati District in Manipur), Divisional Admn. He was appointed as a Director on the Board in April, 2018.

Shri Jagdish I Patel
Independent Director



Shri Jagdish I Patel (53 years), (DIN:02291361) is a B.Sc., ASTM-UT, MBA (Ind.) has an illustrious career spanning over 37 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 Trademech Limited, as well as KIA Infrastructure Development Limited and active member of Gujarat Chamber of Commerce and Industry (GCCI), 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 the Board in November, 2015.



Shri Tse Ten Dorji
Independent Director

Shri Tse Ten Dorji, (67 years), (DIN: 03469466), is an I.A.S (Retired). During his career over 41 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 the Board in February, 2017.

Shri Manoj Kumar Mittal
Independent Director



Shri Manoj Kumar Mittal (54 years), (DIN: 07937052) graduated in Civil Engineering from BITS Pilani in 1985. He also earned his M.Sc. & MS degrees from the same Institute. He is practicing as Consulting Civil & Structural Engineer and has an experience of over 31 years in the field of Civil & Structural engineering Consulting. He also has expertise in structural retrofitting and rehabilitation of structures in distress. He has keen interest in the field of green & sustainable design of built environment. He is member of several professional bodies e.g. IEI (I), IAStructE, ICI, CEAI, CDC, ACCE (I), ACI-India Chapter, IBC and IOV. He is member of various BIS committees e.g. CED-29, and CED-54 & CED-46: P4, P11 & P19. Presently he is also affiliated with SPA-New Delhi as visiting faculty. He was appointed as an Independent Director on the Board in September, 2017.



Shri Sunil Kumar Sharma
Independent Director

Shri Sunil Kumar Sharma (61 years), (DIN: 03614952) has served as Chairman & Managing Director of Bharat Electronics Limited. He is a post graduate with MBA and gold medalist from University Engineering College, Bangalore. During his long professional tenure of about 4 decades, he has steered the development & execution of large defence projects and complex IT based national E-Governance projects such as Electronic Voting Machine, Biometrics for National Population Register and Smart Cards. He was appointed as an Independent Director on the Board in July, 2018.

Smt. A. R. Mahalakshmi
Independent Director



Smt. A. R. Mahalakshmi (48 years), (DIN: 08187493) is an M.A., M.B.A., M.Phil., P.G.D.L.A. and a woman Entrepreneur. She has been honoured with many awards for her entrepreneurship and social works. She was appointed as an Independent Director on the Board in July, 2018.



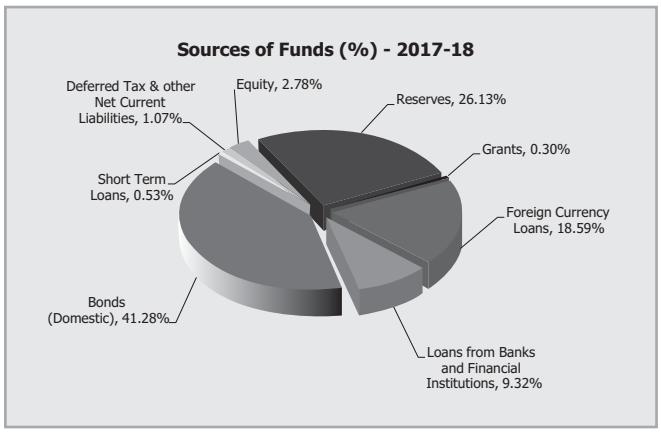
Shri V. K. Saksena
Chief Vigilance Officer

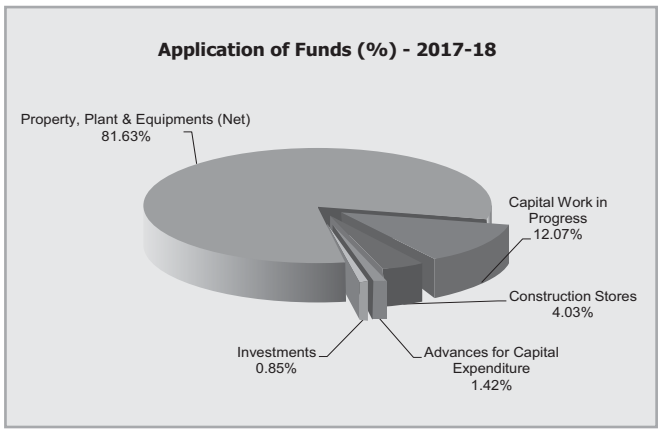
Shri V. K. Saksena (59 years), MA, LLB, is the Chief Vigilance Officer of POWERGRID. He belongs to the 1984 batch of Indian Revenue Service (Income Tax) and has over 33 years of experience in tax law enforcement and has also worked on deputation assignments. In the Income Tax Department, Govt. of India, 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 Angles, USA. He was appointed as Chief Vigilance Officer of POWERGRID in July, 2016.

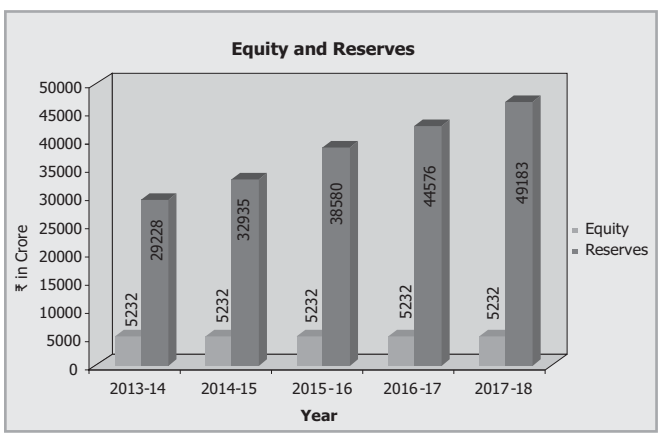
List of Senior Executives as on 6th August, 2018

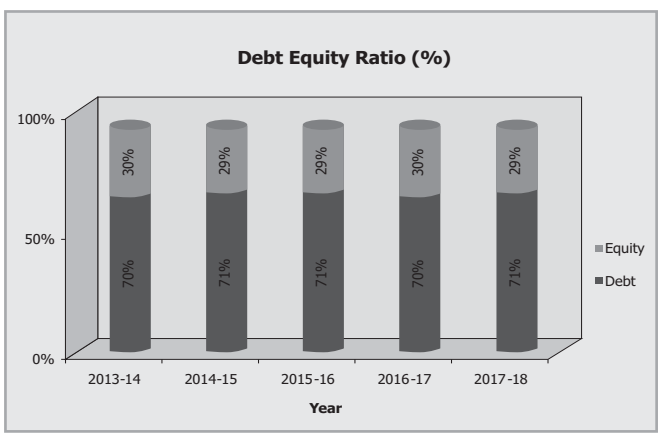
S.N.	Name (S/Sh.)	Designation	Level	Department
Corporate Centre - Gurgaon				
1	P.N. Dixit	ED	E9	Asset Management
2	T.C. Sarmah	COO	E9	BDD, JV&PI
3	Sanjeev Singh	ED	E9	CMG
4	Abhay Chaudhary	ED	E9	Commercial, Regulatory Cell
5	D.C. Joshi	ED	E9	Contract Services & Material Management
6	Chetan Varma	ED	E9	Corporate Communications, Rajbhasha
7	Anil Jain	ED	E9	Corporate Planning, Cost Engg, CMD Coordination Cell
8	Dr. Subir Sen	ED	E9	CTU, Smart Grid
9	Rajesh Kumar	ED	E9	DMS
10	Sanjay Garg	ED	E9	Energy Mgmt.
11	R.K. Chauhan	ED	E9	Engg-(S/s, TL, Civil), FQA
12	S K Gupta	ED	E9	ESMD, CSR
13	K.S.R. Murty	ED	E9	F&A
14	Anil Mehra	COO	E9	International Business
15	Sunil Agrawal	COO & CISO	E9	ERP, IT,ISD, NTAMC - Manesar
16	A.S. Kushwaha	ED	E9	LD&C
17	A.K. Singhal	ED	E9	TBCB
18	B.N.De.Bhowmick	ED	E9	Technology Development
19	A.K. Arora	COO	E9	Telecom - New Delhi
20	Upendra Pande	Dy. CVO	E9	Vigilance
21	Rakesh Kumar	GM (I/C)	E8	Engg-HVDC
22	N. Shankar	GM (I/C)	E8	HR, Law
23	Anil Saberwal	GM (I/C)	E8	POWERGRID Academy of Leadership/HRD - Manesar
Regional Heads				
24	H.K. Mallick	ED	E9	Northern Region- I, New Delhi
25	J.P. Singh	ED	E9	Northern Region- II, Jammu
26	R.K. Singh	ED	E9	Northern Region- III, Lucknow
27	S.N. Sahay	ED	E9	Eastern Region – I, Patna
28	N.K. Ohdar	ED	E9	Eastern Region – II, Kolkata
29	D.S. Yadav	ED	E9	North Eastern Region, Shillong
30	V. Sekhar	ED	E9	Southern Region – I, Secunderabad
31	R.N. Singh	ED	E9	Southern Region – II, Bangalore & Incharge RPT HVDC Projects
32	Dr V.K Khare	ED	E9	Western Region – I, Nagpur
33	D.K. Singh	ED	E9	Western Region – II, Vadodara
Other Heads				
34	Atul Trivedi	ED	E9	W/N IC Projects, Gurgaon
35	Sanjai Gupta	ED	E9	Odisha Projects, Bhubaneswar
36	Rajiv Kumar	ED	E9	NERPSIP, Guwahati
On Deputation to other Organization(s)				
37	Ashwani Jain	ED	E9	North-East Transmission Company Limited
38	R.K. Sarkar	ED	E9	Torrent POWERGRID Limited
39	T. Pandey	ED	E9	Bihar Grid Company Limited

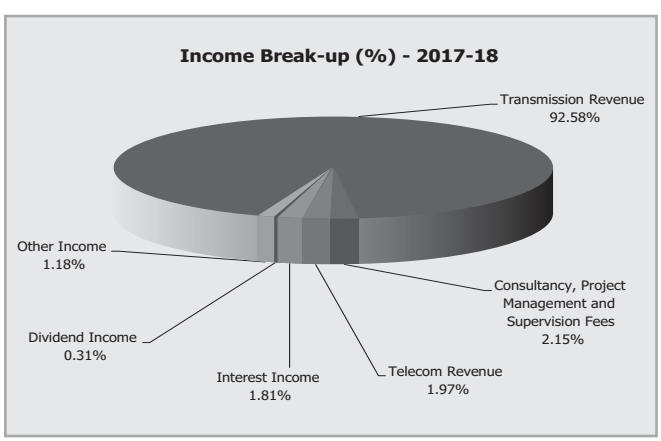
POWERGRID's PERFORMANCE

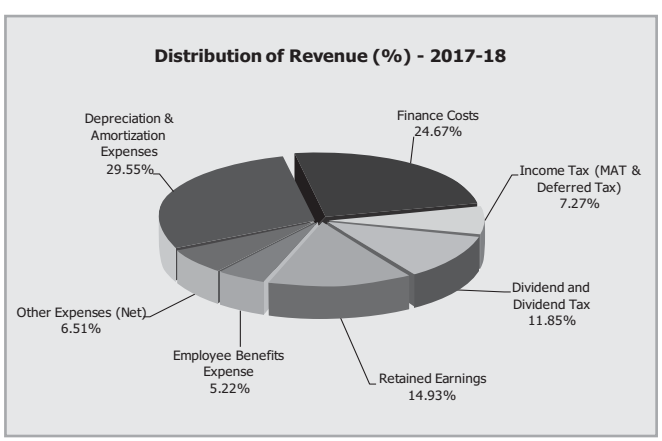












FIVE YEARS' SUMMARY

OPERATING RESULTS

(` in crore)

Particulars	As per Ind AS 2017-18	As per Ind AS 2016-17	As per Ind AS 2015-16	As per Indian GAAP 2014-15	As per Indian GAAP 2013-14
(A) EARNED FROM :					
Transmission Revenue	**28447.16**	24411.66	19732.06	16450.86	14250.05
Other Operative Revenue - Transmission	**36.53**	218.62	76.04	70.88	77.54
Consultancy Revenue					
- Sales of Services	**662.18**	582.43	465.46	380.60	332.48
- Sales of Products	**-**	-	-	-	294.07
Telecom Revenue	**606.59**	497.36	392.25	274.89	276.14
Other Income	**1013.86**	866.63	577.49	602.81	491.13
Total Earnings	**30766.32**	26576.70	21243.30	17780.04	15721.41
(B) PAID & PROVIDED FOR :					
Purchases of stock-in-trade	**-**	-	-	-	219.40
Employees benefits expense	**1605.89**	1377.13	993.72	1023.65	941.68
Finance costs	**7590.66**	6303.83	5134.93	3979.32	3167.52
Depreciation and amortization expense	**9091.25**	7662.80	6179.80	5085.41	3995.68
Other Expenses	**2208.90**	1733.11	1394.29	1402.28	1133.38
Total Expenses	**20496.70**	17076.87	13702.74	11490.66	9457.66
Profit before Tax & Movement in Regulatory Deferral Account Balances	**10269.62**	9499.83	7540.56	6289.38	6263.75
Movement in Regulatory Deferral Account Balances-Income/ (Expenses)	**207.23**	69.93	(0.05)	-	-
Profit before Tax	**10476.85**	9569.76	7540.51	6289.38	6263.75
Provision for tax (MAT)	**2218.93**	1988.45	1574.79	1280.99	1274.13
Deferred Tax (Net)	**18.96**	61.16	17.22	29.22	492.20
Profit after Tax	**8238.96**	7520.15	5948.50	4979.17	4497.42
Other Comprehensive Income	**13.72**	49.83	(11.97)		
Total Comprehensive Income for the period	**8252.68**	7569.98	5936.53		
Dividend	**3034.33**	1313.12	1103.87	1046.32	1349.76
Dividend Tax	**610.64**	264.76	221.41	207.56	226.71

FINANCIAL POSITION

(` in crore)

Particulars	As per Ind AS 2017-18	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
(A) WHAT THE COMPANY OWNED:						
Property, Plant & Equipments (^)	**177100.25**	149730.18	121336.82	89549.41	118264.26	96503.66
Less: Accumulated Depreciation	**23489.90**	14222.22	6394.52	-	28578.05	23349.59
Net Property, Plant & Equipments (^)	**153610.35**	135507.96	114942.30	89549.41	89686.21	73154.07
Capital Work in Progress (including Construction Stores)	**30307.12**	35884.13	43795.15	52922.41	52924.15	49476.71
Investment Property	**0.03**	0.03	0.03	0.03		
Advances for Capital Expenditure	**2670.86**	3057.92	3020.19	3348.96	3367.44	3853.61
Non-current Investments	**1608.24**	1327.55	836.08	826.07	740.99	814.33
Regulatory Assets	**314.83**	107.60	37.67	37.72	37.72	-
Other Non-current Loans & Advances	**12094.12**	7744.22	6125.58	3832.59	3614.27	3221.35
Current Assets, Loans & Advances	**12300.20**	11050.05	9652.25	7837.91	7930.10	9069.00
TOTAL (A)	**212905.75**	194679.46	178409.25	158355.10	158300.88	139589.07
(B) WHAT THE COMPANY OWED:						
Long Term Loans:						
- From Banks & Financial Institutions	**17078.00**	12902.00	12031.00	7600.22	7600.22	5101.94
- Foreign Currency Loans	**32858.02**	29511.71	29256.76	26708.25	26713.66	24721.62
- Domestic Bonds	**72484.30**	68549.46	58885.55	55003.32	55061.96	46966.66
Total Long-term Borrowings	**122420.32**	110963.17	100173.31	89311.79	89375.84	76790.22
Current maturities of Long Term Loans	**7792.64**	6234.74	6081.60	4468.56	4468.71	3679.63
Working Capital Loan (short-term)	**1000.00**	1500.00	2000.00	1200.00	1200.00	2700.00
Current Liabilities & Provisions	**18107.29**	17024.39	16202.66	15332.47	16195.81	13137.50
Deferred Tax Liability(Net)	**2569.50**	2550.54	2489.38	2472.16	2472.15	2442.96
Deferred Revenue-Advance against Depreciation	**1504.09**	1624.81	1770.66	1911.50	1938.57	2018.07
Deferred Revenue-DFCFI/E Account	**2903.76**	3107.26	3818.31	2750.23	2751.22	2404.32
Deferred Revenue-Grants in Aid	**559.56**	150.30	109.17	73.12	73.12	95.07
Non-current Provisions	**716.87**	789.56	650.45	580.23	580.23	524.37
Other non-current Liabilities	**916.76**	927.44	1302.48	1055.36	1078.64	1337.30
TOTAL (B)	**158490.79**	144872.21	134598.02	119155.42	120134.29	105129.44
(C) NET WORTH OF THE COMPANY REPRESENTED BY :						
Equity Share Capital	**5231.59**	5231.59	5231.59	5231.59	5231.59	5231.59
Other Equity	**49183.37**	44575.66	38579.64	33968.09	32805.48	29181.30
TOTAL (C)	**54414.96**	49807.25	43811.23	39199.68	38037.07	34412.89
(D) COMMITTED RESERVES						
CSR Activities Reserve (@)	**-**	-	-	-	129.52	46.74
TOTAL (D)	**-**	-	-	-	129.52	46.74
TOTAL (B+C+D)	**212905.75**	194679.46	178409.25	158355.10	158300.88	139589.07
CAPITAL EMPLOYED (Net Property, Plant & Equipments+Net Current Assets)	**139010.62**	121798.88	100310.29	76386.29	75751.79	62705.94

FINANCIAL POSITION (Contd.)

Particulars		As per Ind AS 2017-18	As per Ind AS 2016-17	As per Ind AS 2015-16	As per Indian GAAP 2014-15	As per Indian GAAP 2013-14
(E)	**RATIOS**					
	Net Profit to Capital Employed(%)	**5.93**	6.17	5.93	6.57	7.17
	Net Profit to Net Worth(%)	**15.14**	15.10	13.58	13.09	13.07
	Net Worth per Rupee of Paid-up Capital (`)	**10.40**	9.52	8.37	7.27	6.58
	Debt/Equity Ratio (#)	**71:29**	70:30	71:29	71:29	70:30
	Current Ratio	**0.46:1**	0.45:1	0.40:1	0.36:1	0.46:1
	Earning per Share (Diluted EPS) (`)	**15.75**	14.37	11.37	9.52	9.36
	Book Value per share (`)	**104.01**	95.20	83.74	72.71	65.78
	Dividend per share (`)	**5.80**	2.51	2.11	2.00	2.58
	Capital Expenditure (` in crore)	**25791**	24429	22584	22456	23158
(F)	**OTHER IMPORTANT INFORMATION**					
	Length of Transmission Lines (CKT)	**148149**	139077	129354	115637	106804
	No. of substations	**234**	219	207	192	184
	Transformation capacity (MVA)	**331163**	289543	254848	231709	205923
	No. of Employees ($)	**9465**	9346	8606	8575	8694
	Transmission Network availability (%)	**99.81%**	99.79%	99.72%	99.78%	99.92%

(^) 'Property, Plant & Equipment' 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.

($) Including Fixed Tenure Basis (FTB) employees and excluding employees posted in POSOCO on secondment basis.

Directors' Report

To,
Dear Shareholders,

The Board of Directors have the pleasure of presenting the 29th Annual Report on performance of Power Grid Corporation of India Limited (POWERGRID, the Company) during the financial year ended March 31, 2018 together with the Audited Financial Statements.

Continuing its long track record of sterling performance, your Company once again performed exceedingly well as is evident from the excellent results and achievements in all areas.

In FY 2017-18, Transmission assets consisting of **9,072 circuit kilometre (ckm.)** of Extra High Voltage (EHV) transmission lines, **41,620 Mega Volt Ampere (MVA)** transformation capacity with **15 new substations** have been added.

Some of the major achievements of the Company during FY 2017-18 are:

- Asset Capitalization of ₹ **27928 crore (incl. TBCB projects**).
- Capital Investment of ₹ **25791 crore** against target of ₹ 25000 crore.
- Transmission system availability maintained at **99.81%** with number of tripping per line contained at **0.60.**
- Inter-Regional power transfer capacity of **11,400 MW** added by the Company. With this, cumulative Inter-Regional power transfer capacity of the National Grid stood at **86,450 MW** at the end of March, 2018.
- Total Income of ₹**30,766.32** crore and Profit After Tax (PAT) of ₹**8,238.96** crore.
- Interim Dividend of ₹ 2.45 per share (Face Value ₹10/- each) paid and in addition recommendation made for ₹**2.80** per share as final dividend for the FY 2017-18, subject to approval of shareholders.
- Highest ever, over 12,000 km of Optical Ground Wire (OPGW) installed. 57,000 km OPGW network commissioned up to 31.03.2018 to support requirement of reliable voice and data communication with RLDCs to facilitate effective grid management.
- Telecom revenue rose to ₹**606.59** crore in the financial year ended on 31st March 2018 from ₹**497.36** crore in the previous year.
- Consultancy revenue increased to ₹**662.18** crore in the financial year ended on 31st March 2018 from ₹**582.43** crore in the previous year.
- Won tow projects under TBCB route - ERSS XXI Transmission Limited and WR-NR Power Transmission Limited.

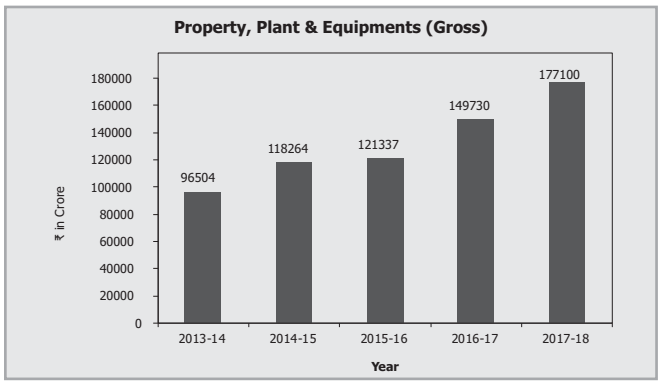
1. FINANCIAL PERFORMANCE

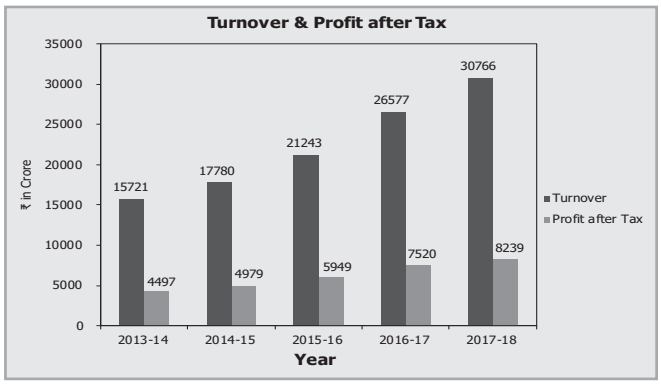
In FY 2017-18, the Company has shown a stellar financial performance. The Financial Performance during FY 2017-18 as compared to the previous year 2016-17 is summarized below:

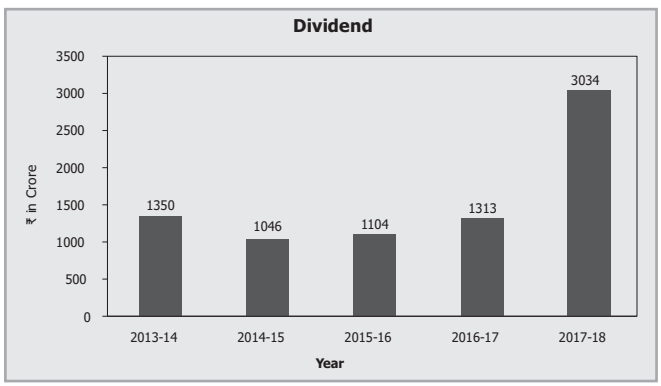
(All Figures except per share data is in units as indicated)

Description	2017-18		2016-17		Y-o-Y Growth
	INR (₹ crore)	US $ (million)	INR (₹ crore)	US $ (million)	
Revenue					
Transmission Charges	28483.69	4377.08	24630.28	3784.93	**15.65%**
Consultancy-Sale of Services	662.18	101.76	582.43	89.50	**13.69%**
Telecom	606.59	93.21	497.36	76.43	**21.96%**
Other Income	1013.86	155.80	866.63	133.17	**16.99%**
Total Income	30766.32	4727.86	26576.7	4084.04	**15.76%**
Profit After Tax (PAT)	8238.96	1266.08	7520.15	1155.62	**9.56 %**
Earnings per Share	₹15.75	US$ 0.24	₹14.37	US$ 0.22	**9.60%**
Book Value per Share	₹104.01	US$ 1.6	₹95.20	US$ 1.46	**9.25%**
Gross Fixed Assets	177100.25	27214.96	149730.18	23009.01	**18.28%**
Long Term Borrowings*	130212.96	20009.8	117197.91	18009.78	**11.11%**
Net Worth	54414.96	8361.94	49807.25	7653.87	**9.25%**
Debt Equity Ratio	71:29		70:30		_
Return on Net Worth	15.14%		15.10%		_

* Including current maturities of long term borrowings.







Convenience conversion at 1 US $ = 65.0746 INR as on 31.03.2018.

2. DIVIDEND

For FY 2017-18, your Company has proposed a final dividend of ₹2.80 per share in addition to ₹2.45 per share of interim dividend paid in February'18, taking total dividend to ₹5.25 per share. The total dividend payout for the year amounts to ₹2746.58 crore (including an interim dividend of ₹1281.74 crore). The final dividend shall be paid after your approval at the Annual General Meeting.

3. MoU PERFORMANCE

For its performance against MoU with Ministry of Power, the Company has been rated 'Excellent' yet again for financial year 2016-17. It is noteworthy that the Company has been consistently rated 'Excellent' since 1993-94, the year it started signing the MoU.

4. OPERATIONAL EXCELLENCE

4.1 Asset Management

As on 31st March 2018, the transmission assets owned and operated by the Company stood at **1,48,149 ckm. of Extra High Voltage (EHV) transmission lines and 234 nos. EHVAC & High Voltage Direct Current (HVDC) substations with 3,31,163 MVA transformation capacity**. During the FY 2017-18, the Company maintained availability of the transmission network at 99.81% which is comparable to international standards. Number of tripping per line (unplanned) contained to 0.60, indicating high reliability of the transmission system.

To accomplish the mammoth task of maintaining such large and highly complex transmission network to ensure reliable operation, your Company plans maintenance activities for every asset well in advance. Your Company believes in 'preventive maintenance' over 'breakdown maintenance' and is committed to adopt the best of technological tools to maintain its assets to achieve the optimum operational performance. Some of such techniques/systems are given herein below:

4.1.1 Condition Monitoring Techniques for substation Equipment

The Company has adopted state-of-the-art condition monitoring techniques like Frequency Response Analysis for Transformers & Reactors, Dynamic Contact Resistance Measurement for Circuit Breakers, Third Harmonic Resistive Current measurement for Surge Arrestors, Thermo-vision scanning of substation equipment, etc., for detection of defects at incipient stage. In addition, periodic oil parameter checks, Dissolved Gas Analysis (DGA) of Transformers & Reactors and their bushings, particle counts and inhibitor content test are very useful for diagnosis of problems and life enhancement of the Transformers/Reactors.

4.1.2 Use of process bus for digital substations

Your Company has introduced process bus architecture by connecting Circuit Breakers, Isolators and Current Transformers/ Potential Transformers through Optical fibers Ethernet using IEC 61850 protocol for avoiding complex protection, control & measurement cables. This would pave way towards digital substations.

4.1.3 Online Transient Monitoring system

On line Transient monitoring system are being introduced at 765kV and 400kV substations to monitor switching and lightning surges. This will help in analysing condition of the substation equipment as well as in failure investigations.

4.1.4 National Transmission Asset Management Centre, Manesar (NTAMC)

NTAMC, set up for managing the assets and monitoring various parameters remotely on real time basis has been managing 172 substations remotely, at the end of FY 2017-18.

4.2 O&M Benchmarking in POWERGRID

POWERGRID has been involved in both external and internal benchmarking processes to achieve the next level of performance.

4.2.1 External Benchmarking

Since 2010, POWERGRID has been a part of International Transmission Operation and Maintenance Study (ITOMS) - a global O&M benchmarking platform, where 32 leading global power transmission utilities are benchmarked against each other in various categories related to Operation & Maintenance practices. The study is carried out in respect of performance level achieved, cost incurred in maintenance and key practices associated in maintenance of equipment and the results of each utility are discussed and best maintenance practices are shared between different utilities. Since its participation in ITOMS, POWERGRID has gradually improved its performance in both Line and substation categories. In the last ITOMS cycle 2017, POWERGRID was rated in first quadrant for performance in both the major categories of Maintenance of Transmission Lines and substations – which denotes achievement of high performance efficiency along with low cost incurred on maintenance.

4.2.2 Internal Benchmarking

A comprehensive annual benchmarking system has been developed and started by POWERGRID since 2016-17 for evaluation of operational performance of various regions. Based on the results, the best practices of various regions are shared with other regions during Annual O&M conference.

The purpose of Internal Benchmarking is to identify gaps in operational practices of various regions, identify key initiatives and focus areas and bring performance of all the Regions on same operational platform.

Since September 2017, a concise monthly benchmarking system has also been developed for benchmarking of regional O&M performance on a monthly basis for critical parameters.

4.3 Adoption of latest technology for better availability of transmission lines

4.3.1 Aerial Patrolling of Transmission lines

In line with the best international practices and for optimal utilization of resources, Aerial patrolling of transmission lines is being carried out by your Company using helicopters to identify transmission line defects. Helicopters equipped with Gimbal mounted LIDAR (Light Detection and Ranging), Thermo-vision Camera, Corona Camera, High resolution Video and Digital camera are being deployed to identify the defects and taking corrective measures.

4.3.2 App based Patrolling

Your Company has adopted an android based application for patrolling of transmission lines for live updation of data and effective monitoring of critical locations. Plan of patrolling for each cycle can be created and monitored effectively via this App. Actual patrolling of each tower and defects rectification can be ensured through the app. It will progressively replace offline reports preparation and documentation.

4.4 Cyber Security

Your Company understands criticality to ensure cyber security of the inter-state transmission infrastructure. Information Security Policy and Procedures have been put in place. Its Corporate Office has been certified for ISO: 27001 Information Security Management System Standard. The Regional Headquarters are also in the process of being certified for ISO: 27001.

Compliance to Guidelines of The Indian Computer Emergency Response Team (CERT-in) and National Critical Information Infrastructure Protection Centre (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. Also, 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 has been designated as Chief Information Security Officer, who reviews Cyber Security preparedness.

4.5 Advance Infrastructure for Grid Management

In the process of continuous up gradation and keeping in line with latest technological development in Grid Management, Company has been implementing Advance Infrastructure projects.

4.5.1 Unified Real Time Dynamic State Measurement (URTDSM)

Under URTDSM, 1314 nos. of Phasor Measurement Units (PMUs) have been installed covering 316 nos. of substations, out of which 1165 PMUs have already been integrated with RLDCs, as on 31.03.2018.

4.5.2 Up-gradation of EMS/SCADA System

Up-gradation of all 57 Control Centres have been completed with addition of new features like web based scheduling, cyber security, main & backup control centres. The communication network has also been upgraded to meet the requirement of upgraded control centres. During the year, 188 nos. OPGW links have been commissioned connecting 70 additional substations.

5. PROJECT IMPLEMENTATION

5.1 Project Management

In order to extract the maximum commercial benefits by implementing the transmission projects within the timelines, detailed planning is done to handle complex geographical as well as socio-economic issues. Integrated Project Management and Control Systems (IPMCS) and Enterprise Resource Planning (ERP) are some of the tools used for planning & implementation of the projects. Besides regular project review meetings at different levels of the management, have helped to identify any hindrances well in advance to enable timely corrective actions.

Also, to continuously improve the performance, interactive meets with Industry partners are organised regularly to share best practices and to resolve common issues through feedback and consultative process. Apart from business interactions, to encourage performance through positive reinforcement, your Company also felicitated various suppliers/contractors for their performance under different categories. Investment approvals for transmission projects worth about ` 4,000 crore have been accorded during the year.

5.2 Physical Achievements

On physical achievements front, your Company has been successful on a number of counts, whether it is completing long overdue projects, matching completion of Associated Transmission System (ATS) for generation linked projects, execution of large HVDC projects or inter regional links.

5.2.1 During the year, some of the long stalled/held up transmission projects were completed through Company's persistent efforts and support from State Governments, Ministry of Power, GoI and other Government agencies. The list of such projects includes:

- 400kV Double Circuit (D/C) Aurangabad-Boisar transmission line;
- 765 kV D/C Aurangabad-Padghe transmission line & 765/400kV Padghe GIS;
- 400 kV D/C Kudus-Kala transmission line;
- LILO of 400 kV D/C Neelmangla-Hoody transmission line at Yelahanka & 400/220 kV substation at Yelahanka;
- 400kV D/C Sasaram–Daltonganj transmission line, 400/220kV substation at Daltonganj;
- 400kV D/C Dehradun-Abdullapur transmission line;
- 400kV D/C Kishenpur-New Wanpoh transmission line;
- 400kV D/C Kameng-Balipara transmission line;
- 132kV Single Circuit (S/C) Pasighat-Roing-Tezu transmission line & 132/33kV Roing and Tezu substations.

5.2.2 The list of the completed generation linked schemes includes:

- ATS for Kakrapar APP 3&4, RAPP - 7&8, Solapur STPS, Darliparli TPS;
- Evacuation scheme for Nabinagar TPS, Rewa & Pavagada Solar Parks, Kishanganga & Kameng HEPs.

5.2.3 Important Inter-Regional schemes completed include:

- Pole IV of ± 800 KV Biswanath - Chariyali / Alipurduar - Agra HVDC multi-terminal Transmission System.
- 2nd Pole of ± 800 kV HVDC Champa-Kurukshetra link.
- 765 kV D/C Jabalpur-Orai-Aligarh, (WR–NR Inter-Regional strengthening link);
- 765 kV D/C Nizamabad–Hyderabad transmission line, part of Wardha-Hyderabad link;
- LILO of Satna Gwalior 765kV 2xS/C line at Orai substation; and

6. CAPITAL INVESTMENT AND FUND MOBILIZATION

During the year, your Company made a capital investment (CAPEX) of ₹25791 crore. For this, ₹13760 crore were mobilized through private placement of bonds & term loans, ₹4947 crore were mobilized through External Commercial Borrowings (ECB)/Supplier Credit, ₹6698 crore from Internal Resources and ₹386 crore utilized from Grant received from PSDF & Central Financial Assistance (CFA) from MNRE.

During recent years, your Company has mobilized funds from internal resources and successfully arranged borrowing from domestic as well external sources at competitive rates. The major source of borrowing is from private placement of domestic bonds. For financing of CAPEX, your Company had also tapped other sources, which include commercial Bank loans, loans from bilateral and multilateral funding agencies.

During the year, your Company set up its first Medium Term Note (MTN) Program of USD 1 bn to offer debt securities for mobilization of funds from international market in one or more tranches.

7. COMMERCIAL PERFORMANCE

The Company primarily provides transmission service to various Designated Inter-State Transmission System Customers (DICs) comprising mainly the State Utilities owned by respective State Governments, private utilities, Independent Power Producers (IPPs) / Bulk Customers (like Railways), etc. The transmission charges payable by the DICs are determined as per the Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2014.

With effect from 01.07.2011, the recovery of transmission charges are based on the Point of Connection mechanism for sharing of Transmission charges as per the Central Electricity Regulatory Commission (Sharing of Inter-state Transmission Charges & Losses) Regulations, 2010 and subsequent amendments thereof. As per the mechanism, POWERGRID as Central Transmission Utility (CTU), raises bills for transmission charges on the beneficiaries – Designated ISTS Customers (DICs), on behalf of all the Inter-State Transmission System (ISTS) Licensees in the Country and collects & disburses the payments to the Licensees as per the provisions of the said Regulations.

7.1 Billing and Realization

Company's billing and collection methodology for transmission charges is robust and ensures prompt payment from its customers in majority of the cases. During FY 2017-18, your Company achieved a revenue realization efficiency of 98.92%.

Your Company has been effectively discharging all the activities/ coordination related to its responsibilities as CTU for Billing, Collection and Disbursement functions under the Central Electricity Regulatory Commission (Sharing of inter-State Transmission charges and Losses) Regulations, 2010.

7.2 Payment Security Mechanism

The Sharing Regulations provide a time period of 60 days for the DICs to make payment against the bills raised on them. In order to ensure better realization leading to improved cash flow and reduction of trade receivables, the Company, with the consent of other ISTS Licensees in the Country, has evolved a Graded Rebate Policy wherein a graded rebate is provided for payments made within 60 days, which is being availed by many utilities.

The Company enjoys a robust payment security mechanism in the form of Letter of Credit and regulatory provisions to undertake curtailment of Short term Open Access (STOA) of defaulting DICs to recover the transmission charges.

Besides the above regulatory mechanisms, the dues of State Utilities are also secured by a Tri-Partite Agreement (TPA) signed amongst the GoI, RBI, and the concerned State Government during 2003 as a part of securitization of dues of State Utilities towards the Power CPSUs in the Country that included POWERGRID also. The TPA provides that if there is any default in payment of current dues for more than 90 days by any State Utility to the CPSU, the outstanding dues can be deducted by GoI from the State allocation funds maintained with RBI and paid to the CPSU. The TPA was valid till October, 2016 which is being presently extended for another 10 years. Majority of the States have executed the agreements for extension of the TPAs (25 out of 29 states and 2 out of 4 Union territories signed the TPA) and the matter is being pursued with the remaining States/ Union Territories.

8. TARIFF BASED COMPETITIVE BIDDING PROJECTS

Your Company is performing well in the competitive environment under Tariff Based Competitive Bidding (TBCB). The details in this regard have been presented in Report on Management Discussion and Analysis.

9. NATIONAL GRID AND CROSS-BORDER INTERCONNECTION

9.1 In order to ensure seamless power flow across different Regions and for optimum utilization of resources spread across the Country, a strong National Grid is required. In pursuit of this, Company has taken up a number of Inter-Regional transmission lines.

In FY 2017-18, ±800 kV Champa Pool-Kurukshetra HVDC Pole-2 of Bipole-1 (1500MW), Jabalpur–Orai 765 kV D/C line (4200 MW), LILO of Satna Gwalior 765 kV S/C line at Orai (4200 MW) and Pole IV (1500 MW) of ± 800 KV Biswanath - Chariyali / Alipurduar - Agra HVDC multi-terminal Transmission System were completed. With these, Inter-Regional power transfer capacity of the National Grid is increased by 11400 MW and cumulative Inter-Regional power transfer capacity of the National Grid stands at 86,450 MW. With commissioning of new Inter-Regional lines in the future, this capacity is likely to be enhanced to about 1,18,000 MW by the end of 2021-22.

9.2 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:

9.2.1 Inter Connections with Nepal

- Gorakhpur New (India)–New Butwal (Nepal) 400kV D/C (Quad) line – Planned.
- 400kV D/C Transmission line from Arun 3 Hydro Project in Nepal to Bathnaha (India-Nepal Border) with estimated cost of `1000 crore–being taken up by POWERGRID on consultancy basis.

9.2.2 Inter Connections with 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.

9.2.3 Interconnections with 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.

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

POWERGRID, as 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 Company's website.

Out of total Connectivity & LTOA/LTA granted, as on March 31, 2018, 131 numbers of Connectivity for 91,406 MW and 209 nos. of LTOA/LTA for 98,642 MW are in place. In addition, based on the transmission capacity margins availability, the MTOA has also been granted to 133 nos. of applications for a quantum of 14,368 MW cumulative capacity, out of which MTOA of 1576 MW granted to 17 nos. of applicants are in place.

11. QUALITY MANAGEMENT

Various quality improvement measures have been initiated and implemented to get quality products as below:

11.1 Implemented Quality Index Number (QIN) system for grading of EHV transformer and reactor suppliers. This has resulted in motivation for good suppliers and also sets a benchmark for other vendors. Systems are also developed for undertaking intelligent inspections of additional new items by way of reducing the requirement of inspections in case of qualified & excellent vendors. The time, thus saved, is utilized to exert more focus on process inspection at other vendors to upgrade and develop them towards excellence.

11.2 Your Company has been audited for revised and latest version of ISO 9001 & ISO 14001. Your Company has been granted revised certifications for Quality Management & Environment Management Systems successfully. It is also certified for Integrated Management Systems as per PAS 99:2012 integrating the requirement of ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2004.

11.3 Theme based discussions on various equipment have been arranged to discuss on continual improvements in line with ISO 9001:2015 requirement.

11.4 Encouraged a number of existing vendors to upgrade their equipment to higher voltage level & cover more items to increase vendor base thus creating more competitive environment.

11.5 "Make in India" campaign has been given a great push. Some overseas manufacturers have established their units in India for manufacturing of STATCOM, SVC, 765kV Gas Insulated substations, RIP bushings and 765kV transformers/reactors. To foster efforts to promote "Make in India", National High Power Test Laboratory Pvt. Ltd. (NHPTL), a Joint Venture Company with NTPC, NHPC, DVC & CPRI has been set-up with the objective to establish a State-of-the-Art on-line High Power Short Circuit Test Facility in India. This laboratory will be extremely beneficial for Indian power sector and manufacturers of high power electrical equipment of India and neighbouring countries. The present status of the Company has been covered under the section on Joint Ventures in the Management Discussion and Analysis.

12. PROMOTION OF MICRO AND SMALL ENTERPRISES (MSES)

Your Company supports and encourages procurement from MSEs. It has taken various initiatives in line with Govt. of India Public Procurement Policy (PPP) for Micro and Small Enterprises (MSEs). The annual procurement plan related to Goods and Services for which MSEs may participate directly in bidding has been made available on website. The Company is continuously making efforts to increase its MSE vendor data base.

13. 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 and 780 numbers of packages have been floated till March 2018. Roll out of GST was one of the major changes brought about by Govt. of India during the year. Necessary changes in ERP system to comply with GST requirements have been incorporated.

14. TECHNOLOGY DEVELOPMENT

Your Company has been at the forefront to adopt the latest advancements in the bulk power transmission, so as to result in technological excellence and improvement of efficiency. In this direction, Company has established an Advanced Research and Technology Centre at Manesar (Haryana) with state-of-the-art laboratories for power system analysis, advanced diagnostics, digital substation, material science, engineering design etc. This centre aims to help in knowledge assimilation, enhancement and dissemination as well as adoption of innovative technologies in power sector.

The prestigious 1200kV National Test Station, utilization of Geographic Information System Tools, application of Process Bus Technology in substation Automation System and In-house software tools for Real time Monitoring of Transformers and Reactors are among the major initiatives taken by the Company in this direction in recent years.

14.1 1200kV National Test Station

Your Company is carrying out long term field operation and performance monitoring at its 1200kV National Test Station, established at Bina, Madhya Pradesh in collaboration with Indian equipment manufacturers for getting the 1200kV equipment developed in India for future.

14.2 Geographic Information System Tools

Your Company is utilizing Geographic Information System Tool like 'Bhuvan' for mapping its transmission assets, route alignment during planning of new transmission lines and for disaster management studies.

14.3 Process Bus Technology

The Company is implementing the process bus technology in new substations and renovation of aged substations based on the experience gained from pilot implementations. Besides reduction of footprint by replacing large amount of copper cables with minimal fibre optic cables, it is expected to ease the maintenance and trouble-shooting in future and the restoration time is also expected to be extremely low in case of any eventuality. Process Bus technology is being implemented for retrofitting aged protection system at Malerkotla substation and in a Greenfield project at 220/66kV GIS substation at Chandigarh.

14.4 Software Tools for monitoring of Transformers and Reactors

Your Company is developing in-house software tools for centralized real time monitoring of transformer and reactors by integrating the sensors installed in these equipment across the Country. Online monitoring of transformers/reactors is aimed at detecting early stages of faults initiation and hence reducing sudden catastrophic failures of the same.

14.5 Introduction of RIP bushings in 800kV Transformers and Reactors

Your Company took up development of Resin Impregnated Paper (RIP) condenser bushings for 800kV Transformers and Reactors to minimize catastrophic failures.

15. TOWARDS SMART GRID DEVELOPMENT

Your Company is continuously focusing towards improving reliability, security, and efficiency of the grid through applications of intelligent smart grid technologies. Your Company is delivering smart grid solutions to the utilities and vertically expanding the client base, making Smart Grid a promising business area.

Your Company offers wide range of smart grid solutions covering distribution infrastructure, advanced metering infrastructure, intelligent outage management, electric vehicle charging stations, power quality management, net metering, renewable energy management center, battery energy storage system, roof top solar integration etc. Currently, your company is extending consultancy services to eight (8) utilities for implementation of smart grid project situated at various locations.

15.1 Battery Energy Storage System

Recognizing the importance of Battery Energy Storage Systems in Indian context to address challenges in increasing penetration of renewables, E-mobility etc., your company has taken a pioneering step in establishing a pilot project for Grid connected Battery Energy Storage System. It consists of two different types of battery technologies (Advanced Lead Acid & Lithium Ion Phosphate) with Battery Management System integration with network at Puducherry. The pilot system has demonstrated the capabilities

for frequency regulation and energy time shift applications. The findings of the energy storage project would also be helpful in deployment of large scale energy storage system to address intermittency, variability of renewables.

15.2 Smart Transmission

Your Company has undertaken full scale implementation of real time smart transmission projects applying State-of-the-Art Wide Area Measurement System (WAMS) using advance synchrophasor technology in the grid. This Unified Real Time Dynamic State Measurement (URTDSM) project involves placement of Phasor Measurement Units (PMUs) at all 400 kV and above substations, generation switchyards of 220 kV and above, HVDC terminals and Phasor Data Concentrator (PDC) at SLDC, RLDC & NLDC control centres along with backbone communication infrastructure, which has enhanced the efficiency of the overall grid management.

15.3 Smart Grid Knowledge Centre

To bring awareness on application of Smart Grid technologies and its demonstration in a holistic manner, your Company has established Smart Grid Knowledge Center at Manesar equipped with various working models and functionalities. These working models shall provide learning environment and capacity building on different smart grid attributes to various stakeholders.

15.4 EV Charging Infrastructure

As a step towards e-mobility, the Company is undertaking a pilot project of establishing e-taxi charging stations at two locations on Hyderabad Metro Corridor. Discussions are in progress to deploy charging and swapping stations in some other cities.

16. INTEGRATION OF RENEWABLES

Your Company is playing a key role for integration of renewable energy resources into the Grid. High Capacity Green Energy Corridors are under implementation, which will serve dual purpose to facilitate interconnection of large scale renewables 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.

Renewable Energy Management Centres

Your Company is taking-up the challenging and flagship responsibility of establishment of Renewable Energy Management Centers (REMC) at 11 (eleven) locations in various RE resource rich states viz. Tamil Nadu, Andhra Pradesh, Karnataka, Maharashtra, Gujarat, Madhya Pradesh, Rajasthan and 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 your Company, these will be handed over to respective owners, i.e. State LDCs/POSOCO (Load Dispatch Centers/Power System Operations Corporation Limited).

To facilitate penetration of clean energy resource like Solar as well as distributed (roof top) Solar PV in the Andaman's grid, your Company is nominated for establishing Energy Management Centre (EMC) for monitoring, control & forecasting of renewable resources at South Andaman.

17. ENERGY EFFICIENCY

Your Company is a BEE Grade-I Energy Service Company (ESCO) for undertaking energy efficiency projects. Being in energy sector and having large pool of certified energy auditors/energy managers spread across the length and breadth of the Country, the Company can understand the nuances of energy saving much better as a result of which in a short time span, your Company has set a benchmark for itself as an Energy Efficiency solution provider among industries and other commercial establishments. In order to take this ahead, the Company is in discussion with various governments agencies such as Distribution Companies (DISCOMs), municipalities and industries to implement projects similar to ESCO model such as replacement of agricultural and municipal pumps etc., leading to reduction in energy consumption for sustainable development and defer capacity addition.

As per 'Alliance for an Energy Efficient Economy (AEEE)', a report titled 'Transforming Energy Services Sector in India: Towards Building a Billion Dollar ESCO market' - August 2017, India has a market size of around `93,000 crore to `1,20,000 crore across four verticals – Commercial Buildings, Industries, Agriculture and Municipalities . This market is having potential opportunity for your Company to execute the energy efficiency projects in diverse fields. The Company's project implementation capabilities and pan-India presence provides a competitive advantage over others for taking up such project.

Your Company has carried out energy audits of various heavy and medium industries, institutions, commercial establishment, municipalities and other water management systems of canals & irrigation departments and is also carrying out third party consultancy for base-lining work which is a basic need for implementation of Energy Efficiency solutions / ESCO projects.

18. TELECOM BUSINESS- 'POWERTEL'

Your Company is leveraging its Country wide transmission infrastructure for its diversified telecom business under the brand name 'POWERTEL'. The Company provides a range of services under its Unified License with National Long Distance (NLD) and Internet Service Provider – Category 'A' (ISP-'A') Service authorizations.

The Company has been displaying excellent performance in the areas of providing telecom bandwidth, MPLS based Virtual Private Network (VPN), internet and other communication services to Telecom Service Providers, Government departments and enterprise customers. The network, which includes more than 650 Points of Presence (PoP), has increased to 47,735 km as at the end of FY 2017-18 from 41,988 km in the previous year registering a growth of 13.68%. Similarly, the capacity served has increased to 8 Tbps from 3 Tbps. Capacity up to 100 Gbps is deliverable on point-to-point domestic leased circuit (DLC) and up to 10 Gbps on MPLS/ VPN ports. The new orders received by Company include bulk bandwidth orders from BSNL, 5 years' MPLS VPN deal with EESL and 3 years' MPLS VPN order from NHAI.

Telecom Backbone Availability for the FY2017-18 was 99.9%.

18.1 Bharat Net

As a part of digital India initiative of the Govt., to connect 250,000 Gram Panchayats (GP) in the Country by utilizing existing fibres, your Company is laying optical fibre cables to connect to Gram Panchayats wherever necessary. In the revised scope under phase-I, the Company has been allotted work for development of network in 39 districts spread across States of Andhra Pradesh, Telangana, Himachal Pradesh, Jharkhand & Odisha by Bharat Broadband Network Limited (BBNL), covering about 10,440 GPs. Your Company has exceeded its Phase-I target of laying OFC to 7,196 GPs corresponding to overall 1 lakh GPs by connecting 7,635 GPs.

In Phase-II of project, Company has been allocated 2 states, i.e. Uttarakhand (5,706 GPs) and Himachal Pradesh (2994 GPs). Survey work and tendering activities of contracts for implementation of projects are under progress.

18.2 Modernisation of Railways Signalling System

Report for Joint Venture Company with RailTel Corporation for establishment of High Speed Mobile Communication Corridor (HSMCC) for Indian Railways to improve its signalling has been submitted to Railway Board.

18.3. Telecom Tower Business

Company has approached CERC for usage of transmission towers for installation of Base Transceiver Station (BTS) wherein the telecom equipment shall run on induced power.

18.4 Enterprise and Internet Service Provider Business

Connectivity to Enterprise Segment Customers is provided on Company's Multi-Protocol Label Switch (MPLS) Cloud. Company provides both Layer-2 and Layer-3 VPNs with port capacity ranging from 2Mbps to 10Gbps.

Company 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'.

19. BUSINESS DEVELOPMENT & CONSULTING SERVICES

Your Company has developed expertise in its core areas of power transmission, sub-transmission, load dispatch and communications (LD&C), and related to area of Smart Grid, distribution management, etc. The project management and technical capabilities of your Company have been endorsed by various clients in the past.

19.1 Domestic Market

25 nos. consultancy assignments have been received by the Company in domestic market, having estimated Project cost of ₹1528 crore (excluding TBCB projects). Some of the major assignments bagged in the year are Strengthening of Sub-transmission works and Rural Electrification works in the state of J&K under Prime Minister Development Programme (PMDP) with estimated cost of ₹426 crore and ₹489 crore respectively.

Your Company is providing consultancy services to Indian Railways for electrification of 761 rkm with estimated project cost of ₹890 crore under Central, East Central, South East Central & South West Railway zones. Proving its excellent execution skills, your Company has completed the electrification of Mansi-Saharsa-Dauram Madhepura Section, ahead of stringent target completion date, matching with rolling out of the Electric Locomotive from the newly constructed facility of Indian Railways at Madhepura. The works on other three sections under different Railways zones are in full swing with active co-operation from Indian Railways. It is expected that successful execution of these electrification works by the Company shall pave the way for getting more such consultancy businesses from Indian railways shall further add to existing consultancy order basket.

Company is executing transmission works in difficult geographic terrain areas for implementation of NER Power System Improvement Project funded by The World Bank & GoI in 6 States of NER and Comprehensive Scheme for Strengthening of Transmission & Distribution in Arunachal Pradesh & Sikkim. The Company is also implementing transmission project in J&K to provide grid connectivity and reliable power supply to the strategically important Ladakh region. Under this work, Company has successfully commissioned

part of 220 kV D/c Srinagar-Alusteng Line, i.e. 220/66 kV Leh and Khalsti GIS S/s alongwith Leh-Khalsti Line. In addition, other important consulting assignment under implementation includes strengthening of transmission network in Delhi.

19.2 International Business

On the International front, your Company has been providing consultancy to various clients in 20 countries. As on 31.03.2018, a total of 15 projects are going-on internationally.

During the year, the Company secured a number of prestigious International Consultancy assignments with multilateral funding on competitive bidding basis.

In 2017-18, your Company has signed eight (08) nos. of consultancy agreement for new projects / extension and augmentation of on-going projects.

Under the Indian Technology and Economic Co-operation (ITEC) scheme of MEA, GoI, participants from different African countries were trained. With this platform, Company 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 business in Consultancy /EPC contracts.

20. Contribution in Govt. of India Schemes

20.1 Rural Electrification (RE):

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

Presently, RE work in Uttar Pradesh (UP) and Odisha assigned to the Company are under implementation. In Odisha, RE work in 15 districts at an estimated cost of around ₹ 2200 crore, involving electrification of about 14,300 villages and providing service connections to about 2.9 lakh BPL households is under progress and expected to be completed by Dec'18. In UP, RE work of 4 districts at an estimated cost of around ₹ 550 crore is expected to be completed by Dec'18.

During FY 2017-18, infrastructure was created for electrification in 4,279 nos. of partially electrified / un-electrified villages. Service connections were provided to about 1,11,600 BPL households.

Your Company is also implementing RE works in 8 districts of J&K in under DDUGJY/PMDP with sanctioned cost of ₹489 crore involving electrification of 1,737 villages and 26,884 nos BPL household connections.

20.2 SAUBHAGYA- Pradhan Mantri Sahaj Bijli Har Ghar Yojana

To ensure last mile connectivity and electricity connection to all the remaining un-electrified households in the Country, Government of India has launched Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) with the target to provide connections to all un-electrified households by Decemebr, 2018. Your Company is implementing SAUBHAGYA Scheme in Odisha in 15 districts with scope of 4.44 lakhs non-BPL connections and in UP with 11,000 nos. non-BPL connections.

20.3 Integrated Power Development Scheme (IPDS)

Your Company has completed the arduous task of underground cabling under IPDS work in Old Kashi area of Varanasi Town assigned by Purvanchal Vidyut Vitaran Nigam Limited (PuVVNL), which involved conversion of overhead distribution network to underground and connecting to exiting consumers. Under this, total 1510 km HT and LT Power cabling work has been completed and 50,000 consumers have been connected to the new underground system.

This has resulted in improvements in the form of substantial reduction of AT&C losses in the area, reduction in consumer complaint, augmentation in power transformation capacity, increase in revenue collection due to increase in number of metered consumers, availability of quality power to the consumers, enhanced safety and aesthetics of the area.

21. 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 Citizens' Charter is available on the Company's website.

22. PEOPLE: OUR CORE STRENGTH

22.1 Talent Acquisition & Development

Your Company, being a service organization, relies heavily on the strengths of its employees who are the key to deliver excellent results, year after year. Thus, HR processes are designed to attract best talents from the premier institutes and develop them to deliver high quality output. Through its learning initiatives, your Company is able to respond to challenges and is able to adapt to an ever changing business environment, competition and to changing global markets. The continuous learning ensures updated people with customer centric attitude for better business outcome.

Your Company's practices are continuously aligned with technological development and competitive environment. Your Company aims to prepare for future challenges; making the organization future ready. Your Company has been pioneer in several smart learning and development initiatives and its practices like 'Online HRD Management Systems' have been recognized all across the industry.

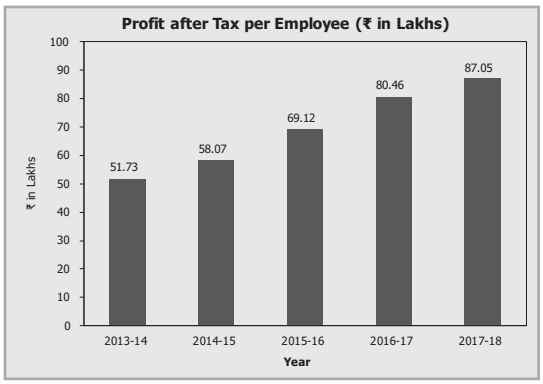
In the year 2017-18, your Company has conducted organisation wide training and development programmes and other systems & process development interventions based on Organisation Need Assessment (ONA) & Competency Based Training Needs Assessment (CBTNA). Apart from this, your Company has conducted various programs for employees at premier institute like IIMs, IITs, NITs and ICAI etc.

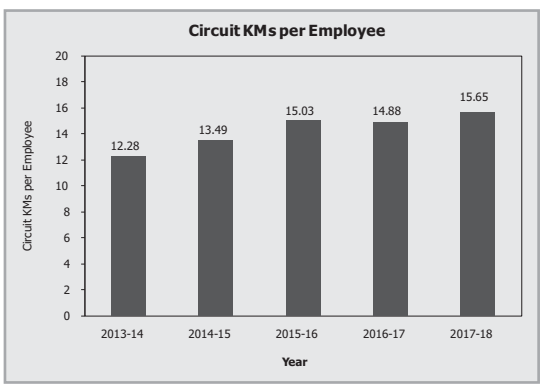
Company's sustained efforts, as above, have resulted in higher productivity and output, which is proved by the fact that in 2017-18, profit per employee, circuit kilometer per employee and MVA per employee have gone up to ₹ 87.05 lakhs, 15.65 ckm and 34.99 MVA from ₹80.46 lakhs, 14.88 ckm. and 30.98 MVA respectively in previous year.

Further, Power Sector is under transformation and Government of India is aiming to provide 24x7 affordable and reliable power to everyone. In line with this, the Company has to adopt the latest technologies and accordingly train manpower of its stakeholders also. To this end, Company is providing training for policy, procedures & system up-gradation to other power utilities.

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

Appreciating the notable people friendly practices, Company has been recognized as one of the "India's Best Companies to Work" for two consecutive year 2017 and 2016 by 'The Great Place to Work Institute'.





22.2 Employee Welfare

The Company is continuously updating its welfare policies in line with industry trend and to meet the changing needs for its employees. Issues are successfully addressed through the National and Regional Bipartite Committee (PNBC/PRBC), a joint consultative forum comprising management and workmen representatives elected through secret ballot.

At all establishments, cultural Programs are regularly conducted for promoting healthy community living. Various festivals are celebrated collectively by organizing Milan Samaroh, cultural activities etc.

The Company also organizes 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 team has emerged winners in Table Tennis, National Management Games, Asian Management Games and other sports/games meets and bagged a number of awards.

One of the employees, Sh. J. Mukherjee stood first in National Games for 'Persons with Disability' (PwD) in table tennis conducted by Ministry of Youth Affairs and Sports. He also represented Indian team in International Paralympic games held in Jordan and won the bronze medal for the Country.

Company has a comprehensive medical treatment policy that covers both in-patient and out-patient procedures for its employees as well as their families. Employees also have the facility to undergo preventive health check-ups to ensure that any medical condition does not go unchecked. Company has empanelled the best hospitals in the cities/towns surrounding its numerous establishments to ensure that employees get the best of healthcare facilities. Further, Company has also tied up with visiting medical consultants at its major establishments on a regular basis to provide initial consultation to employees at their place of work.

22.3 Ensuring Social Justice

POWERGRID has constituted a separate reservation cell to look after and safeguard the legal provisions for SC/ST/OBC & PwD categories of employees.

The reservation cell assists the Liaison officer who looks after the welfare & safeguards of SC/ST/OBC & PwD employees. Liaison officer also ensures that there is no discrimination on the basis of caste, religion & disabilities amongst the employees. To ensure effective discharge of duties by liaison officer across all establishments of POWERGRID, separate liaison officer for each region has been nominated. The Company follows all directives & guidelines with regard to reservation Policy issued by Government of India.

22.4 Grievance Redressal

In POWERGRID, grievance redressal is always taken-up on priority. Be it employee grievance or public grievance, both are given utmost importance and resolved promptly. A dedicated team monitors and ensures grievances are redressed without any delay. Each and every grievance is resolved impartially under strict & unbiased framework after thoroughly analysing the facts and data. The same is reviewed by the Top Management regularly. The employee grievance is accorded Top Priority and the Company has 3-Tier structure for expeditious resolution of grievance within the broad framework of policy guidelines.

23. 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, Internal Complaint Committees (ICC) are in place to redress complaints received regarding sexual harassment. POWERGRID has been conducting training / workshop both for male and female employees sensitising them about the issues and law relating to Sexual Harassment. During the year, POWERGRID conducted 06 such training programmes across the organization. During the year, no complaint of sexual harassment has been received.

24. IMPLEMENTATION OF OFFICIAL LANGUAGE (RAJBHASHA)

POWERGRID is aware about its constitutional, cultural and social responsibilities. POWERGRID has reaffirmed its vow to ensure the best implementation of Rajbhasha. Various activities such as Translation Practice Programme, Workshops, Trainings etc. are organized at every unit of your Company to ensure the extended use of Rajbhasha. 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 as per Govt. norms. Lectures on wide spectrum of topics such as heritage, social and cultural concerns are also being delivered by eminent scholars on regular basis to change the mindset of the employees towards increased working in Hindi. Following Govt. of India's Rajbhasha Policy regarding promotion of all Indian languages and Rajbhasha "Hindi", your Company has made comprehensive efforts to enhance and boost use of Hindi in its official work across the levels.

Various activities are undertaken to promote Hindi. Every year, a number of events are organised, prominent among them are Akhil Bhartiya Rajbhasha Sammelans, Kavi Sammelans (poetry sessions), plays, publication of monthly articles in Hindi via emails, sending wishes/ information via Hindi SMS on different occasions such as Hindi Diwas, Diwali, Holi, Eid and X-mas etc. Also, various Hindi competitions throughout the year are conducted especially during Hindi Pakhwada, Swachchta Pakhwada, Vigilance Awareness Week, Qaumi Ekta Saptaah, Pt. Deen Dayal Upadhyay Janm Diwas etc. In addition, departmental review meetings to implement official language as well as Town Official Language Implementation Committee (TOLICs) meetings are also conducted. Attractive incentive schemes for employees working in Hindi have been implemented as per the government guidelines.

Your Company has established one of the best Hindi libraries among Public Sectors where over 14,500 books and 53 Hindi Magazines on various topics & 16 Hindi daily newspapers are available for the employees.

The efforts made by your Company in implementation of official language were appreciated in several fora during the year 2017-18. Various awards have been conferred by different TOLICs under the aegis of Ministry of Home Affairs, Govt. of India regarding best Implementation of Official Language. Besides, POWERGRID's efforts were also applauded during various inspections and discussions done by 'Parliamentary Committee on Official Language' and by 'Hindi Advisory Committee'.

25. CORPORATE IMAGE ENHANCEMENT

Company has been persistently working towards communicating with the masses and disseminating authentic information in time to its stakeholders, endorsing the positive perception about the Company.

The positive perception helps it to implement its projects timely. The various face to face interactions of the management with the analysts and stakeholders during the quarterly Analysts and Press Meets have been instrumental in bringing forth the transparent work culture of the organization, the work ethics and principles it has nurtured and adopted through the years. In order to facilitate communication with the masses with regard to achievements, growth & recent developments on operational and financial fronts of the Company, numerous press communiqué have been issued and widespread coverage has been ensured.

Company has been executing its projects and operations in extremely challenging conditions. From time to time, landmark accomplishments have been highlighted through a proper media management strategy ensuring precise and timely dissemination of information which has helped the Company earn widespread appreciation and applause from both from within the country as well as across the globe.

The Company participated in various national exhibitions as well as international exhibitions held in Russia, Bangladesh etc. It also took part in industrial fairs where its efforts and the pace with which the Company has adopted state of the art technologies for meeting the global challenges have been lauded by one and all. The Company also sponsored a number of sports, cultural and other programs for maximizing its reach to the general public and creating brand awareness for the Company.

The Company is also utilizing the digital media platforms like Facebook, Twitter and YouTube for reaching out to the social media savvy generation and connecting with the youth of the Country. The digital media posts provide prompt feedbacks and are instantaneous in their reach.

26. 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'. Company has nominated CPIO/ Appellate Authorities at its Corporate Office and Regional offices across the Country to provide required information under the provisions of Act.

In FY 2017-18, total 1568 nos. of RTI applications were received in the Company and processed as per the Act. RTI Awareness Programs/ Workshops were organized on regular basis to apprise Employees with latest updates on the RTI Act, 2005 and Central Information Commission (CIC) decisions.

27. COMMITMENT TO TRANSPARENCY & VIGILANCE FUNCTION

Recognizing the importance of good governance, your Company advocates the principles of Transparency, Probity and Ethics in its management functioning. The Vigilance Department of your Company functions as an integral part of the management. The department ensures that best ethical practices are followed in the organization.

27.1 Emphasis on Preventive Vigilance

Although the Vigilance performs preventive, proactive, as well as punitive functions 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, 42 Surprise inspections and 55 Chief Technical Examiner (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.

27.2 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 Company. During the period, 28 Preventive workshops were conducted for 757 non-vigilance executives. 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.

27.3 Vigilance Awareness

In pursuance of the directions of Central Vigilance Commission, the Vigilance Awareness Week 2017 was observed by POWERGRID in all its offices across the Country from 30.10.2017 to 04.11.2017 in line with the theme for this year "My Vision - Corruption free India".

Vigilance Awareness Week was celebrated with great enthusiasm and fervor across all offices in India and abroad (Bhutan & Nepal) along with the management, all its employees and their family members.

The week commenced with the Integrity Pledge administered by Sh. K Sreekant, Director (Finance), in the Corporate Office. The messages from Hon'ble President of India, Hon'ble Vice President of India & Chief Vigilance Commissioner (CVC) were also read out by Senior Officers to the gathering.

In line with the directive of CVC and in order to ingrain ethical values in young children in school/college, 37 Integrity Clubs have been formed by the Company. The new concept of CVC regarding formation of Integrity Club has been highly appreciated by the school authorities. Various activities related to enhancing ethical and moral values shall be sponsored through these clubs in future. Outreach activities were conducted which included Nukkad Natak at Public Places. Gram Sabhas were also conducted at various places near the sites where the Company is located. Journal of Vigilance department (CANDOUR) was released during the closing ceremony of Vigilance Awareness Week. In line with Go Green Initiative of the Company, it was released in digital form (e-CANDOUR).

28. ENVIRONMENT AND SOCIAL MANAGEMENT

Your Company's commitment towards practicing Environmental and Social (E & S) prudence stems from the realization that the ultimate goal of any business activity is not limited to financial profitability but includes wider and much desired societal welfare. Your Company, as part of its corporate philosophy is committed at all levels to internalize the negative externalities associated with its business processes including environmental impacts, social concerns and safety issues. In this regard, the Company has integrated environmental and social management procedures into its corporate operations in 1998 by enunciating Environmental and Social Policy & Procedures (ESPP). The acceptance of ESPP provisions by leading multilateral agencies like The World Bank in 2009 and Asian Development Bank (ADB) in 2017 under their policy of 'Use of Country System (UCS)' and 'Country Safeguard System (CSS)' respectively is a reflection of the Company's commitment and implementation record for E & S safeguard management. The Company 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.

Your Company, the leader in Sustainability Reporting in the Indian power sector, released its 5th biennial Sustainability Report in January, 2018 based on internationally acclaimed/accepted GRI-G4 Guidelines. The report is externally assured by M/s Intertek India Private Limited following International Standards like Accountability, UK Standards 'AA1000:2008 APS' and 'AA1000:2011 SES'. This report apart from showcasing Company's achievements gives all stakeholders a clear picture of contributions to sustainable development through its activities.

The Company is fully conscious of the need to conserve natural resources and avoid ecological sensitive area, eco-sensitive zones, forest, sanctuaries, national parks, tiger/biosphere reserves and Coastal Regulations Zone (CRZ) areas as far as possible through optimization of route alignment. Following the basic principle of avoidance & minimization, which is one of the guiding principles of our ESPP, involvement of forest land has been reduced progressively from 6% in 1998 to 2.26% last year. Other key measures taken by the Company towards sustainable development are technological initiatives like design and installation of innovative towers for conservation of Right of Way (RoW) and reduce tree felling, rain water harvesting system, installation of LED bulbs, solar lights, fuel catalysts devices for DG sets etc. Further, in order to achieve the Intended Nationally Determined Contributions (INDCs) target of the Country, the Company is playing a key role in integration of renewable energy resources by establishing high capacity 'Green Energy Corridors' dedicated to renewable energy including solar parks across the Country. Such initiatives not only reduce the dependency on thermal generation but also provide boost to renewable generation by providing reliable grid connectivity.

In line with Govt. of India's commitment to United Nation's Sustainable Development Goals (SDGs) Agenda 2030, your Company in partnership with Global Reporting Initiative (GRI) South Asia has taken several initiatives towards fulfilment of such goals. Out of 17 SDGs, the Company's activities are already aligned in 11 goals. Towards commitment to continual improvement, the Company has collaborated with Wildlife Institute of India (WII) for a comprehensive study titled, ''Assessment of Impacts of power lines on Avifauna in the Arid planes of Western Gujarat'. The outcome of the study will help transmission and distribution utilities in formulating and implementing better safeguard measures for Avifauna protection, which in turn, is in line with SDG 15 of the UN.

Towards sustainability and green initiative, your company is installing Rooftop Solar PV Systems in 55 locations of its own premises across the Country.

For POWERGRID's Sustainability Report 2015-17, visit POWERGRID's website: www.powergridindia.com

29. CORPORATE SOCIAL RESPONSIBILITY

Your Company discharges its Corporate Social Responsibility (CSR), by committing itself to contribute to the society, through initiatives that have positive impact on society at large, especially the community in the neighborhood of its operations. The main objective of CSR initiatives are the improvement in the quality of life of marginalized and under-privileged sections of the society residing around its areas of operation. With this approach, the Company carries out various CSR activities with thrust on Rural Development/Infrastructural Development, Skill Development, Health, Education, Environment, etc.

During the FY 2017-18, your Company spent ₹157.99 crore and sanctioned 145 nos. of CSR Projects costing ₹237.60 crore to be executed in 2-3 years. Focus areas of your Company's CSR activities during FY 2017-18 were projects involving infrastructure development in rural areas, like Installation of solar street lights, drinking water facility, water filtration plant, 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 etc.

To help economically weak patients undergoing treatment in AIIMS, New Delhi and their attendants, your Company has constructed 'POWERGRID Vishram Sadan' at J.P. Apex Trauma Centre, AIIMS, New Delhi which has become functional. One more 'POWERGRID Vishram Sadan' is being constructed at King George Medical University, Lucknow, and another two Vishram Sadans have been sanctioned during 2017-18, for Indira Gandhi Institute of Medical Science, Patna and Guwahati Medical College & Hospital, Guwahati.

During the year, the Company has participated in the 'Swachh Bharat Abhiyaan'. Company's employees and their family members, in more than 150 locations across the Country, voluntarily undertook Shram Daan. Besides upkeep of 25 wards of Varanasi City, comprehensive improvement for Iconic places – Baidyanath Dham for its overall improvement and plan including cleaning of entire premises, have been taken up. As part of Swachhta initiative, besides construction of toilet blocks in Government Schools, more than 30,000 twin-bin dustbins are in various stages of installation, across the Country. Truck mounted sweeping machine with vacuum cleaner have also been provided to Municipal Corporation, Faridabad.

During the year, Company has successfully completed training of 5000 youths in 33 location across the Country through a first of its kind of collaboration with the National Skill Development Fund (NSDF) and National Skill Development Corporation India (NSDC) for imparting skill development training to youths. Further, to impart high end training to youths, the Company, besides its owned and operated Skill Development Centre imparting training on Transmission Line Tower Erection in eight of its substations in Assam, Manipur & West Bengal, has tied up Indo-German Institute for Advanced Technology (IGIAT), Vizag, Indo German Tool Room (IDTR), Indore for imparting high-end skill training to youths on a residential basis in their campus. About 1000 youths were trained during FY 2017-18 and most of them were gainfully employed.

The Company is implementing 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). The various initiatives under this project has resulted in improvement of Crop productivity by 10-40% and water storage capacity of about 95,000 cu. mtrs., resulting in conservation of about 1,45,000 cu. mtrs. of water.

1359 students of Assam, Manipur and Chhattisgarh, who have been rendered orphan/destitute due to various forms of societal violence, were provided scholarships through National Foundation for Communal Harmony (NFCH) for continuing their education.

Details of the CSR policy are available on Company's 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 Board's Report.

30. BHARAT-22 Exchange Traded Fund (ETF)

Under BHARAT-22 Exchange Traded Fund (ETF) launched by the Government of India, the Government of India had sold 5,15,20,439 no. of equity shares of POWERGRID i.e. 0.98% in November, 2017 and 2,99,37,858 no. of equity shares of POWERGRID i.e. 0.57% have been divested in Further Fund Offer (FFO) of Bharat 22 ETF in June, 2018.

31. 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** forming part of this Report.

32. 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.

33. 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 conversation of energy, technology absorption and foreign exchange earnings and outgo, information is given in **Annexure-III** to this Report.

34. RISK MANAGEMENT POLICY

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

35. 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.

36. STATUTORY AUDITORS OF THE COMPANY

The Statutory Auditors of your Company are appointed by the Comptroller & Auditors 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 2017-18.

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

37. COMPTROLLER AND AUDITOR GENERAL'S COMMENTS

Company has received 'NIL' comments on the Accounts for the Year ended March 31, 2018 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.

38. SECRETARIAL AUDITOR

Kumar Naresh Sinha & Associates, Practising Company Secretaries have conducted Secretarial Audit of the Company for the financial year ended March 31, 2018. The Report forms part of this Annual Report **(Annexure-V)**.

The Secretarial Auditors have reported that 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.

2. The Company has not complied with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulation,2015 with respect to constitution of Nomination and Remuneration Committee, up to 18th September, 2017.

3. 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.

The explanation on the observation given by the Secretarial Auditors are as under:

1. Your Company, 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 your Company's Board during the year, only three posts have been filled up - Shri Jagdish Ishwarbhai Patel on 17.11.2015, Shri Tseten Dorji on 16.02.2017 and Shri Manoj Kumar Mittal on 12.09.2017.

Thus, the Company has not been able to comply with the provision of Section 149 of the Act and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as observed by the Secretarial Auditor. The matter has already been taken up with Administrative Ministry for filling up of four existing vacancies of Independent Director on the Board of your Company.

2. The Board had only two non-executive directors (Independent Directors) till 31st August, 2017. With the appointment of one more non-executive director on the Board, Nomination and Remuneration Committee was reconstituted by the Board in its meeting held on 19th September, 2017 and thereafter the constitution of Committee was in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Your Company could not file certain e-forms relating to charges in MCA21, wherein the Lenders are Multilateral Agencies - The World Bank, ADB and IFC for non-availability of PAN of these Agencies. PAN is a mandatory fill under e-filing in MCA-21.

39. COST AUDITORS OF THE COMPANY

Your Company appointed M/s R. M. Bansal & Co., Cost Accountants and M/s Chandra Wadhwa & Co., Cost Accountants as Cost Auditors for the Financial Year 2017-18 under Section 148 of the Companies Act, 2013.

The Cost Audit Reports for the FY 2017-18 will be filed with the Cost Audit Branch, Ministry of Company Affairs before due date, i.e. September 27, 2018.

40. 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.

41. COMPANY'S BOARD

Your Company's composition of Board of Directors underwent some changes during the year 2017-18. During the year, Ms. Jyoti Arora and Shri Pradeep Kumar ceased to be Govt. Nominee Directors on 05.07.2017 and 31.07.2017, respectively. Ms. Shalini Prasad, Additional Secretary, MoP was appointed as Govt. Nominee Director on 14.08.2017 in place of Ms. Jyoti Arora and she ceased to be director on 30.08.2017. Ms. Bharati, Joint Secretary, MoP was appointed as Govt. Nominee Director w.e.f. 31.08.2017 in place of Ms. Shalini Prasad. Shri Manoj Kumar Mittal was appointed as non-official part time Director (Independent Director) w.e.f. 12th September, 2017.

Shri R. P. Sasmal, Director (Operations) and Shri Prabhakar Singh, Director (Projects) demitted the office on 28th February, 2018 and 30th June, 2018, respectively upon attaining the age of superannuation. The Board places on record the appreciation and gratitude to Shri R. P. Sasmal and Shri Prabhakar Singh for their significant contribution and support to the Company.

Ms. Seema Gupta assumed the charge of Director (Operations) with effect from 1st March, 2018. The Ministry of Power vide Office Order dt. 09.07.2018, has entrusted the additional Charge to Ms. Seema Gupta, Director (Operations) for the post of the Director (Projects).

Shri Sunil Kumar Sharma and Smt. A. R. Mahalakshmi were appointed as Independent Directors w.e.f. 23.07.2018 and 26.07.2018, respectively vide Ministry of Power Office Order dt. 17.07.2018.

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 K. Sreekant, Director (Finance), shall retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, offers himself for re-appointment.

42. NUMBER OF MEETINGS OF THE BOARD

Board of Directors met 12 times during the financial year 2017-18. Details regarding dates and attendance of the Board meetings are provided in the Report on Corporate Governance, which forms part of this Report.

43. COMMITTEES OF THE BOARD

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

The 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.

44. 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.

45. PERFORMANCE EVALUATION OF DIRECTORS

Section 178 (2) of the Companies Act, 2013 requires performance evaluation of every Director by the Nomination & Remuneration Committee. However, Ministry of Corporate Affairs (MCA) vide General Circular dated 5th June, 2015 has exempted Government Companies from the aforesaid provisions where Directors are evaluated by the Ministry or Department of the Central Government which is administratively incharge of the Company, or, as the case may be. Similar exemption was requested from SEBI under the SEBI LODR.

Further, MCA, vide notification dated 05th July 2017, has also amended Schedule IV of the Companies Act, 2013 '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), Govt. of India. The DPE has also laid down a mechanism for performance appraisal of all Functional Directors.

Your Company 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 & Board of Directors is evaluated by the Department of Public Enterprises.

46. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Your Company has framed a policy on the remuneration of the Directors, Key Managerial Personnel (KMPs) 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

47. 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.

48. 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. 59) provided in this Annual Report.

49. 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. 59 of the Financial Statement which sets out related party disclosure.

50. SUBSIDIARIES AND JOINT VENTURES

As on 31st March 2018 your Company has 13 subsidiaries and 13 Joint Ventures Companies.

A statement containing salient features of the financial statements of our Subsidiaries and Joint Ventures are covered in the Report on Management Discussion and Analysis and also annexed in the prescribed format AOC-1 as **Annexure X**.

51. 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 circumstance 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 was approved by the Board in its meeting held on 29th May 2017. The policy is also available on the Company's website https://www.powergridindia.com/sites/default/files/Dividend%20Distribution%20Policy.pdf

52. 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.

53 DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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

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

(d) the Directors had prepared the annual accounts on a going concern basis;

(e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

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

54. ACCOLADES & AWARDS

During FY 2017-18, the Company has been conferred following important awards/ accolades:

- Fastest Growing Electric Utility in Asia for fourth successive year- as per Platts Top 250 Global Energy Company Rankings (2017, 2016, 2015 & 2014).
- India's Best Companies to Work for, 2017 as per The Great Place to Work Institute's prestigious list - Highest ranked Power Sector PSU and 2nd highest placed PSU
- Best Risk Management Framework & Systems Award in 'Power' and 'PSU' categories at the 4th India Risk Management Awards presented by ICICI Lombard & CNBC TV18.
- CBIP Award 2018 for Best Performing Power Transmission Utility by Central Board of Irrigation and Power recognising the Company's contribution for emerging as the enabler for a vibrant Electricity Market in the country by consistently implementing transmission systems, setting new benchmarks in Performance and technological advancements.
- SCOPE Award for Excellence and Outstanding Contribution to the Public Sector Management – Individual Leadership Category–I (Maharatna/ Navratna CPSE) 2016-17 to CMD, POWERGRID
- Best CEO Award for Power and PSU (except BFSI) categories to CMD, POWERGRID at the Business Today Best CEO Awards
- Dun & Bradstreet (D&B) Corporate Award 2017 for best performing Company in Power Sector; other D&B awards viz. D&B Infra Award and D&B PSU Award
- CEPM Honorary Fellowship Award by Centre for Excellence in Project Management (CEPM) to CMD, POWERGRID during 25th Global Symposium 2017
- Golden Peacock Award for Excellence in Corporate Governance - 2017 in Corporate Governance.
- Golden Peacock Award 2017 for Corporate Social Responsibility in Power Sector, by the Institute of Directors.
- Best Issuer on Electronic Debt Bidding Platform-PSU awarded by National Stock Exchange of India Limited (NSE).
- India Pride Award by Dainik Bhaskar group towards Company's contribution towards National Growth in Energy & Power Sector Category.
- Accreditation to POWERGRID SR-II Regional Headquarter Building with Four Star Rating Shield under 'GRIHA' (Green Rating for Integrated Habitat Assessment), an initiative by New & Renewable Energy, Govt of India.

55. ACKNOWLEDGEMENTS

Your 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, Office of the Comptroller and Auditor General of India, and other concerned Govt. departments/agencies at the Central and State level without whose active support, the achievements of the Corporation during the year under review would not have been possible.

56. 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.

Your 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, domestic & international Credit rating agencies for their assistance, continued trust and confidence reposed in your Company.

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 your Company Family in the Company's achievements during the year 2017-18. 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



Place: New Delhi
Date: 6th August, 2018

(I. S. Jha)
Chairman & Managing Director
DIN 00015615

ANNEXURE - I TO THE DIRECTORS' REPORT

Management Discussion and Analysis

1. Economic outlook

Financial Year 2017-18 was marked by a number of key structural initiatives by the Government of India to build strength across macro-economic parameters for sustainable growth in the future. While the first quarter of the year saw the impact of demonetization settling down, in the next quarter, introduction of the Goods and Services Tax (GST) brought in some uncertainties as businesses adjusted to the new regime. This did not take long, and from the third quarter onwards, signs of growth returning were evident.

As per the International Monetary Fund's (IMF) January 2018 World Economic Outlook, global growth is forecast to grow by 3.9% during 2018. The IMF expects India to grow at 7.4% during 2018 which could increase further to 7.8% during 2019 in contrast to 6.7% during FY 2017-18.

The Economic Survey for 2017-18 expects a growth rate of 7%-7.5% for the financial year ahead.

2. Sectoral outlook

2.1. Growth of Power Sector is key to the economic development of the Country as it facilitates development across various sectors of the economy, such as manufacturing, agriculture, commercial enterprises, railways etc. The Sector witnessed remarkable growth in the last five years.

Growth in last 5 years

Power Generation	As on 31 March 2013	**As on 31 March 2018**	Addition	Growth (%)
Installed Capacity (GW)	223	**344**	121	54%
RE Generation (GW)	28	**69**	41	146%
All India Power Generation (BU) (during the FY	912	**1199**	287	32%
National Grid & IR Exchanges				
Inter-Regional Power Transmission capacity of National Grid (MW)	29750	**86450**	56700	191%
All India Power Transmission network				
All India Transmission network (CKM)	274588	**390970**	116382	42%
Transformation Capacity (MVA)	473216	**826958**	353742	75%

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

Government of India has set an ambitious mission of providing 24X7 'Power For All' at affordable prices. As a part of this, it has taken up a joint initiative with respective State Governments for preparation of State specific action plans as per State Policy. This initiative aims at ensuring uninterrupted supply of quality power to existing consumers and providing electricity access to all unconnected consumers by 2019 in a phased manner.

Electricity demand in the Country has been increasing rapidly and is expected to rise further in the years to come, in line with the Government thrust on programmes such as 'SAUBHAGYA", 'Make in India', etc. In order to meet the increasing demand for electricity in the Country, capacity addition, strengthening of transmission system and matching distribution network is required. Government of India is giving focussed thrust on development of Power Sector and all the utilities including your Company are making concerted efforts for achieving the targets set by Government of India.

2.2. Growth drivers for Power Sector:

- 24x7 Affordable power for All by 2019
- SAUBHAGYA scheme to ensure every household electrification by 2018
- RE integration: 227 GW by 2022
- Per Capita Energy Consumption Target (as per NITI Aayog Draft National Energy Policy, 2017) : about 3,000 units by 2040

2.3. Projections - as per National Electricity Plan 2018 (based on 19th EPS)

	FY 2017	FY 2027
Peak Demand (GW)	**162**	299
Energy Requirement (BU)	**1160**	2047
Installed Capacity (GW) including RES	**327** **RES-57 (17%)**	619 RES-275 (44%)
Capacity Addition	**-**	Conventional: 104 RES-218
RE Share in energy	**8%**	24%

As per the Central Electricity Authority Report – '20 year (2016-2036) Perspective Transmission Plan Report', massive transmission corridors will be needed towards Northern and Southern Regions in next 20 years. this will require enhancing the installed generation capacity as well as transmission capacity by about 4 to 5 times the present capacities. Also, the report states that, it will be required to maintain load-generation balance and operation of grid in view of large capacity addition through renewables.

2.4. Renewable Energy Sources

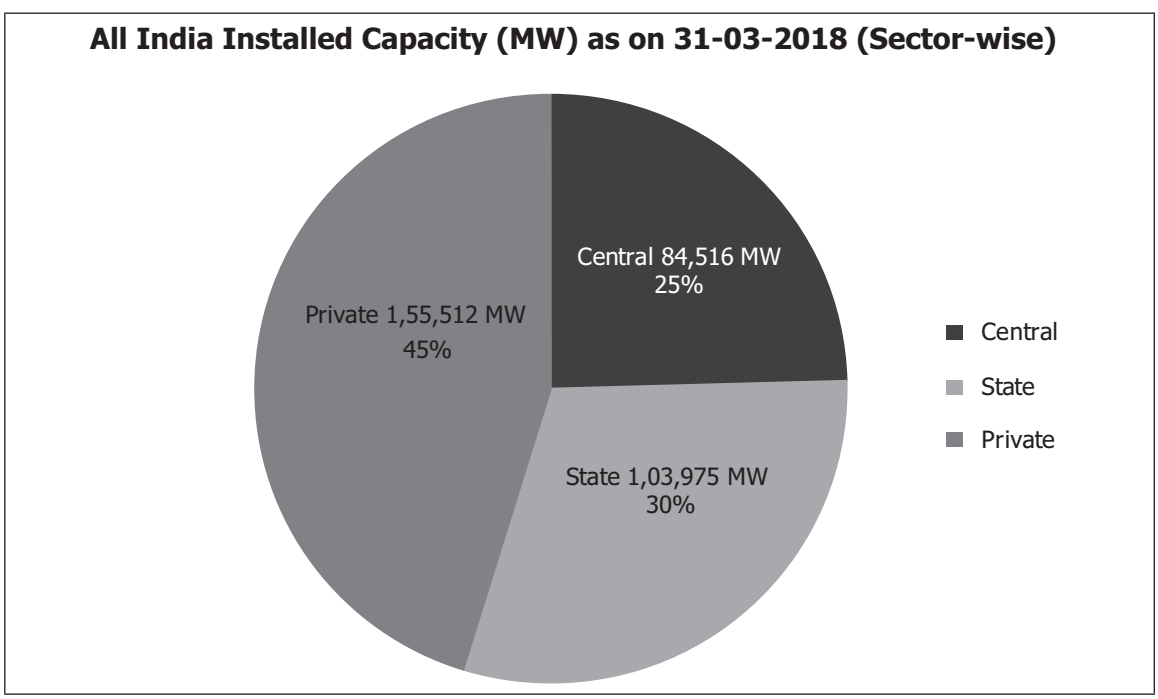
Renewable Energy Sector in India is poised for a quantum jump with capacity addition target of 227 GW by 2022.

2.5. All India Installed Capacity and Electricity Generation:

2.5.1. All India Installed Capacity (MW) as on 31.03.2018 (Sector-wise) is as under:

Sector	THERMAL				Nuclear	Hydro	RES	Grand Total
	Coal	Gas	Diesel	Total				
State	64671	7079	364	72114	0	29858	2003	103975
Private	75546	10581	474	86601	0	3394	65517	155512
Central	56955	7238	0	64193	6780	12041	1502	84516
All India	**197172**	**24898**	**838**	**222908**	**6780**	**45293**	**69022**	**344003**

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



2.5.2. Electricity Generation during 2017-18

The overall generation (including generation from grid connected renewable sources) in the country has increased from 1242 BU during 2016-17 to 1307 BU during 2017-18, representing a growth of about 5.23%.

Category wise and fuel wise generation during FY 2017-18 are as under:

	Actual (BU)	%
THERMAL	1036	79%
NUCLEAR	38	3%
HYDRO	131	10%
RENEWABLES	102	8%
TOTAL	**1307**	

Source: MoP website - www.powermin.nic.in

2.5.3. Transmission Sector:

Addition in Transmission Sector during FY 2017-18 is as under:

Voltage Level/Sector	April, 2017 to March, 2018			
	Transmission Lines (Fig. in ckms)		Transformation Capacity (Fig. in MVA)	
	Programme	Achievement	Programme	Achievement
±800 kV HVDC				
Central Sector	0	0	3000	3000
State Sector	0	0	0	0
JV/Pvt. Sector	0	0	0	0
Total	**0**	**0**	**3000**	**3000**
765 kV AC				
Central Sector	3665	3201	17500	16000
State Sector	416	335	0	4000
JV/Pvt. Sector	846	283	1500	3000
Total	**4927**	**3819**	**19000**	**23000**
400 kV AC				
Central Sector	4851	5765	6260	14210
State Sector	5157	6046	13215	22115
JV/Pvt. Sector	1416	2002	1330	5490
Total	**11424**	**13813**	**20805**	**41815**
220 kV AC				
Central Sector	763	244	330	485
State Sector	5972	5221	10843	17713
JV/Pvt. Sector	0	22	0	180
Total	**6735**	**5487**	**11173**	**18378**
Grand Total	**23086**	**23119**	**53978**	**86193**

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

2.5.4. Village Electrification

Status of all India Village Electrification as on 31.03.2018 is as under:

Total Number of Villages	Villages Electrified (Nos.)	% villages electrified
5,97,464	5,96,556	99.85

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

3. Physical & Operational Performance of the Company have been explained in the Directors' Report.

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

4.1. With the construction of large network of transmission lines in the Country along with development of residential and industrial establishments as well as other infrastructure, the Right-of-Way has become one of the major constraints in construction of new transmission lines. Major constraints & concerns and your Company's efforts in development, operation & maintenance of ISTS are:

- **Challenges in Construction**
  - (i) Right of Way (RoW) constraints
  - (ii) Difficulty in acquisition of land, both in terms of required size & location, for construction of substation;
  - (iii) Forest clearance ;
  - (iv) Skill gap in workforce in transmission line construction activities and in the area of new technologies.

- **Challenges in Operations and Maintenance**

  Company has been managing its vast transmission network which is expanding and getting complex along with ageing assets. For maintaining high level of transmission system availability, your Company has been aiming at improving operational efficiency and maintaining adequate insurance coverage for its assets, etc.

4.2. Initiatives to address/mitigate the above challenges/concerns

Your Company has been taking various initiatives to address/ mitigate the above constraints/challenges through introduction as well as development of new technologies in the Indian power system, which are discussed herein below:

4.2.1. Addressing Right of Way (RoW) constraints:

Your Company has been adopting higher voltage 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**

  Surveying is an important aspect of transmission line for the purpose of optimizing the cost of transmission line based on selecting the shortest route, selection of optimum foundations based on type of terrain, areas prone to landslides, submergence, minimizing number of river-crossing towers, accessibility/approachability for construction as well as from law and order point of view, etc.

  Your Company has adopted modern techniques for route alignment viz. GIS/GPS, satellite imaging. etc., which have helped in detailed mapping of the right-of-way, ground profiling along with geographical details of the location, site constraints, etc.

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

  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. Your company has planned and executed ± 800kV HVDC links for bulk power transfer. Two numbers of 800kV HVDC links links have been commissioned during this year namely 6000MW HVDC link from Biswanath Chariyali (Assam) to Agra (Uttar Pradesh) (about 1750 km long), and ±800 kV HVDC system between Champa (Western Region) and Kurukshetra (Northern Region) having length of approx. 1300 kms. For further transfer of 2000 MW power to Kerala, POWERGRID is implementing two symmetric monopole VSC HVDC blocks of each ±320 kV, 1000 MW with combination of overhead line and underground ± 320 kV DC XLPE cable 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 does away with the need of creating new parallel corridors and helps in conservation of scarce land, RoW and forest resources, etc. 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, Jallandhar-Kurukshetra, LILO of Abdullapur-Sonepat at Kurukshetra 400 kV D/c lines, 3 numbers LILOs of 400 kV transmission lines in NCT Delhi & 400 kV D/C Sagardighi-Behrampore line. HTLS conductor is also being used in 400 kV D/c Farakka-Behrampore line, LILO of 2nd circuit of Teesta III-Kishanganj at Rangpo and for reconductoring of 400 kV D/C Maithon RB-Maithon line, 400kV D/C Rangpo-New Siliguri transmission line & 220kV Purnea-North Purnea line to meet high power transfer requirement.

- **Selection of appropriate type of towers**

  Your Company has also been designing and using various new types of towers, specially narrow based towers, to address problem in densely populated urban areas, conservation of forest & scarce RoW, etc. Total 12 number towers have been designed in-house & tested successfully for 66 kV, 132 kV, 220 kV, ±320kV HVDC & ± 800 kV HVDC voltage level during FY 2017-18.

  Design & Development of 400kV (Quad) & 765 kV monopole structures have also been taken up for use in areas having severe ROW constraints.

4.2.2. Managing scarcity of land for construction of substation

In order to reduce problems of land acquisition and related R&R and to reduce the substation land requirement, 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 conventional Air Insulated Switchyard (AIS).

Further in number of substations, where additional capacities are required to be created, your Company uses hybrid technology wherein based on requirement, Air Insulated substations are being extended with Gas insulated switchgear.

4.2.3. Obtaining Forest Clearances

Due to very lengthy and cumbersome process, obtaining forest clearance had been a big challenge for timely completion of projects. However, your Company's concerted efforts and many proactive decisions taken by Ministry of Environment, Forests & Climate Change (MoEFCC)/Govt. of India have resulted into simplification of forest clearance process to a large extent particularly for linear projects including transmission lines.

In FY 2017-18, a total 30 numbers of forest clearances were obtained involving diversion of about 1525.28 Ha. of forest area.

4.2.4. Addressing issues of inadequate skilled manpower in construction activities, O&M and implementation of new technologies

Your Company, through its 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.

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 Agencies engaged in Transmission Line construction.

Many foreign manufacturers have setup the manufacturing & testing facilities in India either themselves or through collaboration enabling transfer of technology, that would not only be beneficial to POWERGRID during the O&M phase of the project but shall also provide lot of direct & indirect employment opportunities in India. These facilities will also help to develop new skill set / indigenous manpower.

4.2.5. Increasing operational & maintenance efficiency

During the year, your Company maintained availability of the transmission network over 99% which is comparable with international standards. The number of tripping per line (unplanned) have been contained to 0.60 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 proactive approach of your Company in managing the maintenance and refurbishment of the transmission assets has minimized the tripping of lines especially due to fog, pollution and other natural vagaries. The Company has also adopted the best of technological tools available for better operational performance and in this direction following latest technologies have been adopted by the Company:

- **Adoption of latest technology for better availability of transmission line**

  Aerial patrolling of transmission lines is being carried out by POWERGRID using Helicopter equipped with Gimbal mounted LIDAR (Light Detection and Ranging), Thermo-vision Camera, Corona Camera, high resolution video and digital camera to identify the defects.

  POWERGRID has developed an Application (App) for patrolling of transmission lines. Actual patrolling of each tower and defects rectification is being ensured through the App. This helps in updating of data on real time basis which results into effective monitoring of critical locations.

- State-of-the-art condition monitoring techniques for substation equipment are being used 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 bushing, particle counts, inhibitor content test are very useful for diagnosis of the problem and life enhancement of the Transformers/Reactors, which your Company has implemented successfully.

- Implementation of Series Reactor: Increase in interconnections and concentration of Generation / Loads have caused increase in short circuit level. In certain areas these short circuit levels are reaching to the maximum capability of equipment which is in operation and it is expected to go beyond the present capability in future. To handle this issue, your Company is providing high capability equipment in all new substations.

  Your company has plans to provide Short Circuit Current Limiter at existing substations to control the short circuit level without replacing the existing equipment and avoiding long outages of the systems. Presently, the Company is installing 4 numbers of Series reactor at Ballabhgarh and Mandola substations which shall be commissioned shortly.

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

- Online Transient monitoring systems are being introduced at 765kV and 400kV substations to monitor switching and lightning surges. This would help in analyzing condition of the substation equipment as well as investigating the causes of failures.

- Your Company has installed a number of Static Var Compensators (SVCs) at 400 kV level and Static Synchronous Compensators (STATCOMs) in the 400kV grid to improve the grid reliability and stability. Company has commissioned one SVC in New Wanpoh substation in J&K in Northern Region and four numbers of STATCOMs (i.e. NP Kunta in Southern Region, Satna and Aurangabad in Western Region and Rourkela in Eastern Region). These SVCs and STATCOMs would enhance the reliability of the GRID and improve voltage stability limit.

  Further, 11 numbers of STATCOMs (4600 MVAR) are at various stages of implementations and would be progressively commissioned. Further one Thyristor Controller Reactor (500 MVAR) in Kurukshera is also being taken up for implemention to improve the static as well as dynamic voltage profile of Kurukshetra HVDC station.

4.2.6. Risk due to mis-match in the commissioning of Generation Projects vis-à-vis Associated Transmission System

Despite best possible co-ordianted efforts, there could be mis-match in the commissioning of generation units vis-à-vis the associated transmission system due to delays in the materialisation of some of the generation projects. To mitigate the same, agreements are being signed with the Generators by your Company to share the transmission charges as per CERC Guidelines.

4.2.7. Revenue related Risk

The transmission charges of our assets are regulated by Central Electricity Regulatory Commission and are determined by tariff norms which are applicable for a period of 5 years. The current tariff norms shall remain in force till 31.03.2019. CERC has issued Consultation Paper for Terms & Conditions of Tariff Calculation for 2019-2024 and comments/suggestions have been invited from members of the public, various players in the electricity industry and other stakeholders. The regulatory framework in India is evolving and regulatory changes, if any, could have an impact on Company's business, results of operations and financial condition.

As stated above, there could be some mis-match in the commissioning of ISTS transmission system vis-à-vis the downstream/ upstream network, to be implemented by the respective State Transmission Utilities (STUs) or generating companies. 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 Generating Companies and Transmission Licensees implementing the upstream / downstream network under cost plus to cover the mismatch. In case the transmission asset is prevented from regular service due to mismatch in commissioning of the upstream/downstream network, your Company approaches CERC for approval of date of commercial operation and payment of transmission charges.

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 namely 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 are however making payment as per said Regulation. Meanwhile CERC has notified the third amendment to the said Sharing Regulations on April 01, 2015 leading to change in sharing pattern. The modified sharing mechanism has not been challenged by any other States.

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 payment is made within 60 days. Most of the utilities are availing 60 days allowable period for clearing their dues. During the FY 2017-18, collection efficiency has been fairly good and appropriate actions for realization of dues were taken by the Company against defaulting utilities.

Realization of dues by your Company have been fairly good in the past, in spite of the stressed financial conditions of the DISCOMS and IPPs. GOI has, recently introduced several measures like 'UDAY' to improve the financial condition of the DISCOMs. In addition, the Company has a payment security mechanism with the State Power Utilities in the form of Letters of Credit (LC) backed by the Tri-Partite Agreements (TPA). 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 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. 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. There is also provision for termination of Transmission Service Agreement (TSA) in case of default in establishment of LC and payment of transmission charges.

For projects being implemented under TBCB route, in case the transmission asset is prevented from regular service due to mismatch in commissioning of the downstream/upstream network, the tariff is recoverable from the defaulting Agency(ies) through bilateral billing.

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.

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.

5. Risk Management Framework

To minimize the uncertainties and complexities associated with Company's business operations and growth objectives, an Enterprise Risk Management (ERM) framework has been implemented. ERM 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).

Your company has duly constituted a Risk Management Committee and designated a Chief Risk Officer. The said Committee meets at regular intervals and reviews KPIs and provides corrective measures, wherever required. The ERM approach has helped your Company to improve strategic decisions making within the Organisation.

6. Creating Value for Stakeholders

6.1. Your Company, having advantage of its trasmission lines across the Country, has already successfully diversified in Telecom Business. Further, your Company has also leveraged its techno-managerial know how in the area of transmission to provide consultancy and project management services, both in domestic and abroad.

6.2. Company's performance in the Business Segment of Telecom and Consultancy is dicussed hereinunder:

6.3. Telecom Business of POWERGRID

6.3.1. Telecom business is, day-by-day, getting highly competitive due to entry of major players and market consolidation. There is always a pressure for downward revision of prices. However, your Company has ventured into business segments like offering MPLS VPN, peering with content delivery networks, drop & carry broadcasting services, etc. Further, by undertaking timely investments in network expansion for projected demand, your Company is minimizing loss in revenue by tapping the unmet demand. The Company is also partnering with last mile connectivity providers and State Electricity Boards for ease of RoW, fiber leasing, etc. to increase its network reach, its presence and potential business opportunity.

6.3.2. Your Company has about 2,50,000 transmission towers out of which most are located in rural areas. It has taken the initiative to explore the possibility of using its transmission infrastructure to enable mobile connectivity to these rural locations by leasing out tower space for putting telecom equipment. The power induced through earth-wire which was getting wasted earlier, is now being utilized to run the telecom equipment. A pilot Base Transceiver Station (BTS) has been operational in rural area of Delhi for the past about 1 year without any power interruption.

6.3.3. The Country still has a large number of villages with or no mobile connectivity. The existing Telecom Companies are apprehensive to address this gap owing to feasibility issues as there is no uninterrupted power available in these remote locations. Further, frequent diesel pilferage prevents Telecom Infrastructure Providers to serve such locations. POWERGRID's Mobile Tower would

be a game changer as it helps operators to optimize their CAPEX and OPEX at the same time preventing pollution by reducing dependency on diesel generators. Added advantage will be the availability of fiber backhaul along the tower which is supported by 100G network at most locations enabling 5G network rollout. Telecom Utilities hence get the option to deliver high quality bandwidth around POWERGRID's Towers. Your company has taken up with CERC for concurrence of this proposal and in due course of time it would be able to provide transmission line towers for Telecom application.

6.4. Consultancy Business

6.4.1. Your Company has been successfully providing consultancy in the field of power transmission, sub-transmission, load dispatch and communications (LD&C) and related to area of Smart Grid, distribution management, etc. In spite of increasing competition, your Company, through focused approach & pro-active marketing initiatives, has registered an increase by about 14% w.r.t previous year.

6.4.2. On the International front, your company has secured eight number of International Consultancy assignments. These projects have mostly been secured through competitive bidding basis.

7. 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 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.

8. Internal Financial Controls and Adequacy

POWERGRID has a comprehensive internal control mechanism in place to verify the Accounting and Financial Management System, adequacy of controls, material checks, financial propriety aspects and compliance implementation mechanism. The elaborated guidelines for preparation of Accounts are followed consistently for uniform compliance.

In line with the provisions of Section 179 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules,2014 the Internal Auditors were appointed by the Board of Directors. The regular and exhaustive Internal Audit on half yearly basis is carried out by the experienced Cost / Chartered Accountant Firms in close co-ordination with Company's own Internal Audit department to ensure that all checks and balances are in place and all internal controls/systems are in order. The Corporate Internal Audit Department also carry out System Audit and Management Audit to reassure the effectiveness of internal control mechanism. The scope and authority of the Internal Auditor 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.

9.0 Financial Discussion and Analysis

9.1. Comparison of Fiscal 2018 to Fiscal 2017.

Total income in Fiscal 2018 was ₹30,766.32 crore, which represented an increase of 15.76% over the total income of ₹26,576.70 crore in Fiscal 2017. In Fiscal 2018, transmission and transmission-related activities constituted 92.58% of our total income, with the balance coming from our consultancy, telecommunication business and other income.

10.0 Income

10.1 Revenue from Operations

(₹ in crore)

Revenue from Operations	Fiscal 2018	Fiscal 2017
Revenue from transmission charges	28,483.69	24,630.28
Consultancy-Project Management & Supervision	662.18	582.43
Revenue from telecom	606.59	497.36
Total	29,752.46	25,710.07

Factors affecting your Company's results of operations

- **Tariff norms**

  Our charges for transmission customers 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 issued by GoI on 6th January, 2006, Central Electricity Regulatory Commission (CERC) shall be guided by the Tariff Policy while specifying the terms and conditions for the determination of tariff. The 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 applicable for Tariff Block 2014-19, your company has been permitted to charge its 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% will 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 - (i) consisting of 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 plus 350 basis points of State Bank of India (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 discovered through bidding process wherein the successful bidder would be the one who has 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 is determined by CERC for cost plus projects and as adopted by CERC for TBCB projects.. As per CERC (Sharing of Transmission Charges & Losses in Interstate Transmission System)Regulations, 2010, 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 some of the non-ISTS licensees, whose lines have been certified by RPCs to be used as ISTS.

  Certain expenses and income, allowed under CERC Regulations are required to be reimbursed/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.

- **Foreign Exchange Rate Variation**

  Your company under the Tariff Regulations for the tariff block 2014-19 has an option to 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 2017-18, no hedging for foreign exchange exposure has been undertaken by your company.

FERV arising during the construction period for 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 Regulations are accounted as Regulatory Deferral Account Balance.

In respect of foreign currency borrowings drawn on are after 1st April, 2016, exchange differences arising from foreign currency borrowings 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 & Loss Account.

10.2 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 for the execution of transmission- and communication system-related projects on a turnkey basis and technical consulting assignments for Indian state utilities, joint venture companies and utilities in other countries. The income from Consultancy business against sale of services in the Fiscal 2018 was ₹662.18 crore as against ₹582.43 crore in the Fiscal 2017, an increase of 13.69%.

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 2018 was ₹606.59 crore as against ₹497.36 in the Fiscal 2017, an increase of 21.96%.

10.3 Other Income

Your company's other income was ₹1,013.86 crore in Fiscal 2018, an increase of 16.99% over the other income of ₹866.63 crore in Fiscal 2017.

The other income increased mainly due to increase in interest on loan to Subsidiaries and dividend income from Subsidiaries/Joint Ventures.

11.0 Expenses

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

Your company's total expenditure was ₹20,496.70 crore in Fiscal 2018, an increase of 20.03% over the total expenditure of ₹ 17,076.87 crore in Fiscal 2017. The total expenditure as a percentage of total income were 66.62% in Fiscal 2018 compared to 64.26% in Fiscal 2017.

11.1 Employees' benefits expense

Employees' benefits expenses include salaries and wages, performance related pay, allowances, benefits, contributions to provident and other funds and staff welfare expenses.

Employee benefits expenses increased by 16.61% to ₹ 1,605.89 crore in Fiscal 2018 from ₹ 1,377.13 crore in Fiscal 2017. The increase is mainly due to impact of ₹ 348.52 crore (net of amount transferred to expenditure during construction) towards pay revision of employees of the company due w.e.f. 1st January 2017.

11.2 Finance Cost

Finance cost increased by 20.41% to ₹ 7,590.66 crore in Fiscal 2018 from ₹ 6,303.83 crore in Fiscal 2017. 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 2018 & Fiscal 2017.

11.3 Depreciation and Amortisation Expenses

Your company's depreciation and amortization expenses increased by 18.64% to ₹ 9,091.25 crore in Fiscal 2018 from ₹ 7,662.80 crore in Fiscal 2017. The increase was mainly because of the commissioning of new transmission assets worth ₹ 27,370.07 crore.

The depreciation provided is related to transmission business on strainght line method following the rates and methodology notified by the CERC for the purpose of tariff.

Depreciation on assets of telecom and consulting business is 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.

11.4 Other Expenses

Other expenses primarily consist cost of Repair and Maintenance of Buildings, Plant and Machinery, Power Charges, Security expenses, vehicle hiring charges. Other expenses increased by 27.45% to ₹ 2,208.90 crore in Fiscal 2018 from ₹ 1,733.11 crore in Fiscal 2017. The increase in other expenses is mainly on account of increase in repair & maintenance cost of Plant & machinery, power charges, security expenses, hiring of vehicles and FERV.

12.0 Profit before Tax & Regulatory Deferral Account Balances

Your company's Profit before Tax & Regulatory Deferral Account Balances in Fiscal 2018 was ₹ 10,269.62 crore, an increase of 8.10% over our profit before tax & Regulatory Deferral Account Balances of ₹ 9,499.83 crore in Fiscal 2017.

12.1. Tax Expenses

In Fiscal 2018, we provided for ₹ 2,237.89 crore of Tax expenses , compared to ₹ 2,049.61 crore in Fiscal 2017. The increase in Tax expense was primarily due to increase in Profit before tax in Fiscal 2018.

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, 2018 on the transmission income is accounted as 'Deferred Tax Assets against Deferred Tax liability'. Deferred Tax 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.

12.2. Net Movement in Regulatory Deferral Account Balances

Net movement in Regulatory Deferral Account Balances-Income/(Expenses) for Fiscal 2018 stood at ₹ 207.23 crore as against ₹ 69.93 crore in Fiscal 2017.

13.0 Profit after Tax

Your company's Profit after Tax in Fiscal 2018 was ₹ 8,238.96 crore, an increase of 9.56% over Profit after Tax of ₹ 7,520.15 crore in Fiscal 2017.

14.0 Other Comprehensive Income

Your company's other comprehensive income in Fiscal 2018 was ₹ 13.72 crore in comparison to income of ₹ 49.83 crore in Fiscal 2017. The decrease is due to decrease in value of investment in equity of PTC India Limited.

15.0 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, 2018, your company had cash and cash equivalents of ₹ 1,516.21 crore as against ₹ 3,228.43 as at March 31,2017. As at March 31, 2018, the Company had undrawn cash credit facilities of approximately ₹ 300 crore ("cash credit") towards our working capital facilities.

16.0 Cash Flows

(₹ in crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Net cash from operating activities	**21,880.78**	21,250.90
Net cash (used in) investment activities	**(24,626.63)**	(23,433.64)
Net cash from Financing activities	**1,033.63**	3,870.53
Cash and cash equivalents at the end of the year	**1,516.21**	3,228.43

16.1 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 ₹ 21,880.78 crore in Fiscal 2018 as against ₹ 21,250.90 crore in Fiscal 2017.

16.2 Net Cash (used in) Investment Activities

Your company's net cash used in investing activities during Fiscal 2018 was primarily reflected in expenditure on Property, Plant & Equipment and Capital Work-in-Progress of ₹ 21,109.78 crore, Loans & Advances to Subsidiaries of ₹ 4,633.08 crore and receipt of interest on deposits, bonds and loans to subsidiaries of ₹ 472.59 crore. The Company's net cash used in investing activities was ₹ 24,626.63 crore in Fiscal 2018 as against ₹ 23,433.64 crore in Fiscal 2017.

16.3 Net Cash from Financing Activities

In Fiscal 2018, your company raised ₹ 18,706.79 crore of new long term borrowings. These borrowings included principally Rupee denominated bonds and foreign currency borrowings. The company repaid ₹ 6,236.67 crore of long term borrowings and paid interest and finance charges of ₹ 7,313.83 crore. In the Fiscal 2018, we paid dividend of ₹ 3,034.33 crore comprising final dividend of ₹ 1,752.59 crore for Fiscal 2017 and interim dividend of ₹ 1,281.74 crore for Fiscal 2018.

17.0 Capital Expenditures

Your company's capital expenditure is primarily for the installation of new transmission capacity and the expansion of existing capacity. Our capital expenditure in Fiscal 2018 and Fiscal 2017, was ₹ 25,791 crore and ₹ 24,429 crore, respectively.

18.0 Non-current Assets

Your company's Non-current Assets were ₹ 2,00,290.72 crore and ₹ 1,83,521.81 crore as at March 31, 2018 and March 31, 2017, 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.

18.1 Property, Plant and Equipment

Property, Plant & Equipment (Net) increased from ₹ 1,34,252.57 crore in Fiscal 2017 to ₹ 1,52,243.89 crore in Fiscal 2018 an increase by 13.40%. Property, Plant & Equipment mainly consists Land; Buildings, Transmission Lines, substations, HVDC, ULDC Equipment's; Furniture & Fixtures etc..

18.2 Capital work-in-progress

Your company's capital work-in-progress was ₹ 30,261.17 crore and ₹ 35,806.80 crore, as at March 31, 2018 and 2017, respectively, a decrease of 15.49%. The cost of materials consumed, erection charges and other expenses incurred for the implementation of projects are shown on the balance sheet as capital work-in-progress, pending capitalization of the completed project. The change in this amount is due to capitalization of a number of transmission projects on commissioning of these projects.

18.3 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 ₹ 45.95 crore and ₹ 77.33 crore as at March 31, 2018 and 2017, respectively. The Change is due to capitalization of expenditures on Transmission Projects during Fiscal 2018.

18.4 Other Intangible assets

Other Intangible Assets consist of Electronic Data Processing Software, Right of Way-Afforestation Expenses, Telecom license and Development of 1200 kV Transmission Line. The value of unamortized Intangible assets increased from ₹ 1,255.39 crore (Net) in Fiscal 2017 to ₹ 1,366.46 crore (Net) in Fiscal 2018, an increase by 8.85%.

18.5 Investments

Investments have been classified into quoted and un-quoted categories. As at March 31, 2018, the quoted and un-quoted investments were ₹ 104.88 crore and ₹ 1503.36 crore as against ₹ 112.08 crore and ₹ 1,215.47 crore, respectively as at March 31, 2017. Investments under 'Quoted' category are investments made in PTC Limited computed at Fair Value. Investments under 'Unquoted' category in Fiscal 2018 investments consist equity investment in joint venture and subsidiary companies. Major investments in Joint venture & subsidiaries as on 31.03.2018 are:

Sl. No.	Name of the Subsidiary/Joint Venture	Amount invested as on 31.03.2018 (₹ in crore)
1	POWERGRID NM Transmission Limited	212
2	POWERGRID Vizag Transmission Limited	209.73
3	POWERGRID Unchahar Transmission Limited	12.96
4	POWERGRID Kala Amb Transmission Limited	56
5	POWERGRID Warora Transmission Limited	176.30
6	Powerlinks Transmission Limited	229.32
7	Torrent Powergrid Limited	23.40
8	Jaypee Powergrid Limited	78.00
9	Parbati Koldam Transmission Company Limited	70.94

Sl. No.	Name of the Subsidiary/Joint Venture	Amount invested as on 31.03.2018 (₹ in crore)
10	Teestavalley Power Transmission Limited	94.28
11	North East Transmission Company Limited	106.96
12	National High Power Test Laboratory Private Limited	30.40
13	Cross Border Power Transmission Company Limited.	12.62
14	Bihar Grid Company Limited	156.24
15	Power Transmission Company Nepal Limited	6.50
16	RINL POWERGRID TLT Pvt. Limited	3.40

18.6 Loans

The Loans have been classified as Loans to Related Parties & Loans to Employees. As at March 31, 2018, Loans to Related Parties and Loans to Employees were ₹ 8,113.20 crore and ₹ 139.92 crore as against ₹ 3,486.13 crore and ₹ 132.28 crore, respectively as at March 31, 2017. The increase in Loans from Fiscal 2017 to Fiscal 2018 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.

18.7 Other non-current financial assets

Your company's other non-current financial assets was ₹ 866.35 crore and ₹ 836.95 crore as on March 31, 2018 and 2017, respectively. The Other non-current financial assets mainly consist Lease receivables which was ₹ 602.88 crore and ₹ 635.24 crore, as at March 31, 2018 and 2017, respectively, a decrease of 5.09%.

18.8 Other non-current assets

Your company's other non-current assets was ₹ 5,645.51 crore and ₹ 6,346.78 crore, as at March 31, 2018 and 2017, respectively, a decrease of 11.05%. Other non-current assets mainly comprises advances for Capital Expenditure, deferred foreign currency Fluctuation Asset, advance recoverable in kind or for value to be received.

19.0 Current Assets

Your company's Current Assets were ₹ 12,300.20 crore and ₹ 11,050.05 crore as at March 31, 2018 and March 31, 2017, respectively. Current Assets have been categorized as (i) Inventories; (ii) Trade receivables; (iii) Cash & Cash Equivalents; (iv) Bank Balances other than cash and cash equivalents (v) Loans (vi) other current financial assets (vii) other current assets.

19.1 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis, and net realizable value. The inventories were ₹ 1,038.45 crore as at March 31,2018 as against ₹ 906.95 crore in fiscal 2017. Our inventories consists components, spares & other spare parts, loose tools, consumable stores and other items. The cost of inventories increased in Fiscal 2018 as compared with Fiscal 2017, on account of your company continuing to expand the transmission network and capitalization of new projects.

19.2 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, 2018 and 2017 were ₹ 3,638.96 crore and ₹ 3,221.10 crore, respectively. Trade receivables increased by 12.97% in Fiscal 2018 as compared to Fiscal 2017.

Substantially, all of our receivables are covered by letters of credit, following which we have no material debt collection problems. The average collection period for trade receivables has come down to 42 days in Fiscal 2018 from 46 days in Fiscal 2017.

19.3 Cash & Cash Equivalents

Cash and Cash Equivalents as on March 31, 2018 and 2017 were ₹ 1,516.21 crore and ₹ 3,228.43 crore, respectviely. Cash & Cash Equivalents decreased by 53.04% in Fiscal 2018 as compared to Fiscal 2017 mainly on account of term deposits and balance in banks.

19.4 Bank Balances other than cash & cash equivalents

Bank and other cash & cash equivalents as on March 31, 2018 and 2017 were ₹ 654.22 crore and ₹ 112.16 crore, respectively. Bank Balances other than cash & cash equivalents increased 4.83 times in Fiscal 2018 as compared to Fiscal 2017 mainly on account of term deposits in banks.

19.5 Loans

Loans as on March 31, 2018 and 2017 were ₹ 46.88 crore and ₹ 35.14 crore, respectively. Loans during Fiscal 2018 as compared to Fiscal 2017 increased mainly on account of Loans to Joint Ventures and to Employees.

19.6 Other current financial assets.

Other current financial assets as on March 31, 2018 and 2017 were ₹ 4,869.92 crore and ₹ 3,319.03 crore, respectively mainly consisting unbilled revenue. Other current financial assets increased by 46.73% in Fiscal 2018 as compared to Fiscal 2017 mainly on account of increase in unbilled revenue.

19.7 Other Current Assets

Our other current assets as at March 31, 2018 and 2017 were ₹ 535.56 crore and ₹ 224.74crore respectively.

20.0. 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 its maturity profile (currency conversions are as of 31st March, 2018):

(₹ in crore)

Loan Name	2018-19	2019-20	2020-21	2021-22	Beyond 2021-22	Total
Domestic Bonds (1)	5,211.89	6,742.97	5,007.97	8,223.73	52,509.63	77,696.19
Domestic Loans (2)	454.00	1,454.00	1,454.00	1,454.00	12,716.00	17,532.00
Foreign Loans						
US$	1,738.55	1,827.59	1,924.63	1,770.46	21,352.03	28,613.26
EUR	61.39	255.84	450.28	436.24	1,041.45	2,245.20
SEK	315.48	315.48	315.48	218.36	2860.34	4,025.14
JPY	11.33	11.33	11.33	11.33	55.85	101.17
TOTAL (3)	**2,126.75**	**2,410.24**	**2,701.72**	**2,436.39**	**25,309.67**	**34,984.77**
GRAND TOTAL (1+2+3)	**7,792.64**	**10,607.21**	**9,163.69**	**12,114.12**	**90,535.30**	**1,30,212.96**

20.1. Long-term borrowings

Your company's long-term borrowings (excluding current maturities) as at March 31, 2018 and 2017 were ₹ 1,22,420.32 crore and ₹ 1,10,963.17 crore, respectively. Long-term borrowings include amounts raised from our private placement of bonds, term loans from banks and financial institutions. Due to the increased investment in new projects during the last year, our borrowings have increased by 10.33%.

20.2. Secured Loans

Our secured loans (excluding current maturities of long term loans) as at March 31, 2018 and 2017 were ₹ 1,06,965.71 crore and ₹ 1,04,187.54 crore, respectively. Most of these loans have been secured by floating charges on the movable and immovable properties of the Company. The following table presents the secured debt as at 31st March, 2018:

	Amount (₹ in crore)	% of total secured debt
Bonds denominated in Rupees	69,484.55	64.96
Term Loans and Other Loans From Banks and Financial Institutions:		
Denominated in Foreign Currency*	23,843.16	22.29
Denominated in Rupees	13,638.00	12.75
Total	**1,06,965.71**	**100**

20.3. Unsecured Loans

Our unsecured loans (excluding current maturities as at March 31, 2018 and 2017 were ₹ 15,454.61crore and ₹ 6,775.63 crore respectively, which consist of domestic bonds, foreign currency bonds, loans from foreign financial institutions/Banks such as the Natixis (Formerly Credit National) in France, Japan International Cooperation Agency (Formerly Japan Bank for International Co-operation) in Japan, Skandinaviska Enskilda Banken AB (publ.) in Sweden and AB Svensk Exportkredit, Sweden.

The following table presents our unsecured debt as at March 31, 2018:

	Amount (₹ in crore)	% of total unsecured debt
Bonds denominated in Foreign Currency & Domestic Bonds	6,253.63	40.46
Term Loans, Other Loans and Advances From Banks and Financial Institutions:		
Denominated in Foreign Currency	5,760.98	37.28
Denominated in Rupees	3,440.00	22.26
Total	**15,454.61**	**100**

21.0. Advance Against Depreciation (AAD)

Advance against depreciation (AAD) was a component of tariff that was permitted to be charged under CERC regulations for the Block 2004-09, to cover shortfall in respect of depreciation in a year on assets, for 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 has been 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, 2018, our AAD has decreased by 7.43% from ₹ 1624.81 crore in Fiscal 2017 to ₹ 1504.09 crore in Fiscal 2018.

22.0. Current liabilities

Your company's current liabilities as at 31st March, 2018 were ₹ 26,899.93 crore (previous year ₹ 24,759.13 crore). The current liabilities include (i) short-term borrowings, (ii) Trade payables (iii) other current financial liabilities (iv) other current liabilities; (v) Provisions and (vi) Current Tax Liabilities (Net) etc.. Current liabilities at March 31, 2018 were 8.65% higher as compared to March 31, 2017.

22.1. Short-term borrowings

Your company's short-term borrowings through issue of Commercial Paper as at March 31, 2018 and 2017 were ₹ 1,000 crore and ₹ 1,500 crore, respectively.

22.2. Trade payables

Your company's Trade payables as at March 31, 2018 and 2017 were ₹ 240.34 crore and ₹ 413.98 crore respectively. Trade payables at March 31, 2018 were lower as compared to March 31, 2017.

22.3. Other Current Financial Liabilities

Your company's other current financial liabilities as at March 31, 2018 and 2017 were ₹ 21,505.61 crore and ₹ 19,324.61 crore respectively. Other current financial liabilities mainly include current maturities of long term borrowings through secured & unsecured Bonds, foreign currency loans, dues for capital expenditure, deposits/retention money from contractors and others etc. Other current financial liabilities at March 31, 2018 were 11.29% higher as compared to March 31, 2017.

22.4. Other Current liabilities

Your Company's other current liabilities as at March 31, 2018 and 2017 were ₹ 2,687.33 crore and ₹ 2,566 crore respectively. Other current liabilities at March 31, 2018 were 4.73% are higher as compared to March 31, 2017.

22.5. Provisions

Your Company's provisions for Employee Benefits etc. as on March 31,2018 and 2017 stood at ₹ 1059.58 crore and ₹ 537.21 crore respectively. The increase in provisions as on March 31, 2018 is mainly due to additional provisions on account of wage revision of employees due w.e.f. 01.01.2017.

22.6. Current Tax Liabilities (Net)

Your Company's current Tax liabilities (Net) as on March 31,2018 and 2017 stood at ₹ 407.07 crore and ₹ 417.33 crore respectively.

23.0. BUSINESS AND FINANCIAL REVIEW OF JOINT VENTURE COMPANIES and SUBSIDIARIES for FY 2017-18:

23.1. 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 31.03.2018, POWERLINKS has Authorized share capital of ₹483.60 crore and paid-up capital of ₹ 468.00 crore. POWERGRID's share in the paid up capital is ₹ 229.32 crore.

POWERLINKS had progressively commissioned the project in August, 2006. POWERLINKS has paid dividend (interim) of 15% amounting to ₹ 34.40 crore for Fiscal 2018.

Financial Highlights of the Company:

(₹ in crore)

Particulars	Fiscal 2018	Fiscal 2017
POWERGRID's investment in Equity	229.32	229.32
Gross Income	173.90	162.78
Profit after Tax	124.84	195.78
Earning per Share* ₹	2.66	4.18

*Face value per Share is ₹10 each.

B) Jaypee Powergrid Limited (JPL):

POWERGRID and Jaiprakash Power Ventures Limited are the Joint Venture Partners in this Joint Venture Company and hold 26% and 74% equity, respectively. The Company was incorporated to undertake the implementation of 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 31.03.2018, JPL has Authorized share capital of ₹ 300 crore and paid-up capital of ₹ 300 crore. POWERGRID's share in the paid up capital is ₹ 78 crore.

The project was progressively commissioned in April, 2012. JPL has paid dividend (interim) of 6% amounting to ₹ 4.68 crore for Fiscal 2018.

Financial Highlights of the Company:

(₹ in crore)

Particulars	Fiscal 2018	Fiscal 2017
POWERGRID's investment in equity	78.00	78.00
Gross Income	168.73	175.22
Profit /(loss)after Tax	67.17	50.24
Earnings per Share* ₹	2.24	1.67

*Face value per Share is ₹ 10/- each.

C) Torrent Powergrid Limited (TPL):

POWERGRID and Torrent Power Limited are the Joint Venture Partners in this Joint Venture Company and hold 26% and 74% equity, respectively. The Company was incorporated to undertake the implementation of transmission system associated with 1100MW Gas Based project (Sugen) Generation Station of Torrent Power Ltd. (TPL) at Akhakhol in Surat District of Gujarat.

As on 31.03.2018, TPL has Authorized share capital of ₹125.00 crore and paid-up capital of ₹ 90.00 crore. POWERGRID's share in the paid up capital is ₹ 23.40 crore.

The project was progressively commissioned in March, 2011. TPL has paid dividend (interim) of 7% amounting to ₹ 1.64 crore for Fiscal 2018.

Financial Highlights of the Company:

(₹ in crore)

Particulars	Fiscal 2018	Fiscal 2017
POWERGRID's investment in Equity	23.40	23.40
Gross Income	66.74	41.24
Profit after Tax	39.73	3.45
Earning per Share* ₹	4.41	0.38

*Face value per Share is ₹ 10/- each.

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

POWERGRID entered into a Joint Venture Agreement with ONGC Tripura Power Project Company Ltd. (OPTC), Government of Tripura, Manipur, Mizoram, Assam Electricity Grid Corporation Ltd, Meghalaya and Nagaland for establishment of Transmission Line of 400kV D/C Palatana-Silchar Bongaigoan Transmission Project associated with 726.6 MW Palatana Gas base Power Project in the state of Tripura.

As on 31.03.2018, NETCL has Authorized capital of ₹ 600 crore and paid-up share capital of ₹ 411.4 crore. POWERGRID's share in the paid up capital is ₹ 106.96 crore.

The project was progressively commissioned in February, 2015. NETCL has paid dividend (interim) of 4% amounting to ₹ 4.27 crore for Fiscal 2018.

Financial Highlights of the Company:

(₹ in crore)

Particulars	Fiscal 2018	Fiscal 2017
POWERGRID's investment in Equity	106.96	106.96
Gross Income	353.20	394.52
Profit after Tax	83.84	31.57
Earning per Share* ₹	2.04	0.76

*Face value per Share is ₹ 10/- each.

E) Parbati Koldam Transmission Company Limited (PKTCL)

POWERGRID and Reliance Energy Limited (REL) now Reliance Infrastructure Ltd are the Joint Venture Partners in this Joint Venture Company and hold 26% and 74% equity, respectively. The Company was incorporated to undertake the implementation of transmission lines associated with Parbati-II (800 MW) HEP and Koldam (800 MW) HEP.

As on 31.03.2018, PKTCL has Authorized share capital of ₹ 331.00 crore and paid-up capital of ₹ 272.84 crore. POWERGRID's share in the paid up capital is ₹ 70.94 crore.

The Project commissioned progressively in Nov'2015. PKTCL has paid dividend (interim) of 11% amounting to ₹ 7.80 crore for Fiscal 2018.

Financial Highlights of the Company:

(₹ in crore)

Particulars	Fiscal 2018	Fiscal 2017
POWERGRID's investment in Equity	70.94	70.94
Gross Income	174.78	230.44
Profit after Tax	50.13	71.79
Earning per Share* ₹	1.82	2.50

*Face value per Share is ₹ 10/- each.

F) Teestavalley Power Transmission Limited (TPTL)

POWERGRID and Teesta Urja Ltd are the Joint Venture Partners in this Joint Venture Company and hold 26% and 74% equity, respectively. The Company was incorporated to undertake the implementation of transmission lines associated with 1200 MW Teesta-III Hydro Electric Power Project to Kishanganj substation.

As on 31.03.2018, TPTL has Authorized Share Capital of ₹ 500 crore and Paid-Up Capital of ₹ 362.61 crore. POWERGRID's share in the paid up capital was ₹ 94.28 crore.

Ckt – 2 and Ckt-1(a) of Teesta-III HEP – Rangpo line section of Teesta-III HEP- Kishanganj are in operation from 17.01.2017 and 14.04.2017, respectively and the balance transmission line is under implementation.

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 Facility is being established for the first time in the country at Bina (M.P.) to provide a full range of short circuit testing for the electrical equipment in conformance to Indian and International Standards.

As on 31.03.2018, 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 commissioned the commercial operation of High Voltage Transformer (HVTR) Section of its Laboratory under Phase-I with effect from 1st July, 17. The Phase-I is capable of catering the requirement of Short Circuit Test of Electric Transformer from 50MVA, 132kV Class to 315MVA, 400 kV Class which is being enhanced upto 500 MVA, 400 kV class and 500 MVA, 765 kV class. The project has no operating profit.

H) Energy Efficiency Services Limited (EESL):

POWERGRID entered into a Joint Venture Agreement 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 31.03.2018, the Authorised Share Capital of EESL is ₹ 1500 crore and Paid-up Share Capital is ₹ 462 crore. POWERGRID's share in the paid up capital was ₹ 22.5 crore (4.9%).

EESL has paid dividend (interim) of 2.8% amounting to ₹ 0.63 crore for Fiscal 2018.

Financial Highlights of the Company:

(₹ in crore)

Particulars	Fiscal 2018	Fiscal 2017
POWERGRID's investment in Equity	22.5	22.5
Gross Income	1410.70	1227.18
Profit after Tax	39.46	51.86
Earning per Share* ₹	0.85	1.17

*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.

As on 31.03.2018, the Paid-up Capital of the Company is ₹ 312.48 crore, POWERGRID's share in the paid up capital was ₹ 156.24 crore.

The Company is implementing Bihar Transmission System Strengthening Schemes in Phase IV, Part I worth ₹ 1,699 crore which is under implementation progressively and likely to be commissioned by March, 2019. Further, Phase IV, Part II works worth ₹ 1,688 crore has commenced and the project likely to be commissioned by FY 2020-21.

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

POWERGRID has entered into a Shareholders' Agreement on 04.01.2013 with Odisha Power Transmission Corporation Limited (OPTCL) for implementation of Intra State Transmission System in the State of Odisha on the basis of 50:50 equity participation. No business has been undertaken by this Company. The Board of Directors of POWERGRID and OPTCL had approved closure of the Company.

K) RINL POWERGRID TLT Private Limited (RPTPL)

POWERGRID and RINL had 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. As on 31.03.2018, the JV Company has Authorized share capital of ₹ 50 crore and paid up share capital of ₹ 6.80 crore. However, keeping in view of lower market business scenario of tower manufacturing, the setting up of the plant is under review.

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" (CPTC) 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 ₹ 242.55 crore and the Project is being implemented with debt: equity as 80:20.

As on 31.03.2018, CPTC has Authorized share capital of ₹ 75 crore and paid-up capital of ₹ 48.50 crore. At present, POWERGRID equity is ₹ 12.61 crore. The India Portion is under commercial operation w.e.f. 19th February, 2016.

CPTC has paid dividend (interim) of 13% amounting to ₹ 1.64 crore for Fiscal 2018.

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 - Bhittamod 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 ₹ 101 crore and the project has been envisaged to be implemented on 70:30 debt:equity ratio.

As on 31.03.2018, PTCN has Authorized share capital of NPR 45 crore and paid-up share capital NPR 40 crore. At present, POWERGRID equity is NPR 10.40 crore. The Nepal Portion is under commercial operation w.e.f. 19th February, 2016. In the Annual General Meeting of the Company held in January, 2018, the shareholders approved to issue 1,30,000 Bonus Shares of NPR 100/- to POWERGRID. The Muzaffarpur - Dhalkebar Indo-Nepal Cross Border transmission line is being used for transmission of power between India & Nepal.

23.2. SUBSIDIARY COMPANIES:

A) POWERGRID NM TRANSMISSION LIMITED:

POWERGRID NM Transmission Company Limited (PNMTL), formerly known as Nagapattinam-Madhugiri Transmission Company Limited was acquired 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-ordinator). The transmission system comprising 765kV D/C and 765kV S/C is to traverse the states of Tamil Nadu and Karnataka. PNMTL was granted transmission license by CERC in June, 2013.

As on 31.03.2018, PNMTL has an Authorized share capital of ₹ 215 crore and paid-up capital of ₹ 212 crore. 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 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). 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. PVTL was granted transmission license by CERC in January, 2014.

As on 31.03.2018, PVTL has authorized share capital of ₹ 220 crore and paid-up share capital of ₹ 209.73 crore.

The Project is commissioned on 1st February, 2017. PVTL has paid dividend (interim) of 10% amounting to ₹ 20.97 crore for Fiscal 2018.

(in ₹ crore)

Particulars	FY 2017-18	FY 2016-17
Gross Income	244.14	67.97
Profit/(Loss) after Tax	77.67	(21.94)

C) POWERGRID UNCHAHAR TRANSMISSION LIMITED:

POWERGRID Unchahar Transmission System Limited (PUTL) was acquired 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. The transmission system comprising 400 kV D/C traverses through the state of Uttar Pradesh. The Company was granted transmission license by CERC in July, 2014.

As on 31.03.2018, PUTL has an Authorized Share Capital of ₹ 14 crore and Paid-up share capital of ₹ 12.96 crore.

The Project has been commissioned on 23.09.2016. PUTL has paid dividend (interim) of 15% amounting to ₹ 1.94 crore for Fiscal 2018.

(in ₹ crore)

Particulars	FY2017-18	FY 2016-17
Gross Income	16.34	4.08
Profit after Tax	9.05	(.06)

D) POWERGRID KALA AMB TRANSMISSION LIMITED:

POWERGRID Kala Amb Transmission Limited (PKATL) (formerly NRSS XXXI (A) Transmission Limited) was acquired 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). The transmission system comprising 400/220 kV GIS substation, 400 kV D/C LILO and Series Compensation is in the State of Himachal Pradesh. The Company was granted transmission license by CERC in September, 2014.

As on 31.03.2018, PKATL has an Authorized and Paid-up share capital of ₹ 56.00 crore. The project has been commissioned on 12.07.2017.

(in ₹ crore)

Particulars	FY2017-18	FY 2016-17
Gross Income	37.77	Nil
Profit after Tax	7.52	Nil

E) POWERGRID JABALPUR TRANSMISSION LIMITED

POWERGRID Jabalpur Transmission Limited (PJTL) (formerly Vindhyachal Jabalpur Transmission Limited) was acquired 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. The transmission system comprising 765 kV D/C transmission line is to traverse the State of Madhya Pradesh. The Company was granted transmission license by CERC in June, 2015.

As on 31.03.2018, PJTL has an Authorized Share capital of ₹ 20 crore and Paid-up share capital of ₹ 0.15 crore. The Project is under implementation.

F) POWERGRID WARORA TRANSMISSION LIMITED

POWERGRID Warora Transmission Limited (formerly Gadarwara (A) Transco Limited) was acquired by POWERGRID on April 24, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System Associated with Gadarwara STPS (2 x 800 MW) of NTPC (Part-A). The transmission system traverses through 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. The Company was granted transmission license by CERC in August, 2015.

As on 31.03.2018, PWTL has an Authorized share capital of ₹ 225.00 crore and Paid up share capital of ₹ 176.30 crore. The project elements have been progressively commissioned and the entire project has been commissioned on 10.07.2018.

(in ₹ crore)

Particulars	FY2017-18	FY 2016-17
Gross Income	63.70	3.66
Profit after Tax	28.94	1.32

G) POWERGRID PARLI TRANSMISSION LIMITED

POWERGRID Parli Transmission Limited {formerly Gadarwara (B) Transmission Limited} was acquired by POWERGRID on April 24, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System Associated with Gadarwara STPS (2 x 800 MW) of NTPC (Part-B). The transmission system 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. The Company was granted transmission license by CERC in July, 2015.

As on 31.03.2018, PPTL has an Authorized share capital of ₹ 20 crore and Paid-up share capital of ₹ 0.10 crore. The project elements have been progressively commissioned and the entire project has been commissioned on 04.06.2018.

H) POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED

POWERGRID Southern Interconnector Transmission System Limited (PSITSL) (formerly Vemagiri II Transmission Limited) was acquired by POWERGRID on 4th December, 2015 under Tarrif 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. 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 substations in the state of Andhra Pradesh. The Company was granted transmission license by CERC in March, 2016.

As on 31.03.2018, PSITSL has an Authorized share capital of ₹ 1 crore and Paid-up Share Capital of ₹ 0.05 crore. The Project is under implementation.

I) POWERGRID MEDINIPUR – JEERAT TRANSMISSION LIMITED

POWERGRID Medinipur-Jeerat Transmission Limited (PMJTL) (Formerly known as 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 "765kV Strengthening in Eastern Region (ERSS-XVIII). The transmission system includes establishment of 765 kV 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. The Company was granted transmission license by CERC in June, 2017.

As on 31.03.2018, PMJTL has an Authorised capital of ₹ 1.00 crore and paid up share capital of ₹ 0.01crore. The Project is under implementation.

J) POWERGRID MITHILANCHAL TRANSMISSION LIMITED

POWERGRID Mithilanchal Transmission Limited (PMTL) (formerly known as ERSS XXI Transmission Limited) was acquired by POWERGRID on 12th January, 2018 under Tariff based competitive bidding from REC Transmission Projects Company Limited (the Bid Process Coordinator) for Transmission System associated with "Establish Transmission System for Eastern Region Strengthening Scheme – XXI (ERSS-XXI)". The transmission system includes establishment of 400 kV Transmission lines in the state of Bihar including establishment of three new 400/220/132 kV substations in Bihar. The Company was granted transmission license by CERC on 24th April, 2018.

As on 31.03.2018, PMTL has an authorised and Paid up Share Capital of ₹ 5 Lakhs. The Project is under implementation.

K) POWERGRID VARANASI TRANSMISSION SYSTEM LIMITED

POWERGRID Varanasi Transmission System Limited (PVTSL), formerly known as WR-NR Power Transmission Limited was acquired by POWERGRID on 27th March, 2018 under Tariff Based Competitive Bidding from REC Transmission Projects Company Limited (the Bid Process Coordinator) for establishing 765 kV D/C power transmission system for new Western Region – Northern Region Inter Regional Corridor. The transmission Line is traverse the states of Madhya Pradesh and Uttar Pradesh (Northern Region).

As on 31st March, 2018 PVTSL has Authorized and Paid Up Share Capital of ₹ 5 Lakhs. The Project is under implementation.

L) POWERGRID VEMAGIRI TRANSMISSION LIMITED

POWERGRID Vemagiri Transmission Limited, formerly known as Vemagiri Transmission System Limited was acquired 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). The transmission system comprising 765 kV D/C was to traverse the state of Andhra Pradesh and Telangana.

As on 31.03.2018, POWERGRID Vemagiri Transmission Ltd. has an Authorized and Paid-up share capital of ₹ 5 Lakhs.

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.

M) 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.

24. Consolidated financial statement of POWERGRID

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) 110- 'Consolidated Financial Statements' and Indian Accounting Standards (Ind AS) 28 – 'Investments in Associates and Joint Ventures'.On consolidated basis, the Total Income of the Company, during F.Y.2017-18, stood at ₹ 30,430.54 crore against ₹ 26,282.96 crore during F.Y.2016-17 registering an increase of about 15.78%. Total Expenses as on 31.03.2018 stood at ₹ 20,391.92 crore as against ₹ 17,037.64 crore as on 31.03.2017. Profit after Tax during FY 2017-18 increased by 10.03% vis-a-vis FY 2016-17. A brief summary of the results on a consolidated basis is given below:

(₹ in crore)

S. No.		FY 2017-18	FY 2016-17
1	Gross Income	30430.54	26282.96
1-a	Revenue form Operations	29941.49	25697.44
1-b	Other income	489.05	585.52
2	Profit Before Tax (PBT)	10393.79	9457.00
3	Profit After Tax (PAT)	8198.31	7450.73
4	Net Cash from Operating Activities (NCOA)	22710.12	21575.27

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



Place: New Delhi
Date: 6th August, 2018

(I. S. Jha)
Chairman & Managing Director

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	2017-18
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 is providing Consultancy services in all facets of Transmission System. POWERGRID is having footprints in Twenty Countries. Major countries include Nepal, Bhutan, Bangladesh, Fiji, Ethiopia and Kenya. (ii) **National:** Total 244 which includes 234 substations, 9 Regional headquarters and 1 corporate office at Gurgaon. Telecom department has its points of presence in more than 650 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/	State/National and International market.

Section B: Financial Details of the Company

1	Paid up Capital (INR)	5231.59 crore
2	Total Turnover (INR)	30766.32 crore
3	Total Profit after Taxes (INR)	8238.96 crore
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	During FY 2017-18, the Company has spent ₹ 157.99 crore [i.e. 2% 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	Health, Education, Environmental Sustainability, Sanitation, Rural Development, Skill Development Programmes, etc.

Section C: Other Details

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

As on March 31, 2018, POWERGRID had twelve 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},POWERGRID Medinipur Jeerat Transmission Limited (formerly Medinipur Jeerat Transmission Limited), POWERGRID Mithalanchal Transmission Limited (formerly ESRR XXI Transmission Limited) and WR-NR Power Transmission Limited (now known as POWERGRID Varanasi Transmission System Limited) and Grid Conductors Limited.

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

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)	Not Applicable
2.	Name	Shri S. K. Gupta#
3.	Designation	Executive Director (Envt. & Social Management, CSR & LA Deptt.)
4.	Telephone number	0124-3802644
5.	e-mail id	skgupta2@powergridindia.com

*Ceased to be Director(Projects) w.e.f. 30.06.2018 upon Superannuation.

Shri S.K.Gupta took over the charge as ED(ESMD, CSR & LA) w.e.f. 01.08.2017. Prior to this, Shri Ajoy Kumar Sinha (superannuated on 31.07.2017) was holding the said charge.

2. Principle-wise (as per NVGs) BR Policy/policies

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

2a. Details of compliance (Reply in Y/N)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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.

#POWERGRID's Environmental and Social Policy & Procedures (ESPP) based on principles of Avoidance, Minimization, Mitigation in that order of preference and Restoration wherever needed is accepted by The World Bank and Asian Development Bank under their policy of "Use of Country System" (UCS) and "Country Safeguard System" (CSS) in 2009 & 2017 respectively.

2b. If answer to the questions 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 and 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?**

  Yes, the Company publishes "Sustainability Report" biennially based on Global Reporting Initiative (GRI) Guidelines. Sustainability 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?

Yes. 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:

a) **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.

b) **POWERGRID Conduct and Discipline Appeal rules (POWERGRID CDA Rules):** POWERGRID CDA Rules 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.

c) **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:

(i) Well defined "Delegation of Powers" is in place delineating the powers of the top executives and below for carrying out work in systematic manner.

(ii) 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.

(iii) "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)".

(iv) Manuals and Procedures are in place for Construction, Operation & Maintenance.

(v) e-procurement mechanism for most of the project procurements has been implemented.

(vi) e-Reverse auction mechanism is in place.

(vii) 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.

(viii) Detail of Award is posted on the website on real time basis.

(ix) 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, section 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 FY 2017-18, 87 no. of complaints were received. About 66.92% of complaints have been disposed off during the year 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.

- Installation of Gas Insulated Switchyard (GIS) instead of Air Insulated Switchyard (AIS) in the vicinity of habitation/town areas which has substantially reduced land requirement (approx. 1/4th as compared to AIS) and hence, the social risks associated with securing of land.
- Emphasis on securing land for substation through "Willing Buyer Willing seller" basis on market/negotiated rate to ensure social equity and to avoid public resistance/court intervention.
- Establishment of high capacity "Green Energy Corridors" dedicated for transmission of renewable energy including solar parks across the country not only reduced the dependency on thermal generation but also provided boost to renewable generation by providing reliable grid connectivity.
- Provision of "Rain Water Harvesting" facility has been made mandatory part of all substations design.

All the Transmission lines and substations 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)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

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? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

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.

Due to nature of the Company's business, there is no process waste generated and the waste is restricted primarily to metal scraps, used batteries, used transformer oil, e-waste etc. However, Company has put in place systems for reuse/recycling of these waste materials. The wastes such as used transformer oil, used batteries, & e-waste are disposed either to govt. authorized recyclers/re-processors or channelized back to manufacturers for recycling as per the applicable rules/regulations, which takes care of 100% recycling of such wastes. For further detail on quantity and disposal method, Sustainability Reports available at hyperlink-**https://www.powergridindia.com/sustainability-report, may be referred**.

Besides, the "Waste Paper Recycling" plant installed at Gurgaon substation is also contributing in proper disposal/recycling of waste paper.

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, 2018 were 8900.

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, 2018 were 565 (excluding contractual labour).

3. Please indicate the Number of permanent women employees.

Number of permanent women employees as on March 31, 2018 were 625.

4. Please indicate the Number of permanent employees with disabilities

Number of permanent employees with disabilities as on March 31, 2018 were 192.

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 26.30% 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	NIL	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	81.75%
Permanent Women Employees	83.04%
Casual/Temporary/ Contractual Employees	73.28%
Employees with Disabilities	76.56%

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

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) 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.

  b) Internal Complaints Committees (ICCs) under Sexual Harassment of Women in Workplace (Prevention, Prohibition, Redressal) Act, 2013 exist in the company 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: Corporate Social Responsibility (CSR) activities of POWERGRID are focused towards initiatives that promote inclusive growth and address the basic needs of the under privileged and weaker sections of the society. The organization addresses the issues of Community Development with thrust on Health, Education, Sanitation, Skill development, Infrastructure creation for Rural Development, environmental sustainability, etc. primarily around its areas of operations. A large number of women, girls, SC/ST/Minority, poor & marginalized section of the population were benefitted as a result of POWERGRID's CSR initiatives. Various CSR initiatives such as improvement in facilities at public healthcare/ educational institutions, Scholarship/ financial assistance to the deprived students, etc. had been undertaken for improving the quality of life of the less privileged population. Besides, a large number of projects involving infrastructure development in rural areas like Installation of solar street lights, creating sanitation and drinking water facilities, construction/ renovation of roads, Classroom, community centers, toilets in school, providing schools furniture etc. have been undertaken to make the basic facilities and services available to the community. In addition, the Company continues to undertake several CSR Skill Development initiatives by imparting livelihood oriented skill development training through the reputed institution like NSDC, Indo-German Institute for Advanced Technology (IGIAT), Vizag, Indo German Tool Room (IDTR), Indore for imparting high-end skill training to youth to enable them for meaningful and decent employment.

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. As per requirement under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder, Internal Complaints Committees (ICCs) are in place to redess complaints received regarding sexual harrasment.

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., SA 8000 (latest Standard available at www.sa-intl.org), 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 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 (2017-18).

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. Some of the major initiatives taken by Company are as under:

i. POWERGRID is playing a key role in integration of renewable energy resources by establishing high capacity "Green Energy Corridors" (GEC) dedicated to renewable energy including solar parks across the country. In the first phase of GEC-II, transmission schemes for Solar Power Parks of over 20,000 MW capacity across twenty one (21) States have been evolved. POWERGRID is implementing inter-state transmission system for eight solar parks of about 7,200 MW in five States. This initiative will not only reduce dependency on thermal generation but will also boost renewable generation by providing reliable grid connectivity which was earlier thought to be a major impediment for renewable energy development. Development of such corridors will facilitate transfer of approximately 43 GW of renewable energy which in turn will help in achieving India's Intended Nationally Determined Contributions (INDCs) target of 40 % cumulative electric power installed capacity from non-fossil fuel based energy resources by 2030.

ii. Another notable initiative taken to address Global Warming and resultant Climate Change is construction of World's longest multi-terminal ± 800 kV HVDC high capacity transmission network to facilitate development of vast hydro potential of North Eastern Region by creating high capacity Transmission Highway and to Reduce CO_2 emission by replacing the high carbon intensive thermal generation at demand side by transmitting 6000 MW of low carbon intensive hydro power generated in NER. The project viz. "NER-NR HVDC Interconnector" has created an opportunity to save around 257 million tons of CO_2 equivalent in 30 years lifecycle based on 3100 MW transmission, which may go up to 497 million tons of CO_2 equivalent in phased manner, if proposed additional capacity is added.

iii. POWERGRID's proactive approach towards conservation of natural resources with specific emphasis on avoidance of forest and other sensitive areas, as mandated in its ESPP has resulted in saving of substantial forest area which is evident from the fact that forest involvement in transmission lines progressively came down to less than 2% at present which was 6% in 1998 before implementation of ESPP. This initiative has not only rewarded financially to company through saving in forest compensation cost but it has also been

instrumental in combating climate change due to tremendous savings in terms of CO2 absorption (approx. 1.25 million tons/year of CO2 absorption by saved forest) that would have been lost permanently without these measures. This measure in turn support India's Intended Nationally Determined Contributions (INDCs) target to create an additional carbon sink of 2.5 to 3 billion tonnes of CO2 equivalent through additional forest and tree cover by 2030.

iv. Utilization of inductive power in earth wire, which was otherwise going waste for powering telecom antenna installed on transmission towers is another pioneering initiative taken by Company towards green environment. Project is being run successfully at pilot scale and the initiative will eliminate use of DG sets, a source of GHG emission. DG sets are used for backup and emergency power at substations and other major office establishments like corporate & regional offices

Further, on the Technological Initiatives front, efforts are made for conservation of energy in our projects – right from planning stage, to the execution stage and throughout the Operation & Maintenance period. We are implementing ±800kV HVDC systems and 765 kV 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 and 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. 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 optimization 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 land use. POWERGRID has already implemented pilot projects on substation Automation System with Process Bus architecture in the pursuit of Digital substation. Moreover a project on retrofitting conventional control and protection system with the latest Process Bus based solution at one of the old substation - 400/220 kV Malerkotla substation, has also been initiated apart from utilizing the Process Bus in another upcoming green field project at Chandigarh. 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.

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

Yes. 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 99:2012 based Integrated Management System (IMS) that includes ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environment Management System) and OHSAS 18001:2004 (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.

Yes. POWERGRID continues to undertake initiatives on Energy Efficiency which includes energy audits of various industries/institutions/ other commercial establishments/municipalities/ other water management systems of canals & irrigation departments; third party consultancy for base-lining work which is a basic need for implementation of Energy Efficiency solutions / ESCO projects; etc. We are also a BEE Grade-I Energy Service Company (ESCO) for undertaking energy efficiency projects.

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 7200 MW Ultra Mega Solar Power Parks worth ₹ 4300 crore are also under implementation in various states as part of Green Energy Corridors-II. This initiative will not only reduce the dependency on thermal generation but also e boost the renewable generation by providing reliable grid connectivity which was earlier thought to be a major impediment for renewable energy development. Further, to facilitate penetration of clean energy resource like Solar as well as distributed (roof top) Solar PV in the Andaman's grid, POWERGRID has been nominated for establishing Energy Management Centre (EMC) for monitoring, control & forecasting of renewable resources at South Andaman.

For further detail, in addition to Sections 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. The Associated Chambers of Commerce & Industry of India (ASSOCHAM)
5. PHD Chamber of Commerce & Industry (PHDCCI)
6. Central Board of Irrigation & Power (CBIP)
7. WEC India (formerly known as World Energy Council- India Member Committee)
8. Indian Institute of Plant Engineers (IIPE)
9. Standing Conference of Public Enterprises (SCOPE)
10. Internet Services Providers Association of India (ISPAI)
11. Association of Competitive Telecom Operators (ACTO)
12. Infrastructure Industry & Logistics Federation of India (ILFI)
13. India Infrastructure Forum (IIF)

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

(dropbox: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

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 (CSR) 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 by in-house teams as well as through Govt./ Semi Govt. agencies/agencies of International and National repute, etc.

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

Yes. Impact Assessment studies have been carried out inter - alia to understand/evaluate the community development activities undertaken, the benefits accrued to communities; and to gain insights for formulating & improving the community development activities in future. For projects below ₹ 3 crore, impact assessment is being undertaken by POWERGRID internally, however, for larger projects external agencies are engaged.

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 ₹ 157.99 crore has been incurred and a total of 145 number of project worth about ₹ 237.60 crore has been sanctioned under CSR activities during the FY 2017-18. Community development works were undertaken for the overall improvement of surrounding villages and community. Based on social assessment outcome, we implement need based development works like supply and installation of Solar street lights, Water supply hand-pumps, water filtration plants, Water ATMs, construction of roads, community centers in villages, class rooms, toilets, schools furniture, water supply arrangements in different schools, supply of dustbins & Cleaning equipment 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.

The communities intended to be benefitted are consulted and closely involved in the process of identifying, planning and implementation of the CSR activities. Wherever possible, the local authorities and specialised agencies are similarly consulted and involved. During implementation and just before handing over of facility, regular awareness programs are organized with the help of local bodies,etc to inculcate ownership of facility.

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



Place: New Delhi
Date: 6th August, 2018

(I. S. Jha)
Chairman & Managing Director

ANNEXURE - III TO THE DIRECTORS' REPORT

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, ±500kV HVDC, ±800kV 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 10 no. towers for transmission lines including 108 meters high 800kV HVDC narrow based power line crossing tower.
4. Completed in-house design of approx. 2000 nos. tower foundations for transmission lines upto 765kV including 52 nos. of pile foundations.
5. Completed testing of 12 nos. of towers for various transmission lines including 800kV HVDC, 320kV HVDC, 66kV, 132kV, 220kV, AC D/C towers.
6. Development of Indigenous vendors for 765kV Transformers, Reactors, Circuit Breaker, Current Transformer and Wave Trap.
7. POWERGRID has successfully implemented first of its kind pilot project on grid scale battery energy storage systems (BESS) in India comprising of batteries, power conditioning system, battery management system etc. at Puducherry based on two different technologies (Advanced Lead Acid, Lithium Ion). Presently, the BESS system is analyzed for frequency regulation and energy time shift application.
8. POWERGRID has successfully commissioned static Var compensators at 3 locations and STATCOM at 4 locations on all India Grid.

Ongoing projects

1. Re-conductoring 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
    - Rangpo – siligudi 400kV D/c
2. 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.
3. Dynamic Compensation: STATCOMs at 10 locations on all India grid (2 no. in Western Region, 3 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.
4. Development of in-house tower and foundation designs including 66kV, 132kV, 220kV, ±320kV HVDC, ±800 kV HVDC and 765kV D/C Multi Circuit towers for use in on-going transmission line projects.
5. Development of Indigenous Vendors for HTLS Conductors.
6. Design of special narrow base tower to enable crossing of 765kV D/C transmission lines.
7. Vendor Development for 765kV GIS in India.
8. 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. These ISTS transmission network are under various stages of implementation. Further to handle variability & intermittency of renewable energy sources, POWERGRID is 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.

POWERGRID is 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.

9. Implementation of Controlled Switching schemes of circuit breakers for 400kV transmission line reactors and transformers.

10. Engineering Data Integration on GIS Platform.

11. 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 system 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.

12. Pollution mapping: Pollution in association with Southern and Eastern Regional Power Committee (SRPC & ERPC) and the constituent STU's of the Southern & Eastern Regions is carrying out Pollution Mapping activity in Southern & Eastern Regions.

13. POWERGRID is introducing Mobile test systems to facilitate on site testing of EHV equipment. This will fulfill HV testing of equipment after site repairs.

14. POWERGRID is developing mobile Capacitor Banks for MVAR support for distribution system.

15. POWERGRID is introducing RIP bushings for 800kV Transformers to minimize the catastrophic failures.

16. POWERGRID is developing in-house software tools for centralized real time monitoring of transformer and reactors.

17. Geographic information system tools - POWERGRID is 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.

23. Establishing first of its kind e-taxi charging station at various location on Hyderabad Metro Corridor. Development of Charging and swapping station at Chennai & Gurgaon is under final stage of discussion.

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 ±500kV HVDC & ±800kV 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.
12. For controlling short circuit current in the system, fault current limiters have been planned in the Grid.
13. For Voltage Control at Kurukshetra, 500MVAr TCR is under implementation.

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 substations. 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 at Chilakaluripeta (Andhra Pradesh), Jauljivi (Uttarakhand), Alipurduar & Medinipur (West Bengal), Vadkancheri (Kerala) etc. have been secured through above method during the year.

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. Further, in order to resolve the ROW issues POWERGRID has started paying land compensation for tower base and corridor area in States, which have adopted the MoP guidelines of October 2015 on RoW compensation. Such additional payment for land cost/diminishing land value has revolutionized/transformed the very basis of compensation and has paved the way for true inclusive growth.

FOREIGN EXCHANGE EARNINGS AND OUTGO

` in crore

Foreign Exchange Earnings		
(i)	Consultancy Fee	26.01
	Total	**26.01**
Foreign Exchange outgo		
(i)	Capital goods and Spare Parts	2853.36
(ii)	Interest	646.58
(iii)	Others	81.80
	Total	**3581.74**

For and on behalf of the Board of Directors

Place: New Delhi
Date: 6th August, 2018

(I. S. Jha)
Chairman & Managing Director

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 2018

The preparation of financial statements of Power Grid Corporation of India Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Power Grid Corporation of India Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

Sd/-
(Ritika Bhatia)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Date: 28 June 2018

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 2018

The preparation of consolidated financial statements of Power Grid Corporation of India Limited for the year ended 31 March 2018 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 on the financial statements under Section 143 read with Section 129(4) ofthe 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 2018.

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) ofthe Act ofthe consolidated financial statements of Power Grid Corporation of India Limited for the year ended 31 March 2018. We conducted a supplementary audit of the financial statements of Power Grid Corporation of India Limited, Powergrid Vemagiri Transmission Limited and Powergrid Vizag Transmission Limited, but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities listed in Annexure for the year ended on that date. Further, Section 139(5) and 143(6)(b) of the Act are not applicable to Powerlinks Transmission Limited, Torrent Power Grid Limited, Jaypee Powergrid Limited, Parbati Koldam Transmission Company Limited and Teestavalley Power Transmission 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 nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors 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 the 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: 29 June 2018

ANNEXURE

List of Subsidiaries, Associate Companies and Jointly Controlled Entities whose financial statements are not audited by the Comptroller and Auditor General of India:

A. Subsidiaries incorporated in India:

I. Powergrid NM Transmission Limited
2. Powergrid Unchahar Transmission Limited
3. Powergrid Kala Amb Transmission Limited
4. Powergrid Jabalpur Transmission Limited
5. Powergrid Warora Transmission Limited
6. Powergrid Parli Transmission Limited
7. Powergrid Southern Interconnector Transmission System Limited
8. Powergrid Medinipur Jeerat Transmission Limited
9. Powergrid Mithilanchal Transmission Limited
10. WR-NR Power Transmission Limited

B. Joint Ventures incorporated in India:

I. North East Transmission Company Limited
2. National High Power Test Laboratory Private Limited
3. Kalinga Bidyut Prasaran Nigam Private Limited
4. Bihar Grid Company Limited
5. Cross Border Power Transmission Company Limited
6. RINL Powergrid TLT Private Limited

ANNEXURE - V - TO THE DIRECTORS' REPORT

Form MR – 3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[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, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 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;

(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;

(ii) The Uniform Listing Agreement entered into by the Company with National Stock Exchange of India Limited and BSE Limited as per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

(iii) The Securities and Exchange Board of India (Listing Obligation 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 and 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.
2. The Company has not complied with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulation,2015 with respect to constitution of Nomination and Remuneration Committee, up to 18th September, 2017.
3. 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 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, 2018. The changes in the composition of 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 2017-18, the Company has issued bonds of ₹ 9,130/- crore on Private Placement basis as per the details mentioned below:

Sr. No.	Type of Bonds	Amount (₹ In crore)
1.	Secured, Non-Convertible, Non-Cumulative, Redeemable, Taxable POWERGRID Bond LIX Issue	3,070
2.	Secured, Non-Convertible, Non-Cumulative, Redeemable, Taxable POWERGRID Bond LX Issue	3,060
3.	Unsecured, Non-Convertible, Non-Cumulative, Redeemable, Taxable POWERGRID Bond LXI Issue	3,000

For Kumar Naresh Sinha & Associates
Company Secretaries

Sd/-
Naresh Kumar Sinha
Proprietor
FCS No.: 1807
COP No.: 14984

Date: 12.07.2018
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.

Annexure-A

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

For Kumar Naresh Sinha & Associates
Company Secretaries

Sd/-
Naresh Kumar Sinha
Proprietor
FCS No.: 1807
COP No.: 14984

Date: 12.07.2018
Place: Noida

ANNEXURE - VI-TO THE DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2018

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, Toll 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	95.74%

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)

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
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)
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	**Powergrid Mithilanchal Transmission Limited** Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40300DL2017GOI310436	Subsidiary	100	Section 2 (87)
13	**POWERGRID Varanasi Transmission System Limited** Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40100DL2017GOI310478	Subsidiary	100	Section 2 (87)
14	**Powerlinks Transmission Limited** Regd. Office: 10th Floor, DLF Tower A, District Center, Jasola, New Delhi-110025	U40105DL2001PLC110714	Joint Venture	49	Section 2 (6)
15	**Torrent Power Grid Limited** Regd. Office: "SAMANVAY", 600, Tapovan, Ambawadi, Ahemdabad, Gujarat 380015	U40104GJ2005PLC046660	Joint Venture	26	Section 2 (6)
16	**Jaypee Powergrid Limited** Regd. Office: 'JA House', 63, Basant Lok, Vasant Vihar, New Delhi 110057	U40101DL2006PLC154627	Joint Venture	26	Section 2 (6)

* Under process of striking off

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
17	**North East Transmission Company Limited** Regd. Office: House No. 051358, Dhaleshwar, Road No. 3, Post Office, Dhaleshwar, Agartala, Tripura 799007	U40101TR2008PLC008249	Joint Venture	26	Section 2 (6)
18	**Parbati Koldam Transmission Company Limited** Regd. Office: 5th Floor, FF-1A JMD Galleria, Sector-48, Sohna Road, Gurgaon, Haryana 122018	U40108HR2002PLC071677	Joint Venture	26	Section 2 (6)
19	**Teestavalley Power Transmission Limited** Regd. Office: 2nd Floor,Vijaya Building 17, Barakhamba Road, Connaught Place, New Delhi-110001	U40109DL2006SGC151871	Joint Venture	26	Section 2 (6)
20	**National High Power Test Laboratory Private Limited** Regd. Office: NTPC Bhawan, Core-7, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003	U73100DL2009PTC190541	Joint Venture	20	Section 2 (6)
21	**Energy Efficiency Services Limited** Regd. Office: 4th Floor, Sewa Bhawan, R.K. Puram, New Delhi 110066	U40200DL2009PLC196789	Joint Venture	4.87	Section 2 (6)
22	**Bihar Grid Company Limited** Regd. Office: 2nd Floor, Alankar Place, Boring Road, Patna, Bihar 800001	U40100BR2013PLC019722	Joint Venture	50	Section 2 (6)
23	**Kalinga Bidyut Prasaran Nigam Private Limited** Regd. Office: Plot No. 4, Mauja Chandarsekharpur, Unit-41, Bhubaneswar Puri Odisha 751021	U40102OR2012PTC016411	Joint Venture	50	Section 2 (6)
24	**Cross Border Power Transmission Company Limited** Regd. Office: C/O IL&FS Securities Services Ltd., 10, Community Center, 2nd Floor, East of Kailash, New Delhi - 110 065	U40102DL2006PLC156738	Joint Venture	26	Section 2 (6)
25	**RINL POWERGRID TLT Private Limited** Regd. Office: Room No.31,'B' Block, Project Office,Visakhapatnam Steel Plant, Visakhapatnam-530031, Andhra Pradesh	U28121AP2015PTC097211	Joint Venture	50	Section 2 (6)
26	**Power Transmission Company Nepal Limited** 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 01/04/2017				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2018				% 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	2977314759	0	2977314759	56.91	-0.98
(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**	**2977314759**	**0**	**2977314759**	**56.91**	**-0.98**
(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**	**2977314759**	**0**	**2977314759**	**56.91**	**-0.98**
(B)	**PUBLIC SHAREHOLDING**									
(1)	INSTITUTIONS									
(a)	Mutual Funds / UTI	276186229	0	276186229	5.28	489078542	0	489078542	9.35	4.07
(b)	Financial Institutions / Banks	37664995	0	37664995	0.72	64310575	0	64310575	1.23	0.51
(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	131716517	0	131716517	2.52	273570989	0	273570989	5.23	2.71

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2017				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2018				% 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)
(f)	Foreign Institutional Investors	1389716715	0	1389716715	26.56	1110637201	0	1110637201	21.23	-5.33
(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) :	**1835284456**	**0**	**1835284456**	**35.08**	**1937597307**	**0**	**1937597307**	**37.04**	**1.96**
(2)	**NON-INSTITUTIONS**									
(a)	Bodies Corporate	161403440	0	161403440	3.09	121508490	0	121508490	2.32	-0.76
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	152771059	33612	152804671	2.92	143620977	32854	143653831	2.75	-0.17
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	13345899	10500	13356399	0.26	12160301	10500	12170801	0.23	-0.02
(c)	Others									
	CLEARING MEMBERS	5712753	0	5712753	0.11	4650667	0	4650667	0.09	-0.02
	FOREIGN BODIES	8342607	0	8342607	0.16	4171304	0	4171304	0.08	-0.08
	I E P F	0	0	0	0.00	298438	0	298438	0.01	0.01
	NBFC	526296	0	526296	0.01	1818213	0	1818213	0.03	0.02
	NON RESIDENT INDIANS	2608653	0	2608653	0.05	1889803	0	1889803	0.04	-0.01
	NRI NON-REPATRIATION	1322483	0	1322483	0.03	1222909	0	1222909	0.02	0.00
	TRUSTS	**21392692**	**0**	**21392692**	**0.41**	**25293126**	**0**	**25293126**	**0.48**	**0.07**
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	**367425882**	**44112**	**367469994**	**7.02**	**316634228**	**43354**	**316677582**	**6.05**	**-0.97**
	Total B=B(1)+B(2) :	**2202710338**	**44112**	**2202754450**	**42.10**	**2254231535**	**43354**	**2254274889**	**43.09**	**0.98**
	Total (A+B) :	**5231545536**	**44112**	**5231589648**	**100.00**	**5231546294**	**43354**	**5231589648**	**100.00**	**0.00**

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2017				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2018				% 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)
(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) :	**5231545536**	**44112**	**5231589648**	**100.00**	**5231546294**	**43354**	**5231589648**	**100.00**	

(ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the begginning of the year 01/04/2017			Shareholding at the end of the year 31/03/2018			% 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	55.96	0	2876044959	54.97	0	0.98
2	PRESIDENT OF INDIA	101269800	1.94	0	101269800	1.94	0	0
	Total	**3028835198**	**57.90**	**0**	**2977314759**	**56.91**	**0**	**0.98**

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

Sl. No.		Share holding at the beginning of the year 01/04/2017		Cumulative Share holding during the year 31/03/2018	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3028835198	57.90	3028835198	57.90
	sale on 17/11/2017	-48504410	-0.93	2980330788	56.97
	sale on 24/11/2017	-3016029	-0.06	2977314759	56.91
	At the end of the year	2977314759	56.91	2977314759	56.91

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

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018 (OTEHR THAN PROMOTER, DIRECTOR, ADR AND GDR)											
					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Folio/Dpid-Client id	Category	Type	Name of the Share Holder	No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No. of Shares	% of total shares of the company
1	AAAAE0997R	FPI	Opening Balance	EUROPACIFIC GROWTH FUND	191947666	3.67	31/03/2017			191947666	3.67
			Sale				23/06/2017	-23960000	Transfer	167987666	3.21
			Sale				07/07/2017	-2796159	Transfer	165191507	3.16
			Sale				14/07/2017	-9700724	Transfer	155490783	2.97
			Sale				21/07/2017	-2788117	Transfer	152702666	2.92
			Sale				08/12/2017	-2110055	Transfer	150592611	2.88
			Sale				15/12/2017	-4993800	Transfer	145598811	2.78
			Sale				12/01/2018	-4657486	Transfer	140941325	2.69
			Sale				19/01/2018	-23315501	Transfer	117625824	2.25
			Sale				26/01/2018	-10927320	Transfer	106698504	2.04
			Sale				02/02/2018	-2387233	Transfer	104311271	1.99
			Sale				09/02/2018	-34364249	Transfer	69947022	1.34
			Sale				23/02/2018	-2922783	Transfer	67024239	1.28
			Sale				02/03/2018	-8386597	Transfer	58637642	1.12
			Sale				09/03/2018	-5422390	Transfer	53215252	1.02
			Sale				16/03/2018	-8340924	Transfer	44874328	0.86

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018 (OTEHR THAN PROMOTER, DIRECTOR, ADR AND GDR)											
					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Folio/Dpid-Client id	Category	Type	Name of the Share Holder	No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No. of Shares	% of total shares of the company
			Sale				23/03/2018	-3447307	Transfer	41427021	0.79
			Sale				30/03/2018	-6535501	Transfer	34891520	0.67
			Closing Balance				31/03/2018			34891520	0.67
2	AAACL0582H	IFI	Opening Balance	LICI NEW ENDOWMENT PLUS-BALANCED FUND	151293152	2.89	31/03/2017			151293152	2.89
			Purchase				03/11/2017	2065568	Transfer	153358720	2.93
			Purchase				10/11/2017	8055562	Transfer	161414282	3.09
			Purchase				17/11/2017	6687054	Transfer	168101336	3.21
			Purchase				24/11/2017	7624865	Transfer	175726201	3.36
			Purchase				01/12/2017	4111964	Transfer	179838165	3.44
			Purchase				08/12/2017	9602757	Transfer	189440922	3.62
			Purchase				15/12/2017	12159578	Transfer	201600500	3.85
			Purchase				22/12/2017	16432435	Transfer	218032935	4.17
			Purchase				29/12/2017	3134603	Transfer	221167538	4.23
			Purchase				26/01/2018	3020000	Transfer	224187538	4.29
			Purchase				02/02/2018	5182739	Transfer	229370277	4.38
			Purchase				09/02/2018	19795743	Transfer	249166020	4.76
			Purchase				16/02/2018	12783085	Transfer	261949105	5.01
			Purchase				23/02/2018	5970970	Transfer	267920075	5.12
			Purchase				02/03/2018	5406798	Transfer	273326873	5.22
			Purchase				09/03/2018	5772850	Transfer	279099723	5.33
			Purchase				16/03/2018	8233348	Transfer	287333071	5.49
			Purchase				23/03/2018	12484236	Transfer	299817307	5.73
			Purchase				30/03/2018	7266948	Transfer	307084255	5.87
			Closing Balance				31/03/2018			307084255	5.87

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018 (OTEHR THAN PROMOTER, DIRECTOR, ADR AND GDR)											
					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Folio/Dpid-Client id	Category	Type	Name of the Share Holder	No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No. of Shares	% of total shares of the company
3	AAAAI0038F	MUT	Opening Balance	ICICI PRUDENTIAL MULTIPLE YIELD FUND-SERIES VII-18	77875579	1.49	31/03/2017			77875579	1.49
			Purchase				07/04/2017	1136240	Transfer	79011819	1.51
			Sale				07/04/2017	-74904	Transfer	78936915	1.51
			Purchase				14/04/2017	4658666	Transfer	83595581	1.60
			Sale				14/04/2017	-244	Transfer	83595337	1.60
			Purchase				21/04/2017	3887	Transfer	83599224	1.60
			Sale				21/04/2017	-3210077	Transfer	80389147	1.54
			Purchase				28/04/2017	1079262	Transfer	81468409	1.56
			Sale				28/04/2017	-82719	Transfer	81385690	1.56
			Purchase				05/05/2017	1552132	Transfer	82937822	1.59
			Sale				05/05/2017	-1011314	Transfer	81926508	1.57
			Purchase				12/05/2017	2707933	Transfer	84634441	1.62
			Sale				12/05/2017	-156000	Transfer	84478441	1.61
			Purchase				19/05/2017	1607735	Transfer	86086176	1.65
			Sale				19/05/2017	-741	Transfer	86085435	1.65
			Purchase				26/05/2017	1408674	Transfer	87494109	1.67
			Purchase				02/06/2017	2355528	Transfer	89849637	1.72
			Sale				02/06/2017	-2542	Transfer	89847095	1.72
			Purchase				09/06/2017	547959	Transfer	90395054	1.73
			Sale				09/06/2017	-3906	Transfer	90391148	1.73
			Purchase				16/06/2017	4810	Transfer	90395958	1.73
			Sale				16/06/2017	-3996438	Transfer	86399520	1.65
			Purchase				23/06/2017	1824112	Transfer	88223632	1.69
			Sale				23/06/2017	-1028592	Transfer	87195040	1.67
			Purchase				30/06/2017	988403	Transfer	88183443	1.69
			Sale				30/06/2017	-200789	Transfer	87982654	1.68

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018 (OTEHR THAN PROMOTER, DIRECTOR, ADR AND GDR)											
					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Folio/Dpid-Client id	Category	Type	Name of the Share Holder	No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No. of Shares	% of total shares of the company
			Purchase				07/07/2017	20891	Transfer	88003545	1.68
			Sale				07/07/2017	-2795083	Transfer	85208462	1.63
			Sale				14/07/2017	-945719	Transfer	84262743	1.61
			Purchase				21/07/2017	384	Transfer	84263127	1.61
			Sale				21/07/2017	-5940	Transfer	84257187	1.61
			Purchase				28/07/2017	211452	Transfer	84468639	1.61
			Sale				28/07/2017	-5826767	Transfer	78641872	1.50
			Purchase				04/08/2017	1866445	Transfer	80508317	1.54
			Sale				04/08/2017	-720874	Transfer	79787443	1.53
			Purchase				11/08/2017	1725	Transfer	79789168	1.53
			Sale				11/08/2017	-2098767	Transfer	77690401	1.49
			Purchase				18/08/2017	6237	Transfer	77696638	1.49
			Purchase				25/08/2017	614836	Transfer	78311474	1.50
			Sale				25/08/2017	-381476	Transfer	77929998	1.49
			Purchase				01/09/2017	306657	Transfer	78236655	1.50
			Sale				01/09/2017	-542748	Transfer	77693907	1.49
			Purchase				08/09/2017	304869	Transfer	77998776	1.49
			Sale				08/09/2017	-90519	Transfer	77908257	1.49
			Purchase				15/09/2017	2588	Transfer	77910845	1.49
			Sale				15/09/2017	-59783	Transfer	77851062	1.49
			Purchase				22/09/2017	2026	Transfer	77853088	1.49
			Sale				22/09/2017	-804143	Transfer	77048945	1.47
			Purchase				29/09/2017	20654	Transfer	77069599	1.47
			Sale				29/09/2017	-600582	Transfer	76469017	1.46
			Purchase				06/10/2017	300415	Transfer	76769432	1.47
			Sale				06/10/2017	-11588	Transfer	76757844	1.47
			Purchase				13/10/2017	1226304	Transfer	77984148	1.49
			Sale				13/10/2017	-288	Transfer	77983860	1.49

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018 (OTEHR THAN PROMOTER, DIRECTOR, ADR AND GDR)											
					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Folio/Dpid-Client id	Category	Type	Name of the Share Holder	No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No. of Shares	% of total shares of the company
			Purchase				20/10/2017	710720	Transfer	78694580	1.50
			Sale				20/10/2017	-4877	Transfer	78689703	1.50
			Purchase				27/10/2017	42	Transfer	78689745	1.50
			Sale				27/10/2017	-1565296	Transfer	77124449	1.47
			Purchase				31/10/2017	553	Transfer	77125002	1.47
			Sale				31/10/2017	-2920	Transfer	77122082	1.47
			Purchase				03/11/2017	240	Transfer	77122322	1.47
			Sale				03/11/2017	-201691	Transfer	76920631	1.47
			Purchase				10/11/2017	2990716	Transfer	79911347	1.53
			Sale				10/11/2017	-135064	Transfer	79776283	1.52
			Purchase				17/11/2017	1078809	Transfer	80855092	1.55
			Sale				17/11/2017	-640367	Transfer	80214725	1.53
			Purchase				24/11/2017	57147644	Transfer	137362369	2.63
			Sale				24/11/2017	-4143	Transfer	137358226	2.63
			Purchase				01/12/2017	1501696	Transfer	138859922	2.65
			Sale				01/12/2017	-6596341	Transfer	132263581	2.53
			Purchase				08/12/2017	4026627	Transfer	136290208	2.61
			Sale				08/12/2017	-5334491	Transfer	130955717	2.50
			Purchase				15/12/2017	2637	Transfer	130958354	2.50
			Sale				15/12/2017	-755428	Transfer	130202926	2.49
			Purchase				22/12/2017	5560734	Transfer	135763660	2.60
			Sale				22/12/2017	-5262965	Transfer	130500695	2.49
			Purchase				29/12/2017	510555	Transfer	131011250	2.50
			Sale				29/12/2017	-4594403	Transfer	126416847	2.42
			Purchase				05/01/2018	2753580	Transfer	129170427	2.47
			Sale				05/01/2018	-1567579	Transfer	127602848	2.44
			Purchase				12/01/2018	5537310	Transfer	133140158	2.54
			Sale				12/01/2018	-1245564	Transfer	131894594	2.52

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018 (OTEHR THAN PROMOTER, DIRECTOR, ADR AND GDR)											
					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Folio/Dpid-Client id	Category	Type	Name of the Share Holder	No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No. of Shares	% of total shares of the company
			Purchase				19/01/2018	28426281	Transfer	160320875	3.06
			Sale				19/01/2018	-1700568	Transfer	158620307	3.03
			Purchase				26/01/2018	16134207	Transfer	174754514	3.34
			Sale				26/01/2018	-1490683	Transfer	173263831	3.31
			Purchase				02/02/2018	5790178	Transfer	179054009	3.42
			Sale				02/02/2018	-1918907	Transfer	177135102	3.39
			Purchase				09/02/2018	3085846	Transfer	180220948	3.44
			Sale				09/02/2018	-84529	Transfer	180136419	3.44
			Purchase				16/02/2018	33755240	Transfer	213891659	4.09
			Sale				16/02/2018	-87254	Transfer	213804405	4.09
			Purchase				23/02/2018	1975875	Transfer	215780280	4.12
			Sale				23/02/2018	-30981	Transfer	215749299	4.12
			Purchase				02/03/2018	2792573	Transfer	218541872	4.18
			Sale				02/03/2018	-6675	Transfer	218535197	4.18
			Purchase				09/03/2018	562011	Transfer	219097208	4.19
			Sale				09/03/2018	-97680	Transfer	218999528	4.19
			Purchase				16/03/2018	3240364	Transfer	222239892	4.25
			Sale				16/03/2018	-146465	Transfer	222093427	4.25
			Purchase				23/03/2018	5362	Transfer	222098789	4.25
			Sale				23/03/2018	-1591737	Transfer	220507052	4.21
			Purchase				30/03/2018	9496	Transfer	220516548	4.22
			Closing Balance				31/03/2018			220516548	4.22
4	AAACI7351P	LTD	Opening Balance	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	72558444	1.39	31/03/2017			72558444	1.39
			Purchase				07/04/2017	257858	Transfer	72816302	1.39
			Sale				14/04/2017	-506844	Transfer	72309458	1.38

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018 (OTEHR THAN PROMOTER, DIRECTOR, ADR AND GDR)											
					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Folio/Dpid-Client id	Category	Type	Name of the Share Holder	No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No. of Shares	% of total shares of the company
			Sale				21/04/2017	-643534	Transfer	71665924	1.37
			Purchase				28/04/2017	324943	Transfer	71990867	1.38
			Purchase				05/05/2017	321049	Transfer	72311916	1.38
			Sale				12/05/2017	-26018	Transfer	72285898	1.38
			Sale				19/05/2017	-549904	Transfer	71735994	1.37
			Sale				26/05/2017	-384171	Transfer	71351823	1.36
			Sale				02/06/2017	-615270	Transfer	70736553	1.35
			Purchase				09/06/2017	100991	Transfer	70837544	1.35
			Sale				16/06/2017	-188550	Transfer	70648994	1.35
			Purchase				23/06/2017	50188	Transfer	70699182	1.35
			Sale				30/06/2017	-527105	Transfer	70172077	1.34
			Purchase				07/07/2017	509323	Transfer	70681400	1.35
			Purchase				14/07/2017	440239	Transfer	71121639	1.36
			Sale				21/07/2017	-95080	Transfer	71026559	1.36
			Sale				28/07/2017	-386537	Transfer	70640022	1.35
			Purchase				04/08/2017	419893	Transfer	71059915	1.36
			Sale				11/08/2017	-429075	Transfer	70630840	1.35
			Sale				18/08/2017	-115139	Transfer	70515701	1.35
			Purchase				25/08/2017	123047	Transfer	70638748	1.35
			Purchase				01/09/2017	1992702	Transfer	72631450	1.39
			Sale				01/09/2017	-2743005	Transfer	69888445	1.34
			Sale				08/09/2017	-541432	Transfer	69347013	1.33
			Purchase				15/09/2017	265870	Transfer	69612883	1.33
			Purchase				22/09/2017	13503	Transfer	69626386	1.33
			Sale				29/09/2017	-540832	Transfer	69085554	1.32
			Purchase				06/10/2017	2992629	Transfer	72078183	1.38
			Purchase				13/10/2017	13811	Transfer	72091994	1.38
			Purchase				20/10/2017	103512	Transfer	72195506	1.38

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018 (OTEHR THAN PROMOTER, DIRECTOR, ADR AND GDR)											
					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Folio/Dpid-Client id	Category	Type	Name of the Share Holder	No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No. of Shares	% of total shares of the company
			Sale				27/10/2017	-51630	Transfer	72143876	1.38
			Sale				31/10/2017	-97690	Transfer	72046186	1.38
			Sale				03/11/2017	-573943	Transfer	71472243	1.37
			Sale				10/11/2017	-5412	Transfer	71466831	1.37
			Sale				17/11/2017	-156699	Transfer	71310132	1.36
			Sale				24/11/2017	-1052303	Transfer	70257829	1.34
			Sale				01/12/2017	-321181	Transfer	69936648	1.34
			Purchase				08/12/2017	578	Transfer	69937226	1.34
			Purchase				15/12/2017	13671	Transfer	69950897	1.34
			Purchase				22/12/2017	126849	Transfer	70077746	1.34
			Purchase				29/12/2017	191900	Transfer	70269646	1.34
			Sale				05/01/2018	-794696	Transfer	69474950	1.33
			Sale				12/01/2018	-168983	Transfer	69305967	1.32
			Purchase				19/01/2018	262347	Transfer	69568314	1.33
			Sale				19/01/2018	-2040341	Transfer	67527973	1.29
			Sale				26/01/2018	-930082	Transfer	66597891	1.27
			Sale				02/02/2018	-601034	Transfer	65996857	1.26
			Sale				09/02/2018	-5267024	Transfer	60729833	1.16
			Sale				16/02/2018	-791566	Transfer	59938267	1.15
			Purchase				23/02/2018	38975	Transfer	59977242	1.15
			Sale				23/02/2018	-32781	Transfer	59944461	1.15
			Sale				02/03/2018	-63469	Transfer	59880992	1.14
			Sale				09/03/2018	-1003412	Transfer	58877580	1.13
			Sale				16/03/2018	-556290	Transfer	58321290	1.11
			Sale				23/03/2018	-7412765	Transfer	50908525	0.97
			Sale				30/03/2018	-3730734	Transfer	47177791	0.90
			Closing Balance				31/03/2018			47177791	0.90

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018 (OTEHR THAN PROMOTER, DIRECTOR, ADR AND GDR)											
					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Folio/Dpid-Client id	Category	Type	Name of the Share Holder	No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No. of Shares	% of total shares of the company
5	AAATH1809A	MUT	Opening Balance	HDFC TRUSTEE CO. LTD A/C HDFC EQUITY OPPORTUNITIES	70244010	1.34	31/03/2017			70244010	1.34
			Purchase				07/04/2017	3959116	Transfer	74203126	1.42
			Sale				07/04/2017	-2483	Transfer	74200643	1.42
			Purchase				14/04/2017	2568000	Transfer	76768643	1.47
			Sale				14/04/2017	-771	Transfer	76767872	1.47
			Purchase				21/04/2017	2850000	Transfer	79617872	1.52
			Sale				21/04/2017	-1023086	Transfer	78594786	1.50
			Purchase				28/04/2017	4112000	Transfer	82706786	1.58
			Sale				28/04/2017	-6587	Transfer	82700199	1.58
			Purchase				05/05/2017	1438843	Transfer	84139042	1.61
			Sale				05/05/2017	-480	Transfer	84138562	1.61
			Purchase				12/05/2017	2000000	Transfer	86138562	1.65
			Sale				12/05/2017	-57779	Transfer	86080783	1.65
			Purchase				19/05/2017	980543	Transfer	87061326	1.66
			Sale				19/05/2017	-1185	Transfer	87060141	1.66
			Purchase				26/05/2017	3250000	Transfer	90310141	1.73
			Sale				26/05/2017	-1511	Transfer	90308630	1.73
			Purchase				02/06/2017	2403737	Transfer	92712367	1.77
			Sale				02/06/2017	-21124	Transfer	92691243	1.77
			Purchase				09/06/2017	2128000	Transfer	94819243	1.81
			Sale				09/06/2017	-129966	Transfer	94689277	1.81
			Purchase				16/06/2017	2147	Transfer	94691424	1.81
			Sale				16/06/2017	-28386	Transfer	94663038	1.81
			Purchase				23/06/2017	4415550	Transfer	99078588	1.89
			Sale				23/06/2017	-4110	Transfer	99074478	1.89
			Purchase				30/06/2017	6056847	Transfer	105131325	2.01

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018 (OTEHR THAN PROMOTER, DIRECTOR, ADR AND GDR)											
					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Folio/Dpid-Client id	Category	Type	Name of the Share Holder	No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No. of Shares	% of total shares of the company
			Sale				30/06/2017	-1152000	Transfer	103979325	1.99
			Purchase				07/07/2017	2201703	Transfer	106181028	2.03
			Purchase				14/07/2017	3200237	Transfer	109381265	2.09
			Sale				14/07/2017	-80146	Transfer	109301119	2.09
			Purchase				21/07/2017	1647000	Transfer	110948119	2.12
			Sale				21/07/2017	-721229	Transfer	110226890	2.11
			Purchase				28/07/2017	1950000	Transfer	112176890	2.14
			Sale				28/07/2017	-836725	Transfer	111340165	2.13
			Purchase				04/08/2017	1501999	Transfer	112842164	2.16
			Sale				04/08/2017	-788	Transfer	112841376	2.16
			Purchase				11/08/2017	3416	Transfer	112844792	2.16
			Sale				11/08/2017	-4213	Transfer	112840579	2.16
			Purchase				18/08/2017	2902844	Transfer	115743423	2.21
			Sale				18/08/2017	-129	Transfer	115743294	2.21
			Purchase				25/08/2017	1667601	Transfer	117410895	2.24
			Purchase				01/09/2017	1956367	Transfer	119367262	2.28
			Purchase				08/09/2017	245172	Transfer	119612434	2.29
			Sale				08/09/2017	-511	Transfer	119611923	2.29
			Purchase				15/09/2017	603000	Transfer	120214923	2.30
			Sale				15/09/2017	-246	Transfer	120214677	2.30
			Purchase				22/09/2017	1	Transfer	120214678	2.30
			Sale				22/09/2017	-3179	Transfer	120211499	2.30
			Purchase				29/09/2017	853546	Transfer	121065045	2.31
			Sale				29/09/2017	-7357	Transfer	121057688	2.31
			Purchase				06/10/2017	1661849	Transfer	122719537	2.35
			Sale				06/10/2017	-183	Transfer	122719354	2.35
			Purchase				13/10/2017	4906354	Transfer	127625708	2.44
			Sale				13/10/2017	-398	Transfer	127625310	2.44

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018 (OTEHR THAN PROMOTER, DIRECTOR, ADR AND GDR)											
					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Folio/Dpid-Client id	Category	Type	Name of the Share Holder	No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No. of Shares	% of total shares of the company
			Sale				20/10/2017	-319	Transfer	127624991	2.44
			Purchase				27/10/2017	388	Transfer	127625379	2.44
			Sale				27/10/2017	-1018860	Transfer	126606519	2.42
			Purchase				31/10/2017	829	Transfer	126607348	2.42
			Sale				31/10/2017	-452	Transfer	126606896	2.42
			Purchase				03/11/2017	21652	Transfer	126628548	2.42
			Sale				03/11/2017	-22779	Transfer	126605769	2.42
			Purchase				10/11/2017	12351	Transfer	126618120	2.42
			Sale				10/11/2017	-828	Transfer	126617292	2.42
			Purchase				17/11/2017	3567	Transfer	126620859	2.42
			Sale				17/11/2017	-139	Transfer	126620720	2.42
			Purchase				24/11/2017	676	Transfer	126621396	2.42
			Sale				24/11/2017	-137	Transfer	126621259	2.42
			Purchase				01/12/2017	275	Transfer	126621534	2.42
			Sale				01/12/2017	-137	Transfer	126621397	2.42
			Purchase				08/12/2017	2832139	Transfer	129453536	2.47
			Purchase				15/12/2017	5606655	Transfer	135060191	2.58
			Sale				15/12/2017	-381	Transfer	135059810	2.58
			Purchase				22/12/2017	12048092	Transfer	147107902	2.81
			Sale				22/12/2017	-8748982	Transfer	138358920	2.64
			Purchase				29/12/2017	782908	Transfer	139141828	2.66
			Sale				29/12/2017	-4512	Transfer	139137316	2.66
			Purchase				05/01/2018	265	Transfer	139137581	2.66
			Sale				05/01/2018	-1651	Transfer	139135930	2.66
			Purchase				12/01/2018	2462	Transfer	139138392	2.66
			Sale				12/01/2018	-816	Transfer	139137576	2.66
			Purchase				19/01/2018	1311	Transfer	139138887	2.66
			Sale				19/01/2018	-1188	Transfer	139137699	2.66

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018 (OTEHR THAN PROMOTER, DIRECTOR, ADR AND GDR)											
					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Folio/Dpid-Client id	Category	Type	Name of the Share Holder	No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No. of Shares	% of total shares of the company
			Sale				26/01/2018	-994	Transfer	139136705	2.66
			Purchase				02/02/2018	5011	Transfer	139141716	2.66
			Sale				02/02/2018	-422834	Transfer	138718882	2.65
			Purchase				09/02/2018	10190546	Transfer	148909428	2.85
			Sale				09/02/2018	-301272	Transfer	148608156	2.84
			Purchase				16/02/2018	3089	Transfer	148611245	2.84
			Sale				16/02/2018	-3235	Transfer	148608010	2.84
			Purchase				23/02/2018	4884	Transfer	148612894	2.84
			Purchase				02/03/2018	6007372	Transfer	154620266	2.96
			Purchase				09/03/2018	504365	Transfer	155124631	2.97
			Purchase				16/03/2018	10610	Transfer	155135241	2.97
			Purchase				23/03/2018	5323	Transfer	155140564	2.97
			Purchase				30/03/2018	6383	Transfer	155146947	2.97
			Sale				30/03/2018	-17055	Transfer	155129892	2.97
			Closing Balance				31/03/2018			155129892	2.97
6	AABTC2758E	FPI	Opening Balance	CAPITAL WORLD GROWTH AND INCOME FUND	64038000	1.22	31/03/2017			64038000	1.22
			Closing Balance				31/03/2018			64038000	1.22
7	AACCC5769M	FPI	Opening Balance	COMGEST GROWTH PLC - COMGEST GROWTH EMERGING MARKE	63434144	1.21	31/03/2017			63434144	1.21
			Purchase				16/06/2017	5121518	Transfer	68555662	1.31
			Closing Balance				31/03/2018			68555662	1.31
8	AAECM1699Q	FPI	Opening Balance	MAGELLAN	47344729	0.90	31/03/2017			47344729	0.90

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018 (OTEHR THAN PROMOTER, DIRECTOR, ADR AND GDR)											
					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Folio/Dpid-Client id	Category	Type	Name of the Share Holder	No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No. of Shares	% of total shares of the company
			Sale				16/06/2017	-5121518	Transfer	42223211	0.81
			Closing Balance				31/03/2018			42223211	0.81
9	AABCN3163H	FPI	Opening Balance	NEW WORLD FUND INC	46170350	0.88	31/03/2017			46170350	0.88
			Sale				26/05/2017	-7334240	Transfer	38836110	0.74
			Sale				02/06/2017	-5535254	Transfer	33300856	0.64
			Sale				09/06/2017	-3117456	Transfer	30183400	0.58
			Sale				08/12/2017	-141146	Transfer	30042254	0.57
			Sale				15/12/2017	-281431	Transfer	29760823	0.57
			Sale				12/01/2018	-262476	Transfer	29498347	0.56
			Sale				19/01/2018	-2736201	Transfer	26762146	0.51
			Sale				26/01/2018	-1498854	Transfer	25263292	0.48
			Sale				02/02/2018	-327447	Transfer	24935845	0.48
			Sale				09/02/2018	-4713596	Transfer	20222249	0.39
			Sale				23/02/2018	-177016	Transfer	20045233	0.38
			Sale				02/03/2018	-507923	Transfer	19537310	0.37
			Sale				09/03/2018	-328401	Transfer	19208909	0.37
			Sale				16/03/2018	-505158	Transfer	18703751	0.36
			Sale				23/03/2018	-208783	Transfer	18494968	0.35
			Sale				30/03/2018	-395814	Transfer	18099154	0.35
			Closing Balance				31/03/2018			18099154	0.35

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018 (OTEHR THAN PROMOTER, DIRECTOR, ADR AND GDR)											
					Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Folio/Dpid-Client id	Category	Type	Name of the Share Holder	No. of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No. of Shares	% of total shares of the company
10	AAATH4654D	FPI	Opening Balance	VIRTUS VONTOBEL EMERGING MARKETS OPPORTUNITIES FUN	32226586	0.62	31/03/2017			32226586	0.62
			Sale				21/04/2017	-335297	Transfer	31891289	0.61
			Sale				28/04/2017	-374185	Transfer	31517104	0.60
			Purchase				30/06/2017	146320	Transfer	31663424	0.61
			Purchase				04/08/2017	572416	Transfer	32235840	0.62
			Purchase				27/10/2017	3004928	Transfer	35240768	0.67
			Purchase				31/10/2017	3342666	Transfer	38583434	0.74
			Purchase				01/12/2017	39027663	Transfer	77611097	1.48
			Sale				01/12/2017	-37459168	Transfer	40151929	0.77
			Purchase				08/12/2017	1124266	Transfer	41276195	0.79
			Sale				08/12/2017	-1124266	Transfer	40151929	0.77
			Purchase				05/01/2018	2857762	Transfer	43009691	0.82
			Sale				30/03/2018	-284096	Transfer	42725595	0.82
			Closing Balance				31/03/2018			42725595	0.82

(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
At the beginning of the year 01/04/2017	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 31/03/2018	2,998	0	2,998	0

2. Shri K. Sreekant, Director (Finance)

	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 01/04/2017	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 31/03/2018	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
At the beginning of the year 01/04/2017	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 31/03/2018	9,016	0	9,016	0

4. Shri Prabhakar Singh, Director (Projects)

	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 01/04/2017	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 31/03/2018	2,526	0	2,526	0

5. Ms. Seema Gupta, Director (Operations) (w.e.f. 01/03/2018)

	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 01/04/2017	8,807	0	8,807	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
At the end of the year 31/03/2018	8,807	0	8,807	0

6. Shri R. P. Sasmal, Director (Operations) (superannuated on 28/02/2018)

	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 01/04/2017	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 31/03/2018	1,798	0	1,798	0

7. Ms. Bharati Govt. Director (w.e.f. 31.08.2017)

	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
At the beginning of the year 01/04/2017	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 31/03/2018	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
At the beginning of the year 01/04/2017	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 31/03/2018	0	0	0	0

9. Shri Tse Ten Dorji, 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
At the beginning of the year 01/04/2017	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 31/03/2012	0	0	0	0

10. Mr. Manoj Kumar Mittal, Independent Director (w.e.f. 12.09.2017)

	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
At the beginning of the year 01/04/2017	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 31/03/2018	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
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

V. INDEBTEDNESS (As on 31.03.2018)

(` in crore)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtness at the beginning of the financial year			N/A	
i) Principal Amount	110,169.27	8,528.64		118,697.91
ii) Interest due but not paid				
iii) Interest accrued but not due	3136.57	34.26		3,170.83
Total (i+ii+iii)	113,305.84	8,562.90		121,868.74
Change in Indebtedness during the financial year				
Additions	10,313.57	9,393.22		19,706.79
Reduction	5,977.54	1,759.13		7,736.67
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	114,481.31	16,731.65		131,212.96
ii) Interest due but not paid				
iii) Interest accrued but not due	3333.86	117.43		3,451.29
Total (i+ii+iii)	117,815.17	16,849.08		134,664.25

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (2017-18)

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No.	Particulars of Remuneration	Shri I. S. Jha, CMD (w.e.f. 10.11.2015)	Shri K. Sreekant, Director (Finance) & CFO	Shri Ravi P. Singh, Director (Personnel)	Shri Prabhakar Singh, Director (Projects)	Ms. Seema Gupta, Director (Operations) (w.e.f. 01.03.2018)	Shri R. P. Sasmal, Director (Operations) (Ceased w.e.f. 28.02.2018)	Total Amount
1	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	6790593.99	5342176.36	4742692.62	4147213.85	327941.00	6238996.46	27589614.28
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	1117700.47	885362.61	876008.46	626087.78	21049.00	865278.80	4391487.12
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0	0	0	0

Sl. No.	Particulars of Remuneration	Shri I. S. Jha, CMD (w.e.f. 10.11.2015)	Shri K. Sreekant, Director (Finance) & CFO	Shri Ravi P. Singh, Director (Personnel)	Shri Prabhakar Singh, Director (Projects)	Ms. Seema Gupta, Director (Operations) (w.e.f. 01.03.2018)	Shri R. P. Sasmal, Director (Operations) (Ceased w.e.f. 28.02.2018)	Total Amount
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)	**7908294.46**	**6227538.97**	**5618701.08**	**4773301.63**	**348990.00**	**7104275.26**	**31981101.40**
	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**	**Shri Manoj Kumar Mittal (w.e.f. 12.09.2017)**	
	(a) Fee for attending board & committee meetings	580000	540000	200000	1320000
	(b) Commission	0	0	0	0
	(c) Others, please specify	0	0	0	0
	Total (1)	**580000**	**540000**	**200000**	**1320000**
2	Other Non Executive Directors				
	(a) Fee for attending board committee meetings	0	0	0	0
	(b) Commission	0	0	0	0
	(c) Others, please specify.	0	0	0	0
	Total (2)	**0**	**0**	**0**	**0**
	Total (B)=(1+2)	**580000**	**540000**	**200000**	**1320000**
	Total Managerial Remuneration	**580000**	**540000**	**200000**	**1320000**
	Overall Cieling as per the Act.	**` 100,000/- per Board Meeting or Committee Meeting**			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (2017-18)

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	3672065.04	0.00	3672065.04
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.00	118281.46	0.00	118281.46
	(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**	**3790346.50**	**0.00**	**3790346.50**

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					

ANNEXURE - VII TO THE DIRECTORS' REPORT

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 Limited (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 powers to approval of 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 of POWERGRID comprises Chairman and Managing Director, Functional Directors, Govt. Nominee Directors and Non-Official Part Time Directors (Independent 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 adhering 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 the **'Golden Peacock Award for Excellence in Corporate Governance'** for the year 2017.

The compliance of the Company with the conditions of the Corporate Governance and the disclosure requirements for the Year 2017-18 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 holds 56.91% of the total paid-up share capital as on 31st March, 2018. 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

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time, (hereinafter referred as SEBI LODR) stipulate that the Board of Directors of the company shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of Directors comprising non-executive directors.

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.

As on 31st March, 2018, the Board comprised nine directors out of which five were Whole Time Directors including the Chairman & Managing Director, one Government Nominee Directors and three Independent Directors. The Board composition also comprised a Woman Director. The composition of the Board does not meet with the requirement stipulated in this regard in SEBI LODR as POWERGRID has only four non-executive directors while it has five executive directors.

All the Independent Directors have met the requirements specified under Section 149 (6) of the Act for holding the position of 'Independent Director' and None of Directors of the Company is related to each other.

The number of independent directors during the financial year 2017-18 was insufficient as compared to the number of independent directors required under SEBI LODR and the Act. As the power to appoint the Directors on the Board under the Articles of Associaton vests with the President of India acting through the Administrative Ministry, the Company has been, from time to time, requesting Ministry of Power to appoint requisite number of independent directors on the Board.

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. On appointment by the Government of India, they are appointed as Government Nominee Director on the Board of POWERGRID.

Independent Directors are generally appointed by the Government of India for tenure of three years and are also appointed by the Board of POWERGRID for a similar term.

The details of Directors as on 31st March 2018 were as follows:

Details of Directors		Name	Date of Joining on the Board
Category (Functional/ Official/ Non-official)	Designation		
1. Whole Time Directors	Chairman & Managing Director	Shri I. S. Jha	10.11.2015
	Director (Personnel)	Shri Ravi P. Singh	01.04.2012
	Director (Finance)	Shri K. Sreekant	01.09.2016
	Director (Projects)	Shri Prabhakar Singh	08.02.2017
	Director (Operations)	Mrs. Seema Gupta^	01.03.2018
2. Govt. Nominees Part–time Directors	Director	Ms. Bharati^^	31.08.2017
3. Non-executive Directors *	Independent Director	Shri Jagdish I. Patel	17.11.2015
	Independent Director	Shri Tse Ten Dorji	16.02.2017
	Independent Director	Shri Manoj Kumar Mittal^^^	12.09.2017

^ Ms. Seema Gupta has taken charge of Director (Operations) w.e.f. 1st March, 2018. Shri R P Sasmal held the position of Director (Operations) till 28th February, 2018.

^^ Ministry of Power has conveyed appointment of Ms. Bharati as Part-time Director (Government Nominee) in place of Ms. Shalini Prasad vide order dated 30th August, 2017 and Ms. Bharati was appointed as Part-time Director (Government Nominee) w.e.f.31.08.2017.

^^^ Ministry of Power has conveyed appointment of Shri Manoj Kumar Mittal as non-official Part-time Director vide order dated 7th September, 2017 and Shri Manoj Kumar Mittal was appointed as (non-official Part-time Director) an Independent Director w.e.f 12th September, 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 POWERGRID. 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, 2018, twelve Board meetings were held on 11th May 2017, 29th May 2017, 29th June 2017, 1st August 2017, 16th August 2017, 19th September 2017, 2nd November 2017, 8th December 2017, 6th January 2018, 1st February 2018, 27th February 2018 and 16th March 2018. The maximum interval between any two meetings during this period was 43 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 LODR] held by them during the Financial year 2017-18 are tabulated below:

Name of the Directors	Meeting held during respective tenure of Directors	No. of Board Meetings attended	% of Attendance of Board Meeting	Attendance at the last AGM (held on 19.09.2017)	No. of Director-ship held on 31.03.18 in other Companies	No. of other Companies in which Membership or Chairmanship of Committee held on 31.03.2018*.	
						Chairmanship	Membership
Whole Time Directors							
Shri I. S. Jha, Chairman & Managing Director	12	12	100%	Yes	8	NIL	NIL
Shri K. Sreekant Director (Finance)	12	12	100%	Yes	1	NIL	2
Shri Ravi P. Singh Director (Personnel)	12	12	100%	Yes	6	NIL	2
Shri R.P. Sasmal (up to 28.02.2018)	11	11	100%	Yes	N/A	N/A	N/A
Shri Prabhakar Singh Director (Projects)	12	10	83.33%	Yes	3	NIL	NIL
Ms. Seema Gupta Director (Operations) (w.e.f. 01.03.2018)	01	01	100%	N/A	6	NIL	NIL
Non-executive Directors (Government Nominees)							
Ms. Bharati Jt. Secy. (Transmission), Ministry of Power (w.e.f. 31.08.2017)	7	7	100%	Yes	1	NIL	1
Ms. Shalini Prasad Additional Secretary From 14.08.2017 to 30.08.2017	1	1	100%	N/A	N/A	N/A	N/A

Name of the Directors	Meeting held during respective tenure of Directors	No. of Board Meetings attended	% of Attendance of Board Meeting	Attendance at the last AGM (held on 19.09.2017)	No. of Director-ship held on 31.03.18 in other Companies	No. of other Companies in which Membership or Chairmanship of Committee held on 31.03.2018*.	
						Chairmanship	Membership
Dr. Pradeep Kumar Jt. Secy. & Fin. Adv., Ministry of Power (Transmission), (upto 31.07.2017)	3	2	66.67%	N/A	N/A	N/A	N/A
Smt. Jyoti Arora Jt. Secy. (Transmission), Ministry of Power (upto 05.07.2017)	3	2	66.67%	N/A	N/A	N/A	N/A
Independent Directors							
Shri Jagdish I. Patel	12	11	91.67%	Yes	3	2	NIL
Shri Tse Ten Dorji	12	12	100%	Yes	NIL	NIL	1
Shri Manoj Kumar Mittal (w.e.f. 12.09.2017)	7	7	100%	Yes	NIL	NIL	2

N/A indicates that concerned person was not a Director on POWERGRID's Board on the relevant date.

* Includes committee position in POWERGRID. None of the Directors of the company are in any way related to 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 updates, if any.
2. Annual Accounts, Directors' Report, etc.
3. Quarterly financial results.
4. Minutes of meetings of Audit Committee and other committees of the Board and minutes of Subsidiary Companies.
5. Major Investments, formation of Subsidiaries and Joint Ventures, Strategic Alliances, etc.
6. Award of large Contracts.
7. All related party transactions.
8. Disclosure of Interest by Directors about directorship and committee positions occupied by them in other Companies.
9. Declaration of independency by Independent Directors.
10. Monthly Report on Commercial Status of the Company.
11. Quarterly Report on Business Activities of various Subsidiary Companies.
12. Quarterly Report on Compliance of various laws.
13. Quarterly Report on Compliance with Corporate Governance; Reconciliation of Share Capital Audit and Investors' Complaints.
14. Report on the status of various ongoing projects/Scheme and Budget Utilization.
15. Report on the O&M Review.
16. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, etc.
17. Non-compliance of any Regulatory, statutory or listing requirements and shareholders' grievance, such as non-payment of dividend, delay in share transfer etc. Short-Term investment of surplus funds.
18. Other materially important information.

Post meeting follow-up system:

19. The Governance process in POWERGRID 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/Re-materialization 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

xi) New Business Committee

3.1 Audit Committee:

The Company has constituted Audit Committee in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31 March, 2018, the Audit Committee comprised the following Directors:

(i)	Shri Jagdish I. Patel	Independent Director	Chairman
(ii)	Shri Tse Ten Dorji	Independent Director	Member
(iii)	Shri Manoj Kumar Mittal^	Independent Director	Member

Note: In addition to the above, Dr. Pradeep Kumar and Shri R.P. Sasmal were member of the Audit Committee upto 31.07.2017 and 08.12.2017, respectively.

^Appointed as member of Audit Committee on 08.12.2017.

The Company Secretary is the Secretary of the Committee.

Meetings of Audit Committee

As per SEBI LODR, 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

The Role of the Audit Committee includes the following:

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 Act.
    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. Looking 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. Reviewing / overseeing the functioning of vigil mechanism / Whistle Blower mechanism of POWERGRID.
13. Reviewing the follow up action on the audit observations in the Comptroller & Auditor General audit report.
14. Reviewing the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
15. Providing an open avenue of communication between the independent auditor, internal auditor and the Board.
16. Approving of any subsequent modification of transactions of POWERGRID with related parties.
17. Reviewing 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 LODR.
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 reviewing 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 Act and SEBI LODR 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 2018, eight meetings of the Audit committee were held on 11th May 2017, 29th May 2017, 29th June 2017, 01st August 2016, 19th September 2017, 02nd November 2017, 1st February 2018 and 16th March 2018 respectively.

Attendance at Audit Committee Meetings during the Financial Year 2017-18:

Name of the Audit Committee Member	Meetings held during respective tenure of Members	No. of Meetings attended	% of Attendance of Audit Committee Meeting
Shri Jagdish I. Patel	8	8	100%
Shri Tse Ten Dorji	8	8	100%
Dr. Pradeep Kumar^	4	2	50%
Shri R. P. Sasmal^^	3	3	100%
Shri Manoj Kumar Mittal^^^	2	2	100%

^Dr. Pradeep Kumar was member of the Audit Committee upto 31.07.2017.

^^Shri R.P. Sasmal was member of the Audit Committee upto 08.12.2017.

^^^Shri Manoj Kumar Mittal was appointed as member of Audit Committee on 08.12.2017.

3.2 Stakeholders' Relationship Committee

POWERGRID has constituted Stakeholders' Relationship Committee in line with the provisions of Section 178 (5) of the Act and Regulation 20 of SEBI LODR

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 POWERGRID.

Composition of Stakeholders' Relationship Committee during the F.Y. 2017-18

As on 31st March 2018, the Stakeholder Relationship Committee comprised the following Directors:

Shri Jagdish I. Patel	Non-executive Director	Chairman
Shri Ravi P. Singh	Director (Personnel)	Member
Shri K. Sreekant	Director (Finance)	Member
Shri Manoj Kumar Mittal^	Non-executive Director	Member

^Shri Manoj Kumar Mittal was appointed as member of Stakeholders' Relationship Committee on 08.12.2017.

The Company Secretary is the Secretary of the Committee.

Two meetings of the Stakeholders' Relationship Committee were held during the financial year 2017-18 i.e. on 28th November 2017 and 7th February 2018.

Attendance at Stakeholders' Relationship Committee meeting during the Financial Year 2017-18:

Name	Shareholders'/Investors' Grievance Committee Meeting held during the tenure		% of Attendance of Stakeholders' Relationship Committee Meeting
	Held	Attended	
Shri Jagdish I. Patel	2	2	100%
Shri Ravi P. Singh	2	2	100%
Shri K. Sreekant	2	1	50%
Shri Manoj Kumar Mittal	1	1	100%

Name and designation of Compliance Officer

Ms. Divya Tandon, General Manager & Company Secretary is the Compliance Officer in terms of SEBI LODR

Investors' Grievances

During the financial year ending 31st March 2018, 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	13	13	0
2	Non-receipt of dividend warrants	0	1257	1257	0
3	Non-receipt of share certificate	0	14	14	0
4	SEBI	2	3	5	0
5	Stock Exchange	0	3	3	0
6	Advocate Notices	0	0	0	0
7	Consumer Forum/Court cases	0	0	0	0
	Total	**2**	**1290**	**1292**	**0**

Shares lying in Share Escrow Account

In pursuance of Schedule V (F) of SEBI LODR, 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 01.04.2017	179	34,643	18	3,439	1	526
Transfers during the year 2017-18	175	33,673	0	0	1	526
As on 31.03.2018	4	970	18	3,439	0	0

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. POWERGRID 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 has constituted Nomination and Remuneration Committee in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR

As on 31st March 2018, the Nomination and Remuneration Committee comprised the following Directors:

Shri Jagdish I. Patel	Non-executive Director	Chairman
Shri Tse Ten Dorji	Non-executive Director	Member
Shri Manoj Kumar Mittal^	Non-executive Director	Member
Ms. Bharati^^	Jt. Secy. (Transmission), Govt. Nominee Director	Member
Shri I. S. Jha	Chairman & Managing Director	Member

^Shri Manoj Kumar Mittal was appointed as member of the Nomination and Remuneration Committee on 8th December 2017.

^^Ms. Bharati was appointed as member of the Nomination and Remuneration Committee on 19th September 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.

One meeting of the Nomination and Remuneration committee was held during the Financial Year 2017-18 i.e. on 19th September, 2017 in which all the members of the Committee were present.

The Company could not complied with Section 178 of the Act and Regulation 19 of the SEBI LODR up to 18 September 2017 in respect of constitution of the committee.

Performance Evaluation of Directors:

The requirement of performance evaluation of directors under Section 178(2) of the Act 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 2017-18 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 2017-18 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	43,09,762.98	6,86,616	-	20,76,999.74	70,73,378.72
2.	Shri K. Sreekant	Director (Finance)	45,39,703.76	5,72,197	-	8,22,222.73	59,34,123.49
3.	Shri Ravi P. Singh	Director (Personnel)	34,31,098.23	7,03,833	-	13,68,191.52	55,03,122.75
4.	Shri R. P. Sasmal^	Director (Operations)	46,09,570.71	7,03,884.5	-	16,69,022.88	69,82,478.09
5.	Shri Prabhakar Singh	Director (Projects)	34,34,106.23	6,07,962	-	7,28,341.75	47,70,409.98
6.	Ms. Seema Gupta^^	Director (Operations)	2,65,963.28	45,331	-	-	3,11,294.28

^upto 28th February 2018.

^^w.e.f. 1st March, 2018.

The Government Nominees 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 2017-18 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	2.20	3.60	5.80
Shri Tse Ten Dorji	2.40	3.00	5.40
Shri Manoj Kumar Mittal	1.40	0.60	2.00

As on 31.03.2018, the Directors' Shareholding were as under:

S. No.	Name of Directors	No. of Equity Shares Held
1.	Shri I. S. Jha	2,998
2.	Shri K. Sreekant	1,029
3.	Shri Ravi P. Singh	9,016
4.	Shri Prabhakar Singh	2,526
5.	Ms. Seema Gupta	8,807
6.	Ms. Bharati	NIL
7.	Shri Jagdish I. Patel	NIL
8.	Shri Tse Ten Dorji	NIL
9.	Shri Manoj Kumar Mittal	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 31st March 2018, the Committee on Investment on Projects comprised the following Directors:

Shri I. S. Jha	Chairman and Managing Director	Chairman
Shri K. Sreekant	Director (Finance)	Member
Shri Prabhakar Singh	Director (Projects)	Member
Ms. Bharati	Jt. Secy. (Transmission), Govt. Nominee Director	Member

Changes in the composition of Committee on Investment on Projects during the financial year 2017-18 were as under:

Shri I. S. Jha	Chairman and Managing Director	Chairman
Shri K. Sreekant	Director (Finance)	Member
Shri Prabhakar Singh	Director (Projects)	Member
Shri R. P. Sasmal^^	Director (Operations)	Member
Ms. Bharati^	Jt. Secy. (Transmission), Govt. Nominee Director	Member

^Ms. Bharati was appointed as members of the Committee on Investment on Projects on 19th September 2017.

^^Ceased to be Director (Operations) w.e.f. 28th February, 2018 consequent to his superannuation.

Six meetings of the Committee on Investment on Projects were held during the financial year 2017-18.

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 31st March 2018, the following Directors were members of the Committee:

Shri I. S. Jha	Chairman and Managing Director	Chairman
Shri K. Sreekant	Director (Finance)	Member
Shri Prabhakar Singh	Director (Projects)	Member
Ms. Seema Gupta	Director (Operations)	Member
Ms. Bharati	Jt. Secy. (Transmission), Govt. Nominee Director	Member
Shri Tse Ten Dorji	Non-executive Director	Member

Changes in the composition of Committee on Award of Contracts during the financial year 2017-18 were:

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
Ms. Bharati^	Jt. Secy. (Transmission), Govt. Nominee Director	Member
Shri Tse Ten Dorji^^^^	Non-executive Director	Member
Ms. Seema Gupta^^^^	Director (Operations)	Member

^Ms. Bharati was appointed as members of the Committee on Award of Contracts on 19th September 2017.

^^Ceased to be Director (Operations) w.e.f. 28th February, 2018 consequent to his superannuation.

^^^ Shri Tse Ten Dorji was appointed as members of the Committee on Award of Contracts on 8th December, 2017.

^^^ ^ Ms. Seema Gupta Director (Operations) was appointed as members of the Committee on Award of Contracts on 16th March, 2018.

Six meetings of the Committee on Award of Contracts were held during the financial year 2017-18.

3.6 Committee for Transfer/Split/Rematerialization etc. of Shares

The Company has a Committee of Directors for Transfer/ Split/ Rematerialization etc. As on 31st March 2018, 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

Share Transfers effected during the year have been well within the time prescribed by the SEBI LODR.

Twenty meetings of the Committee for Transfer/Split/Rematerialization etc. of Shares were held during the financial year 2017-18.

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 31st March 2018, 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 Prabhakar Singh	Director (Projects)	Member
Ms. Seema Gupta	Director (Operations)	Member

Changes in the composition of Committee for Bonds during the financial year 2017-18 were:

Shri I. S. Jha	Chairman and Managing Director	Chairman
Shri K. Sreekant	Director (Finance)	Member
Shri Prabhakar Singh	Director (Projects)	Member
Shri P. Sasmal^	Director (Operations)	Member
Ms. Seema Gupta^^	Director (Operations)	Member

^Shri R. P. Sasmal Ceased to be Director (Operations) on 28th February 2018 and consequently ceased to be a member of Committee for Bonds on 28th February 2018.

^^ Ms. Seema Gupta Director (Operations) was appointed as members of the Committee for Bonds on 16th March, 2018.

Eleven meetings of the Committee for Bonds were held during the financial year 2017-18.

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 31st March 2018, the Committee comprised following directors as members:

Shri I. S. Jha	Chairman and Managing Director	Chairman
Shri K. Sreekant	Director (Finance)	Member
Shri Ravi P. Singh	Director (Personnel)	Member
Shri Prabhakar Singh	Director (Projects)	Member
Ms. Seema Gupta	Director (Operations)	Member

Changes in the composition of this Committee of Directors during financial year 2017-18 were:

Shri I. S. Jha	Chairman and Managing Director	Chairman
Shri K. Sreekant	Director (Finance)	Member
Shri Ravi P. Singh	Director (Personnel)	Member
Shri Prabhakar Singh	Director (Projects)	Member
Shri R. P. Sasmal^	Director (Operations)	Member
Ms. Seema Gupta^^	Director (Operations)	Member

^Shri R. P. Sasmal Ceased to be Director (Operations) on 28th February 2018 and consequently ceased to be a member of Committee on 28th February 2018.

^^ Ms. Seema Gupta Director (Operations) was appointed as members of the Committee on 16th March, 2018.

Twelve meetings of the Committee for Award of Contracts relating to RE and other Deposit Works were held during the financial year 2017-18.

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 31st March 2018, 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
Ms. Bharati	J.S. (Trans.), Govt. Nominee Director	Member
Shri Jagdish I. Patel	Non-executive Director	Member
Shri Tse Ten Dorji	Non-executive Director	Member

Changes in the composition of CSR Committee during the financial year 2017-18 were:

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
Ms. Jyoti Arora^	JS (Trans), Govt. Nominee Director	Member
Shri Jagdish. I. Patel	Non-executive Director	Member
Ms. Bharati^^	JS (Trans), Govt. Nominee Director	Member
Shri Tes Ten Dorji^^^	Non-executive Director	Member

^Ceased to be Nominee Director from 5th July, 2017 and consequently ceased to be a member of CSR Committee.

^^Became member of the Committee w.e.f. 19th September, 2017.

^^^ Became member of the Committee w.e.f. 16th August, 2017.

Seven meetings of the CSR Committee were held during the financial year 2017-18.

3.10 Risk Management Committee

POWERGRID had constituted Risk Management Committee in line with the requirement of SEBI LODR. As on 31st March 2018, the Committee comprises of following Directors as members:

Shri Ravi P. Singh	Director (Personnel)	Chairman
Shri K. Sreekant	Director (Finance)	Member
Shri Prabhakar Singh	Director (Projects)	Member

Changes in the composition of Risk Management Committee during the financial year 2017-18 were:

Shri R. P. Sasmal^	Director (Operations)	Chairman
Shri Ravi P. Singh^^	Director (Personnel)	Chairman

^Ceased to be Director (Operations) from 28th February, 2018 and consequently ceased to be a Chairman of Risk Management Committee.

^^Appointed as Chairman of the Risk Management Committee from 27th February, 2018.

Four meetings of Risk Management Committee were held during the Financial Year 2017-18.

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 LODR 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 for noting. Further, pursuant to Regulations 16 (c) and 43 of the SEBI LODR, 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
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
2016-17	19 September 2017	11.00 a.m.	Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi	4

Resolutions passed through Postal Ballot:

During the financial year 2017-18 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. Asstt. 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 LODR 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) POWERGRID has complied with the requirements of the SEBI LODR 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 Board of Directors due to vacant posts of four Independent Directors. 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 2017-18 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 of SEBI LODR have been made.

CEO/CFO Certification

As required by Regulation 17 (8) of the SEBI LODR, the Compliance Certificate as specified in Part B of Schedule II of the said Regulation duly signed by Shri I. S. Jha, Chairman & Managing Director and Shri K. Sreekant, Director (Finance) was placed before the Board of Directors at the meeting held on 29th May, 2018.

7. Means of Communication

POWERGRID communicates with its shareholders through its Annual Report, General Meeting, Newspapers and disclosure through website.

POWERGRID 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**
1.	30.06.2017	02.08.2017 & 03.08.2017	Times of India, Economic Times, Hindustan Times, Mint, Financial Express, Indian Express, The Statesman, The Hindu, Hindu Business Line, Business Standard, Financial Chronicle, Divya Bhaskar, Amar Ujala, Hindustan.
2.	30.09.2017	03.11.2017 & 04.11.2017	Times of India, Economic Times, New Indian Express, The Telegraph, Mail Today, Business Standard, Rajasthan Patrika, Dainik Jagran.
3.	31.12.2017	02.02.2018 & 03.02.2018	Times of India, Economic Times, Indian Express, Financial Express, The Hindu, Hindu Business Line, Stateman, Amar Ujala, Business Standard, Divya Bhaskar.
4.	31.03.2018	30.05.2018 & 31.05.2018	Times of India, Hindustan Times, Economic Times, Mint, New Indian Express, Telegraph, Millemium Post, Mail Today, Free Press Journal, Dainik Jagran, Hindustan, Rajasthan Patrika, Navshakti, Rastriya Sahara.

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 LODR

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, 2018.

Place: New Delhi
Date: 31st July, 2018

Sd/-
(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:

As per Regulation 25 of SEBI LODR, a separate meeting of the Independent Directors needs to be held at least once in a year to, inter-alia:

(i) review the performance of the non-independent directors and the Board as a whole;

(ii) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; and

(iii) assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.

In compliance of the above, a separate meeting of Independent Directors was held on 7th February, 2018 which was attended by all the three Independent Directors. This was also in compliance of DPE Guidelines and the requirement of Companies Act, 2013, to the extent applicable.

11. Familiarization program 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 : 18th September, 2018

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 12th September, 2018 to 18th September, 2018 (both days inclusive).

iv) Payment of dividend

The Board of Directors of the Company has recommended a final Dividend of ₹ 2.80 per share (28%) for the financial year ended 31st March, 2018. In addition, an Interim Dividend of ₹ 2.45 per share (24.5%) was paid in February,2018. [Dividend paid in previous year ₹ 2.35 per share (43.5%)].

The record date for the payment of Dividend is 11th September, 2018.

v) Dividend History

Year	Total Paid-up Capital as on 31st 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
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	2275.74	19.09.2017	04.10.2017
2017-18	5231.59	^1281.74	^^01.02.2018	^^^15.2.2018

^Amount of Interim Dividend

^^Date of Board Meeting declaring Interim Dividend

^^^ Date of Payment of Interim Dividend

vi) Listing on Stock Exchange

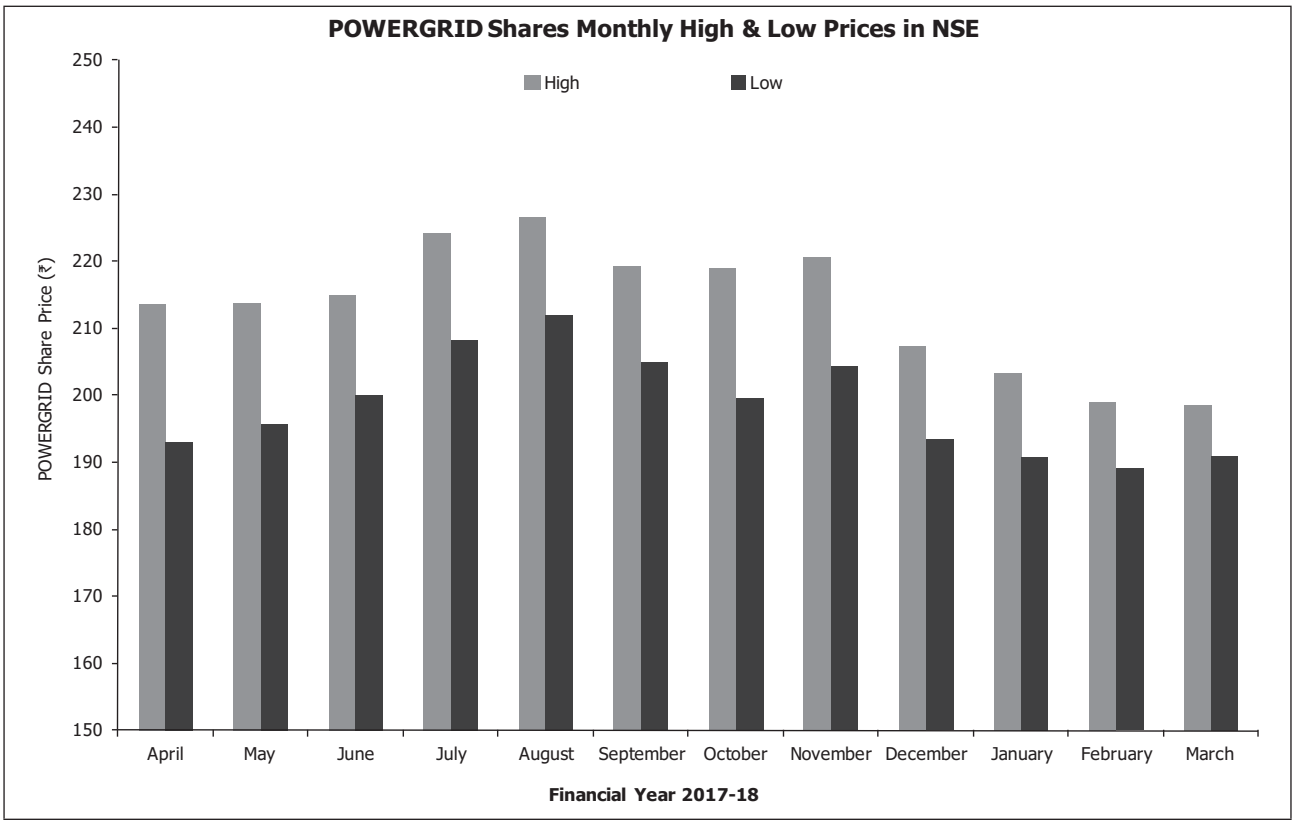
POWERGRID equity shares are listed on the following Stock Exchanges:

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 2017-18 has been made to National Stock Exchange of India Limited and BSE Ltd.

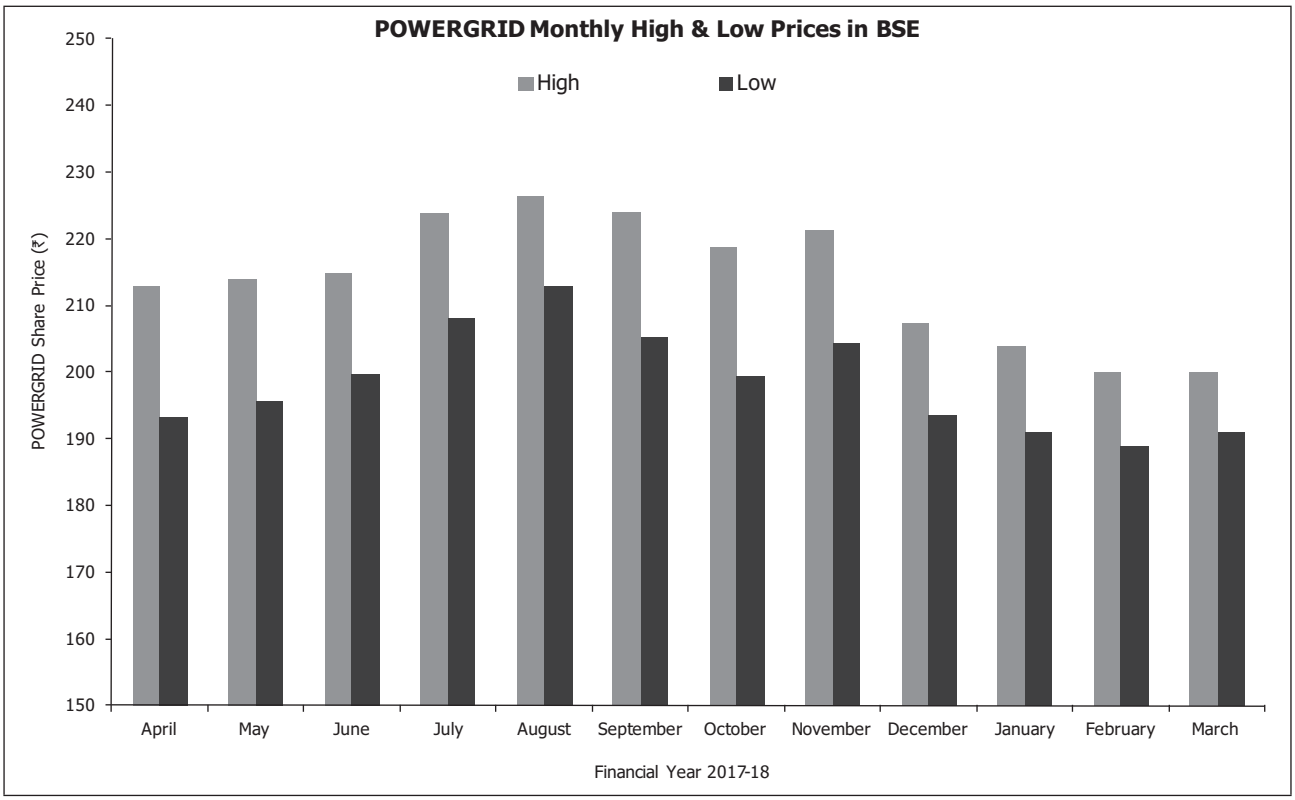
vii) POWERGRID's Shares Market Price Data - NSE

	High (`)	Low (`)	Sum of Turnover in Lac (`) during the Month
April, 2017	213.5	193.1	193464.91
May, 2017	213.8	195.65	194612.91
June, 2017	215	200	227468.62
July, 2017	224.2	208.2	211987.52
August, 2017	226.6	212	188023.47
September, 2017	219.25	205	182262.17
October, 2017	219	199.65	289731.49
November, 2017	220.5	204.4	308682.08
December, 2017	207.35	193.4	265369.14
January, 2018	203.25	190.7	271606.31
February, 2018	199.05	189	293900.24
March, 2018	198.5	191	213243.58

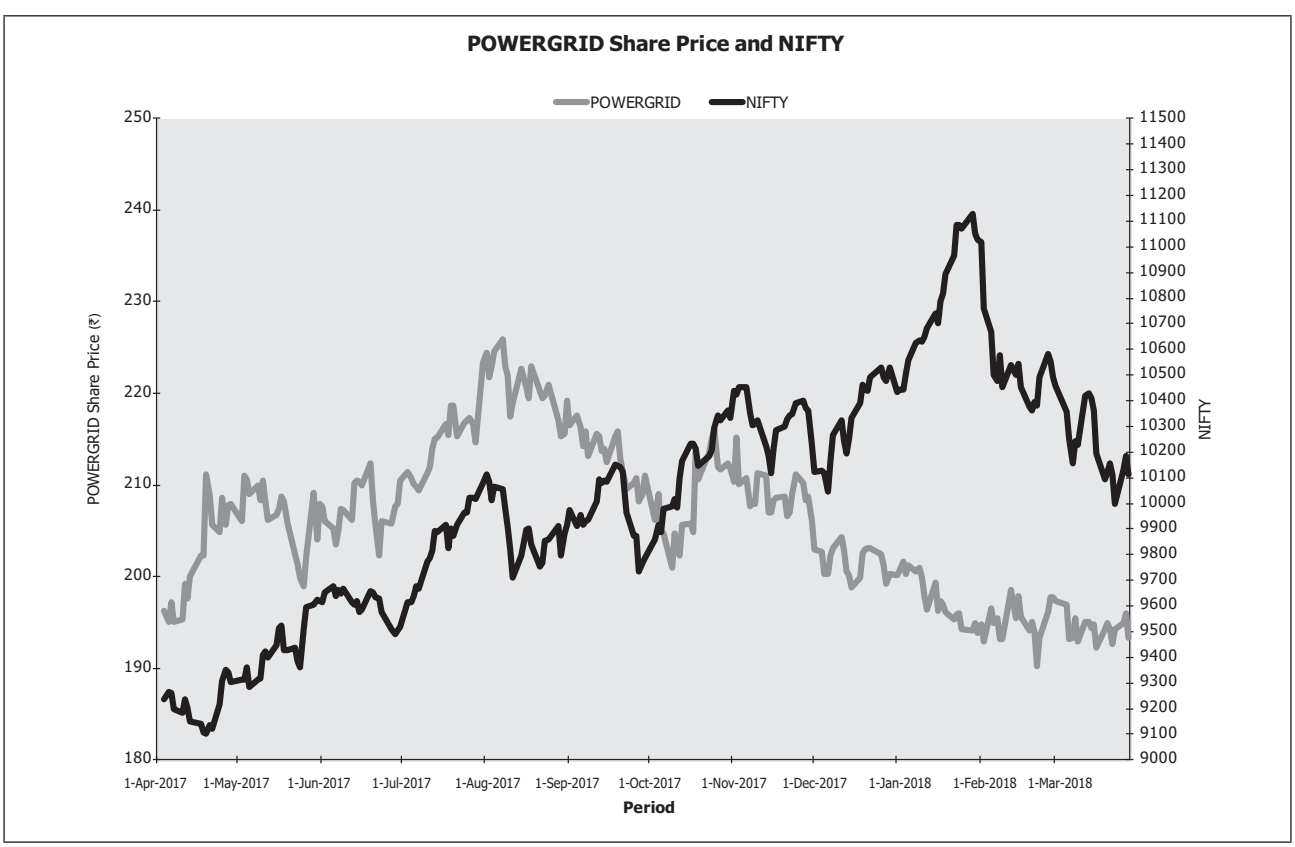


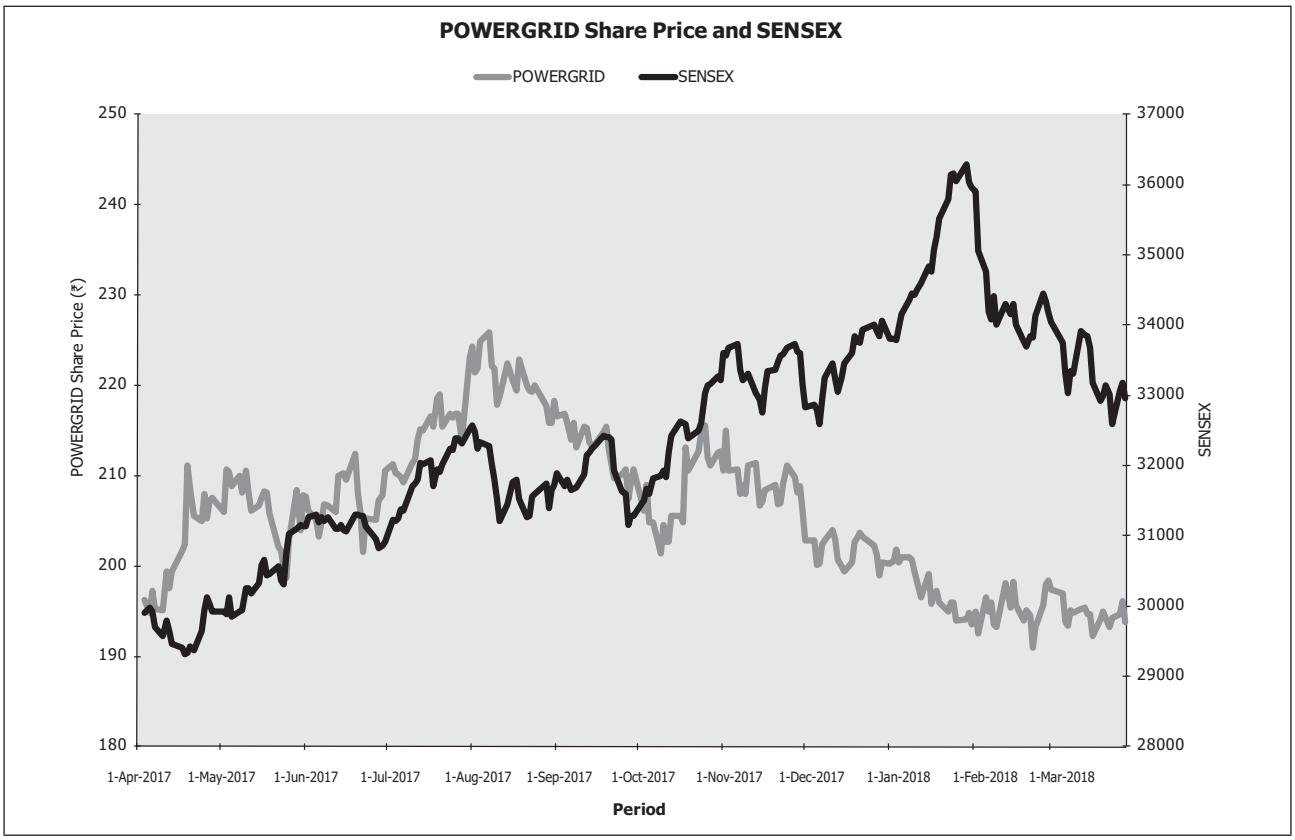
viii) POWERGRID's Shares Market Price Data - BSE

	High (`)	Low (`)	Sum of Turnover in Lac (`) during the Month
April, 2017	213.05	193.3	24424.66
May, 2017	214	195.65	11001.07
June, 2017	214.95	199.85	35325.60
July, 2017	223.95	208.25	17147.32
August, 2017	226.4	213	10755.10
September, 2017	224	205.2	8329.86
October, 2017	218.8	199.3	10284.29
November, 2017	221.25	204.45	15015.63
December, 2017	207.25	193.45	27211.07
January, 2018	204	190.9	86376.11
February, 2018	200	189	87989.83
March, 2018	200	191	31155.83



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, 2018

Shares held by different categories of shareholders and according to the size of the holdings as on 31st March, 2018 are given below:

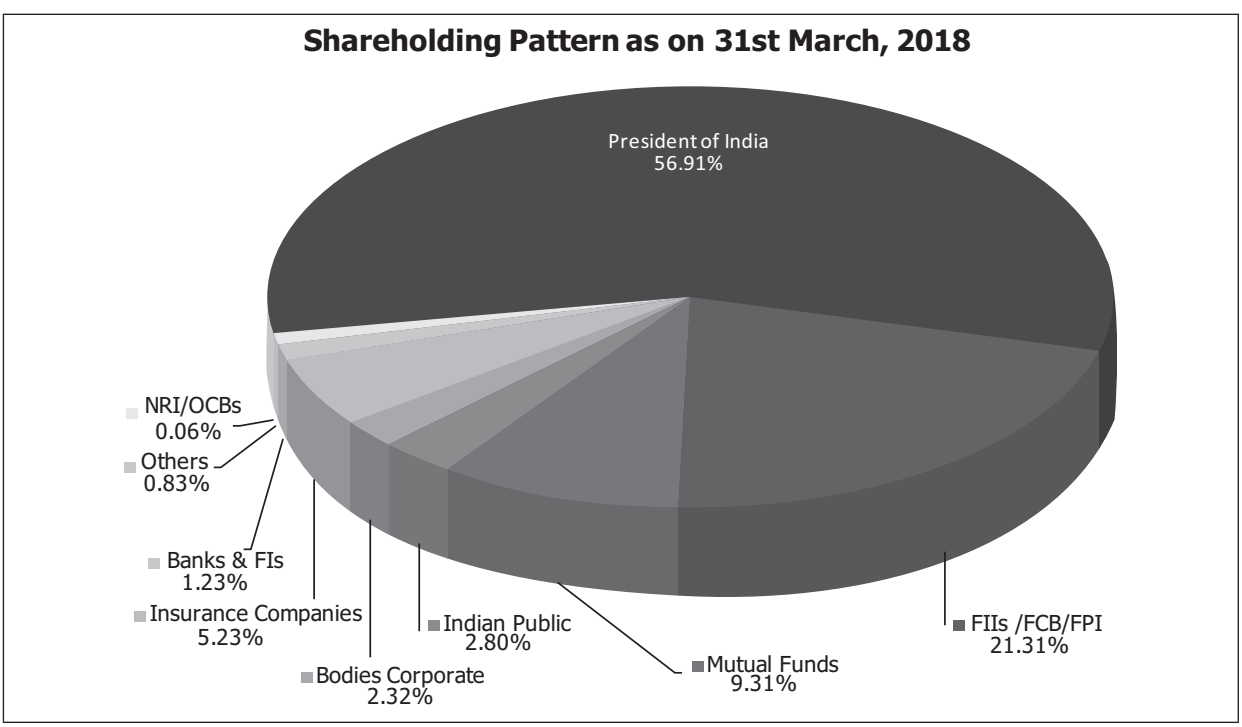
According to Size

a) Distribution of shareholding according to size, % of holding as on 31st March, 2018:

Category	Total Cases	Total Cases %	Total Shares	Total Amount (`)	Total Amount %
1 – 5000	631906	99.65	143078935	1430789350	2.73
5001 – 10000	871	0.14	6186831	61868310	0.12
10001 – 20000	354	0.06	4883643	48836430	0.09
20001 – 30000	121	0.02	3015328	30153280	0.06
30001 – 40000	66	0.01	2322597	23225970	0.04
40001 – 50000	57	0.01	2636140	26361400	0.05
50001 – 100000	120	0.02	8561615	85616150	0.16
100001 & Above	607	0.10	5060904559	50609045590	96.75
TOTAL	**634102**	**100.00**	**5231589648**	**52315896480**	**100.00**

b) Shareholding pattern as on 31st March, 2018

Sl. No.	Category	Total Shares	% To Equity
1	President of India	2977314759	56.91
2	FIIs /FCB/FPI	1114808505	21.31
3	Mutual Funds	487132909	9.31
4	Indian Public	146585959	2.80
5	Bodies Corporate	121493917	2.32
6	Insurance Companies	273570989	5.23
7	Banks & FIs	64310575	1.23
8	Others	43259323	0.83
9	NRI/OCBs	3112712	0.06
	Total	**5,231,589,648**	**100.00**



c. Major Shareholders

Details of Shareholders holding more than 1% of the paid-up capital of the Company as on 31st March, 2018 are given below:

S. No.	Name of the shareholder	Shares	% equity	Category
1	President of India^	2,87,60,44,959	54.97	POI
2	LIC of India Fortune Plus Secured Fund	30,70,84,255	5.87	IFI
3	ICICI Prudential Value Fund - Series 1	22,05,16,548	4.22	MUT
4	HDFC Trustee Company Limited-HDFC Equity Fund	15,51,29,892	2.97	MUT
5	President of India^^	101,269,800	1.94	POI
6	Comgest Growth PLC - Comgest Growth Emerging Market	6,85,55,662	1.31	FPI
7	Capital World Growth and Income Fund	64,038,000	1.22	FPI

^ represented through Ministry of Power

^^ represented through Ministry of DoNER

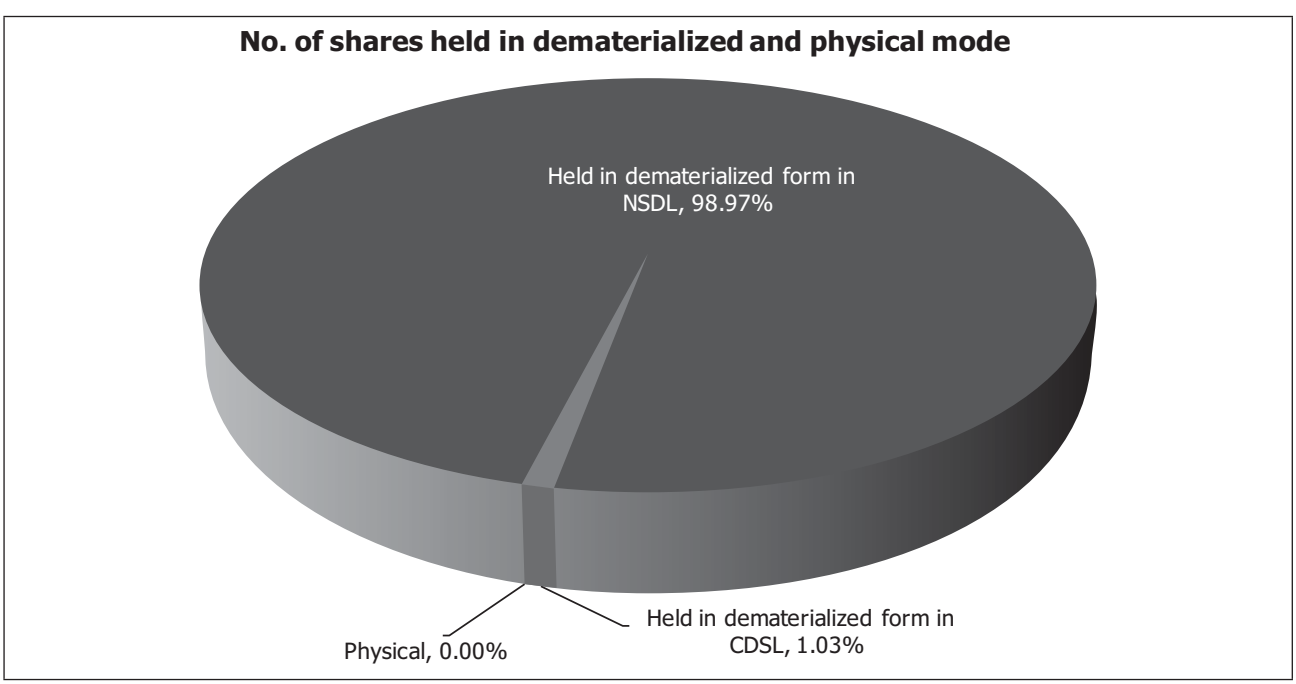
xiii) Dematerialization of Shares

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	26,068	43,354	0.00
2	Held in dematerialized form in NSDL	4,18,851	517,78,54,723	98.97
3	Held in dematerialized form in CDSL	1,89,183	5,36,91,571	1.03
	Total	**6,34,102**	**5,231,589,648**	**100.00**



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 GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

No GDRs/ADRs/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@powergrid.co.in	
Public Spokesperson (w.e.f. 21.05.2012) Shri Ravi P. Singh, Director (Personnel)	0124-2571901-02	0124-2571903
E-mail ID	ravipsingh@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). 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.

Annexure-I

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, 2017 were published in Times of India and Economics Times dated 3rd November, 2017 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 2017-18 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 Hon'ble 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-VIII to the Directors' Report.

For and on behalf of the Board of Directors



Place: New Delhi
Date: 6th August, 2018

(I. S. Jha)
Chairman & Managing Director

ANNEXURE - VIII TO THE DIRECTORS' REPORT

Certificate on Corporate Governance

T. V. NARAYANASWAMY
COMPANY SECRETARY
(CP 203)

B2/121 Janakpuri
New Delhi 110 058.
Phones: 25597065 / 25542489
Emails: tvns@bol.net.in / tvns32@gmail.com

03.08.2018

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 2018 as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) 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.

(T.V. NARAYANASWAMY)
COMPANY SECRETARY

ANNEXURE - IX TO THE DIRECTORS' REPORT

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 10. POWERGRID Mithilanchal Transmission Limited 11. POWERGRID Varanasi Transmission System Limited The aforementioned Project SPVs are 100% wholly owned subsidiaries of POWERGRID acquired by POWERGRID 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 ` 15795 crore (Rupees Fifteen Thousand Seven Hundred Ninety Five crore only) to aforementioned Project SPVs .  However, the agreements entered into are presently limited to `15370 crore as per the following amounts: 1. POWERGRID NM Transmission Limited ` 1100Cr 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 10. POWERGRID Mithilanchal Transmission Limited ` 1000Cr 11. POWERGRID Varanasi Transmission System Limited ` 756Cr 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 11 @ 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 & 4 whose elements /projects have been completed.
	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**	29th May, 2014, 4th March 2015, 27th January 2016, 5th August 2016, 29th March 2017, 2nd November, 2017 and 16th March, 2018.
	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-II).
	c)	**Duration of the contracts / arrangements / transactions**	9 months from April'17 (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-II). Agreement signed on 05th April'17 with lump sum service charges of `13.84 Cr.

	e)	**Date(s) of approval by the Board, if any**	Not applicable
	f)	**Amount paid as advances, if any:**	Received ` 13.84 Cr. including ` 1.38 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 1st 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**	24th Dec'14 (308th 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 1st 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 amounting to NIL during the financial year 2017-18. 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-Kishanganj line (about 211 km) associated with Teesta- III HEP (1200 MW) in Sikkim. Work order date 21st 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 16th 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 ` 74.19 Lakhs as advance from NETC in FY: 2017-18. 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 16th Jan'13 and same is renewed on 30th 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, ` 4.76 Cr. received in F.Y.2017-18 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 25th 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:**	Received ` 4.87 Cr. as advance during the F.Y. 2017-18.
(I)	**a)**	**Name(s) of the related party and nature of relationship**	Power System Operation Corporation Ltd (POSOCO).
	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 31st Mar'11 & amended on 2nd 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 ` 0.72 Cr. from POSOCO in FY 17-18. 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 0.53 Cr. received on 25-Jul-14. No amount paid as advances 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 Cr. received on 19-Apr-2013. No amount paid as advances 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**	**12**
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**	**Powergrid Medinipur Jeerat Transmission Limited (erstwhile Medinipur Jeerat Transmission Limited)**	**Powergrid Mithilanchal Transmission Limited (erstwhile ERSS XXI Transmission Limited)**	**WR-NR Power Transmission Limited**
3	**The date since when subsidiary was acquired**	29 March 2012	18 April 2012	30 August 2013	24 March 2014	12 May 2014	26 February 2015	24 April 2015	24 April 2015	4 December 2015	28 March 2017	12 January 2018	27 March 2018
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as that of Holding Company (01.04.2017-31.03.2018)	Same as that of Holding Company (01.04.2017-31.03.2018)	Same as that of Holding Company (01.04.2017-31.03.2018)	Same as that of Holding Company (01.04.2017-31.03.2018)	Same as that of Holding Company (01.04.2017-31.03.2018)	Same as that of Holding Company (01.04.2017-31.03.2018)	Same as that of Holding Company (01.04.2017-31.03.2018)	Same as that of Holding Company (01.04.2017-31.03.2018)	Same as that of Holding Company (01.04.2017-31.03.2018)	Same as that of Holding Company (01.04.2017-31.03.2018)	(11.01.2017-31.03.2018)	(12.01.2017-31.03.2018)
5.	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	N.A
6.	Share capital	212.00	0.05	209.73	12.96	56.00	0.15	176.30	0.10	0.05	0.01	0.05	0.05
7.	Reserves & surplus	(102.09)	(19.44)	33.44	6.65	7.52	-	30.26	-	(0.02)	-	-	-
8.	Total assets	1185.45	-	1288.66	75.67	334.47	1179.67	2032.47	1682.25	2488.51	329.27	25.67	15.26
9.	Total Liabilities	1075.54	19.39	1045.49	56.06	270.95	1179.52	1825.91	1682.15	2488.48	329.26	25.63	15.21
10.	Investments	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
11.	Turnover	Nil	Nil	242.30	16.34	37.58	Nil	63.70	Nil	Nil	Nil	Nil	Nil
12.	Profit before taxation	(115.05)	(0.01)	81.16	7.53	10.62	Nil	36.75	Nil	Nil	Nil	Nil	Nil

(Amounts in ` crore)

	Sl. No.	1	2	3	4	5	6	7	8	9	10	11	12
	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**	**Powergrid Medinipur Jeerat Transmission Limited (erstwhile Medinipur Jeerat Transmission Limited)**	**Powergrid Mithilanchal Transmission Limited (erstwhile ERSS XXI Transmission Limited)**	**WR-NR Power Transmission Limited**
13.	Provision for taxation	(31.91)	Nil	3.49	(1.52)	3.09	Nil	7.81	Nil	Nil	Nil	Nil	Nil
14.	Profit after taxation	(83.14)	(0.01)	77.67	9.05	7.53	Nil	28.94	Nil	Nil	Nil	Nil	Nil
15.	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
16.	% of shareholding	100%	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 Jabalpur Transmission Limited.
- Powergrid Parli Transmission Limited.
- Powergrid Southern Interconnector Transmission System Limited.
- Powergrid Medinipur Jeerat Transmission Limited.
- Powergrid Mithilanchal Transmission Limited.
- WR-NR Power Transmission Limited.

Names of subsidiary under process of striking off

- Grid Conductors 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 Transmission Limited	Torrent Power Grid Limited	Jaypee Powergrid Limited	Parbati Koldam Transmission Company Limited	Teestavalley Power Transmission Limited	North East Transmission Company Limited	National High Power Test Laboratory Private Limited	Kalinga Bidyut Prasaran Nigam Private Limited	Bihar Grid Company Limited	Cross Border Power Transmission Company Limited	RINL Powergrid TLT Pvt. Limited	Power Transmission Company Nepal Ltd.
1	Latest audited Balance Sheet Date	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2017	31.03.2018	31.03.2017	31.03.2017	31.03.2017	31.03.2018	31.03.2017	31.03.2017
2	Date on which the Associate or Joint Venture was associated or acquired	04th July 2003	25th August 2005	5th October 2006	23rd November 2007	23rd November 2007	26th August 2008	25th May 2009	4th January 2013	29th December 2012	9th July 2012	19th August 2015	5th April 2014
3	Shares of Associate / Joint Ventures held by the company on the year end												
	Number	229320000	23400000	78000000	70937620	94277820	106964000	30400000	5000	156240000	12612473	3400000	1040000
	Amount of Investment in Associates / Joint Venture	229.32	23.40	78.00	70.94	94.28	106.96	30.40	0.01	156.24	12.62	3.40	6.50
	Extend of Holding %	49%	26%	26%	26%	26%	26%	20%	50%	50%	26%	50%	26%
4	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%
5	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
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	422.86	34.00	103.64	96.32	93.82	115.10	27.83	0.01	168.16	20.57	3.39	9.50
7	Profit / Loss for the year												
	i. Considered in Consolidation	61.17	10.33	17.46	13.03	1.29	21.80	(2.14)	NIL	12.97	3.37	(0.02)	2.16
	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
- Kalinga Bidyut Prasaran Nigam Private Limited
- RINL Powergrid TLT Pvt. Limited

Names of associates or joint ventures which have been liquidated or sold during the year - Nil

For and on behalf of the Board of Directors

(Divya Tandon)
Company Secretary

(K. Sreekant)
Director (Finance)

(I. S. Jha)
Chairman & Managing Director

Place : New Delhi
Date : 29th May, 2018

As per our report of even dated

For S. K. Mittal & Co.
Chartered Accountants
Firm Regn. No. 001135N
(CA Gaurav Mittal)
Partner
M. No. 099387

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

ANNEXURE - XI TO THE DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility

1 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://www.powergridindia.com/sites/default/files/CSR_Policy_2015_0.pdf.

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 Ravi P. Singh	-	Director
Shri K.Sreekant	-	Director
Shri Prabhakar Singh*	-	Director
Ms.Bharati	-	Director (Govt. representative)
Shri Jagdish I. Patel	-	Director (Independent)
Shri Tse Ten Dorji	-	Director (Independent)

* superannuated on 30.06.2018

3. Average Net Profit of the company for last three financial years:

`7896.81 Crs.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above.

CSR @ 2% for FY 2017-18 : `157.94 Crs

5. Details of CSR spent during the financial year :

a. Total amount to be spent for the financial year:

` 157.99 Crs.

b. Amount unspent, if any:

Nil

c. 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/-	**Sd/-**	**Sd/-**
(Chief Executive Officer or Managing Director or Director)	**(Chairman CSR Committee)**	**(Person specified under clause (d) of sub-section (1) of section 380 of the Act)**

S. No.	Region	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 2017-18	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
1	CC	Carrying out a study on Assessing the impacts of power lines on Avian species in the arid plains of Western Gujarat	Environment	Local Area	Kutch	Gujarat	90.00	9.00	12.33	Wildlife Institute of India
2	CC	Tailoring, designing,and Embrodary Course at POWERGRID Township Sector-43, Gurgaon.	Skill Development	Local Area	Gurgaon	Haryana	9.09	4.48	7.74	Direct
3	CC	Organising painting competition of Bureau of energy efficiency (BEE) for promoting energy Conservation.	Environment	Local Area	Various districts	Various parts of the Country	124.52	71.04	137.82	Direct
4	CC	Construction of Dharamshala at Jai Prakash Narayan Apex Trauma Centre, AIIMS under CSR, Delhi	Health	Local Area	New Delhi	Delhi	3,292.00	824.92	3,292.00	AIIMS, New Delhi
5	CC	Contribution to the Swachh Bharat Kosh	Swachhta	Local Area	Various districts	Various parts of the Country	4,000.00	4000.00	4,000.00	Govt. of India
6	CC	Providing of High end Artificial Limbs to Persons with Disabilities (PwDs) Mumbai	Health	Local Area	Mumbai	Maharashtra	27.90	27.90	27.90	ALIMCO
7	CC	Financial Assistance for education of 1150 students of Assam & Manipur through NFCH	Education	Local Area	Various districts	Assam and Manipur	145.38	45.38	145.38	NFCH
8	CC	Financial Assistance for education of 1359 students of Assam, Manipur and Chhattisgarh through NFCH	Education	Local Area	Various districts	Assam, Manipur & Chhattisgarh	169.62	169.62	169.62	NFCH
9	CC	Observance of Swachhta Pakhwada 2017 w.e.f. 01st July, 2017 to 15th July, 2017 and associated works	Swachhta	Local Area	Various districts	Various parts of the Country	180.00	179.26	179.26	Direct
10	CC	National campaign on Swachhta Hi Sewa from 15th September 2017 to 2nd October, 2017 and associated works	Swachhta	Local Area	Various districts	Various parts of the Country	180.00	173.72	173.72	Direct

S. No.	Region	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 2017-18	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
11	CC	Providing LED street lights in Gurgaon, Haryana	Environment	Local Area	Gurgaon	Haryana	2.52	2.05	2.05	Direct
12	CC	Supply, installation & commissioning of LED based Solar High Mast systems	Environment	Local Area	Noorpur	Uttar Pradesh	251.53	76.36	76.36	EESL
13	CC	Imparting Skill Development training to 5000 youths in 33 locations across India through NSDC"	Skill Development	Local Area	Various districts	Various parts of the Country	653.00	77.83	548.56	NSDF & NSDC
14	CC	Plantation and Blood Donation camp in various locations	Health	Local Area	Gurgaon	Haryana	28.36	0.27	25.27	Direct
15	CC	Health check-up camps at Gursahaiganj, Kannauj, UP	Health	Local Area	Kannauj	Uttar Pradesh	35.00	27.79	27.79	HLL Lifecare Ltd.
16	CC	Organising short-term vocational Skill Development Training programme for 560 nos. of Under-privileged / Unemloyed youth in association with CIPET	Skill Development	Local Area	Various districts	Various parts of the Country	184.80	20.28	183.48	CIPET
17	CC	Supporting Varanasi Nagar Nigam under Swachh Bharat Mission towards Collection & Transportation of Municipal Solid Waste in 25 wards of Varanasi Area.	Swachhta	Local Area	Varanasi	Uttar Pradesh	1,000.00	160.00	718.31	Varanasi Nagar Nigam
18	CC	Contribution to Sardar Vallabhai Patel Rashtriya Ekta Trust (SVPRET), Gandhinagar, Gujarat	Art & Culture	Local Area	Gandhinagar	Gujarat	1,250.00	1250.00	1,250.00	District Administration
19	CC	Installation of Wi-Fi Hotspots at Railway Stations	internet connectivity	Local Area	Various districts	Various parts of the Country	3,053.00	6.60	6.60	Direct
20	CC	Contribution to National sports Development Fund for supporting infrastructure in Jaipur	sports	Local Area	Jaipur	Rajasthan	200.00	200.00	200.00	Govt. Of India
21	CC	Part funding of Nuclear Medicine Theranostics facility at TATA Memorial Hospital, Mumbai	Health	Local Area	Mumbai	Maharashtra	3,000.00	280.22	280.22	TATA Memorial Hospital, Mumbai

S. No.	Region	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 2017-18	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
22	CC	Maintenance of green belt in front of POWERGRID Sector-43, Gurgaon	Swachhta	Local Area	Gurgaon	Haryana	12.46	7.11	7.11	Direct
23	CC	Providing furniture items and repair & whitewashing of boundary wall in Govt. High School, Sukhrali, Gurgaon.	Education	Local Area	Gurgaon	Haryana	16.06	10.00	10.00	Direct
24	CC	Providing Subroto Scholarship to 75 talented youth footballers.	Sports	Local Area	New Delhi	Delhi	16.25	16.25	16.25	SMSES (Indian Air Force)
25	CC	Providing value education series "You can be Happy" set to 10,000 students of Kendriya Vidyalaya, Delhi Region	Education	Local Area	New Delhi	Delhi	15.00	15.00	15.00	Direct
26	CC	Purchase & Distribution of 350 school bags to students in Gurgaon	Education	Local Area	Gurgaon	Haryana	1.29	1.24	1.24	Direct
27	CC	Purchase & Distribution of 900 nos. blankets in Gurgaon	Health	Local Area	Gurgaon	Haryana	4.86	4.86	4.86	Direct
28	CC	CSR Overhead-Administrative cost	Overheads	Local Area	Various districts	Various parts of the Country	743.97	743.97	704.52	Direct
29	ER-I	Construction of 08 nos. Community Centre at village Panchayats at Dhanbad Dist. Jharkhand	Rural Development	Local Area	Dhanbad	Jharkhand	56.00	43.83	43.83	Direct
30	ER-I	Construction of Bazar Samiti Road at Mathurapur in Samastipur town in Bihar	Rural Development	Local Area	Samastipur	Bihar	101.95	69.52	89.91	District Administration
31	ER-I	Construction of Community centre at MADA House, Topchachi, Dhanbad District, Jharkhand	Rural Development	Local Area	Dhanbad	Jharkhand	43.64	32.50	32.5	Direct
32	ER-I	Construction of Namma Toilets at Sitamathi, Jaynagar, Madhubani and Darbhanga Railway Station in Bihar	Swachhta	Local Area	Sitamarhi, Jaynagar, Madhubani and Darbhanga	Bihar	106.79	16.08	42.53	Indian Railways

S. No.	Region	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 2017-18	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
33	ER-I	Construction of 6.82 kms of village road in Kishanganj District, Bihar	Rural Development	Local Area	Kishanganj	Bihar	199.87	69.46	69.46	District Administration
34	ER-I	Development of Playground with all necessary facilities at K.B.Women's Govt. College, Hazaribagh District, Jharkhand	Education	Local Area	Hazaribagh	Jharkhand	188.47	24.06	27.30	Direct
35	ER-I	Fabrication & Installation of Modular Establishment of modular unit at District Hospital Aurangabad, Bihar	Health	Local Area	Aurangabad	Bihar	177.68	0.50	169.07	HLL Lifecare Ltd.
36	ER-I	House keeping works at Baidyanath Dham, Deoghar, Jharkhand	Swachhta	Local Area	Deogarh	Jharkhand	100.45	34.87	34.87	Direct
37	ER-I	Painting of Mithila Art in Darbhanga and Madhubani Railway Station, Bihar	Art & Culture	Local Area	Darbhanga & Madhubani	Bihar	5.10	5.00	5.00	Indian Railways
38	ER-I	Supply of polythene sheets and food items to flood victims in the State of Bihar.	Social Welfare	Local Area	Patna	Bihar	155.22	155.22	155.22	Direct
39	ER-I	Supply of additional Polythene Sheets to flood victims in the State of Bihar	Health	Local Area	Various districts	Bihar	148.08	148.08	148.08	Direct
40	ER-I	Providing 20 nos. of Patient transfer ambulances to Govt. Hospitals / Community Health centres at different locations in Jharkhand State	Health	Local Area	Various districts	Jharkhand	165.69	3.66	165.45	Direct
41	ER-I	Providing 20 nos. of Patient transfer ambulances to Govt. Hospitals in Bihar State	Health	Local Area	Various districts	Bihar	175.05	1.70	175.05	Direct
42	ER-I	Providing physiotherapy equipment and cloths to Rehabilitation home of Patna, Bihar	Social Welfare	Local Area	Patna	Bihar	1.02	0.92	1.02	Direct

S. No.	Region	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 2017-18	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
43	ER-I	Providing school furnitue to Govt. High School Danda Block in Garwah District, Jharkhand	Education	Local Area	Garwah	Jharkhand	7.08	0.15	7.08	Direct
44	ER-I	Providing school furniture to 04 nos. Govt. Schools in Samastipur, Bihar	Education	Local Area	Samastipur	Bihar	19.44	19.44	19.44	Direct
45	ER-I	Providing simulator and vehicle for LMV Driver Training school at ITI Marhowrah, saran District, Bihar	Skill Development	Local Area	Saran	Bihar	11.34	10.41	10.41	Direct
46	ER-I	Providing weighting machines to 1250 Anganwadi Centres in Palamu Dist. Jharkhand.	Health	Local Area	Palamu	Jharkhand	12.38	9.62	9.62	Direct
47	ER-I	renovation and strenghening of Play ground cum Stadium at Sapaul, Bihar	Sports	Local Area	Supaul	Bihar	50.00	24.28	49.28	District Administration
48	ER-I	Skill Development Training for Women Artists for Inclusive Growth of Madhubani Painting in Bihar	Art & Culture	Local Area	Madhubani	Bihar	57.00	46.67	46.67	Indian Institute of Corporate Affairs
49	ER-I	Construction of community centre at 7 places, Bihar	Rural Development	Local Area	Various districts	Bihar	35.00	1.59	35.00	Direct
50	ER-II	Construction of dining hall and kitchen for Mid day Meal at Namphing Secondary school, South Sikkim	Education	Local Area	South Sikkim	Sikkim	15.00	14.96	14.96	Direct
51	ER-II	Construction & improvement of existing 3 kms. kachha road to Bitumenous road in Alipurduar, West Bengal	Rural Development	Local Area	Alipurduar	West Bengal	124.24	56.47	106.20	Direct
52	ER-II	Construction of 2 nos. class rooms with furntiures, toilets at Dhanguri Primary school, PO Mijijam, Burdwan at Maithon,	Education	Local Area	Burdwan	West Bengal	23.80	13.86	23.01	Direct
53	ER-II	Construction of girls toilet at Government New Secondary School, Namchi	Education	Local Area	South Sikkim	Sikkim	5.42	5.40	5.40	Direct

S. No.	Region	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 2017-18	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
54	ER-II	Construction of patients ward, Lab room Dressing Room, Nurse Room, Waiting room for patients with toilets and supply of one no. X-Ray machine at Madhya Rangali Bazna PHC Khidirpur Ward, Madarihat Block, W.Bengal	Health	Local Area	Jalpaiguri	West Bengal	25.80	0.15	25.80	Direct
55	ER-II	Development of Nagharia Govt. High School,Malda, West Bengal.	Education	Local Area	Malda	West Bengal	144.36	57.87	57.87	Direct
56	ER-II	Installation of packaged Drinking water Treatment Plant at Mal in Jalpaiguri District	Swachhta	Local Area	Jalpaiguri	West Bengal	27.46	27.46	27.46	Mal Municipality
57	ER-II	Providing 100 sets of desk benches to Govt. schools in Alipurduar and nearby areas.	Education	Local Area	Alipurduar	West Bengal	2.15	2.15	2.15	Direct
58	ER-II	Providing one no. Ambulance and OT equipments to Rechquani Block Primary Health Centre, Rajarhat Block, North 24, Parganas, West Bengal	Health	Local Area	North 24 Parganas	West Bengal	11.96	6.02	6.02	Direct
59	ER-II	Providing three nos. Badminton court mats at Palzor stadium, Gangtok	Sports	Local Area	East Sikkim	Sikkim	6.85	6.72	6.72	District Administration
60	ER-II	Providing trans Esophangeal Echocardiography (TEE) instrument to Govt. Hospital attached to NRS Medical college hospital at Kolkata	Health	Local Area	Kolkata	West Bengal	78.75	73.23	74.65	Direct
61	ER-II	Renovation & Strengthening of around 1 km. existing PMGSY Kaccha Road at Mathabhanga,Alipurduar (West Bengal) includign provision of Hume Pipe culverts and shoulder protection work	Rural Development	Local Area	Alipurduar	West Bengal	69.06	2.45	2.45	District Administration

S. No.	Region	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 2017-18	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
62	ER-II	Renovation / Reconstruction of Road at Harirampur village under Manigram GP, Murshidabad, West Bengal	Rural Development	Local Area	Murshidabad	West Bengal	34.56	32.82	32.82	Direct
63	ER-II	Strengthening of 2.291 km road at Mathanbangs block , Alipurduar (West Bengal)	Rural Development	Local Area	Alipurduar	West Bengal	198.76	43.49	43.49	District Administration
64	ER-II	Construction of Multipurpose Hall ar govt. Secondary school, Kitam, south Sikkim	Rural Development	Local Area	south Sikkim	Sikkim	23.67	0.46	22.37	Direct
65	ER-II	Supply and installation of solar street light in Malda	Rural Development	Local Area	Malda	West Bengal	10.00	10.00	10.00	Direct
66	NR-I	Construction of toilets in three Government schools and Renovation of schools building in Manesar, Haryana	Swachhta	Local Area	Gurgaon	Haryana	60.40	36.24	36.24	IrconISL
67	NR-I	Construction of two class rooms in Govt. senior secondary school at village Maha Satiyon ki Madri Dist. Rajsamand (Rajasthan)	Education	Local Area	Rajsamand	Rajasthan	14.92	12.13	12.13	Direct
68	NR-I	Construction of working women hostel at Nuh, Haryana	Rural Development	Local Area	Nuh-Mewat	Haryana	249.54	145.76	145.76	District Administration
69	NR-I	Construction work of Panchayat Hall with toilet complex, boundary wall with entrance gates (ii) solar street lights and (iii) high mast light at village kukrola near Manesar S/stn. Haryana.	Rural Development	Local Area	Gurgaon	Haryana	104.64	10.46	10.46	IrconISL
70	NR-I	Construction work of school building by providing of 5 nos. class rooms with varandah with furniture at Govt.Sr.Sec.School, Kadipur, Gurugram	Education	Local Area	Gurgaon	Haryana	64.12	19.89	19.89	UP Projects
71	NR-I	Installing smart class system in selected schools of Tehsil Laksar, Dist. Haridwar.	Education	Local Area	Haridwar	Uttarakhand	17.93	17.19	17.19	District Administration

S. No.	Region	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 2017-18	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
72	NR-I	Providing 1 no. truck mounted sweeping machine with vacuum cleaner to Municipal Corporation, Faridabad for cleaning of roads	Swachhta	Local Area	Faridabad	Haryana	199.77	159.81	159.81	Municipal Corporation of Faridabad
73	NR-I	Providing 15 nos. open gyms in different location of Jaipur Rural, Rajasthan	Health	Local Area	Jaipur	Rajasthan	110.20	86.37	86.37	Direct
74	NR-I	Providing 90 nos. of projectors system to State Govt. schools of Ajmer, Rajasthan	Education	Local Area	Ajmer	Rajasthan	37.62	36.19	36.19	Ramakrishna Mission
75	NR-I	Providing medical equipments for setting up 10 bedded ICCU and 500 nos. re-usable respiratory masks to RG Govt. Hospital, Rajsamand, Rajasthan	Health	Local Area	Rajsamand	Rajasthan	77.82	68.36	68.36	Direct
76	NR-I	Renovation of Bal Bhawan building of District Council of Child Welfare (DCCW) in NIT Faridabad, Haryana	Education	Local Area	Faridabad	Haryana	43.28	4.31	4.31	District Administration
77	NR-I	Supply & Installation of 300 nos. LED solar photovoltaic Street Lighting in Pali and Jodhpur District (Rajasthan)	Environment	Local Area	Jodhpur & Pali	Rajasthan	68.67	6.87	6.87	REIL
78	NR-I	Providing & laying bitumen road from Bhiwani S/stn to village Dhana Narsan	Rural Development	Local Area	Bhiwani	Haryana	123.51	120.07	120.07	Direct
79	NR-I	Augmentation of water distribution system of village Dhana Narsan, adjoining Bhiwani S/S, Haryana	Swachhta	Local Area	Bhiwani	Haryana	197.50	77.89	77.89	District Administration
80	NR-I	construction of 0.636 Km CC Road in the Village Naya Kunda Mazra, Tehsil Nakur, Saharanpur, Uttar Pradesh	Rural Development	Local Area	Saharanpur	Uttar Pradesh	37.67	3.76	22.60	District Administration
81	NR-I	Construction of CC paved road for interlinking road in village Dhana Narsan	Rural Development	Local Area	Bhiwani	Haryana	54.49	15.07	15.07	District Administration

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82	NR-I	Installation of 100 nos. hand pumps in various villages of district Bagpat, Uttar Pradesh	Drinking Water	Local Area	Baghpat	Uttar Pradesh	102.87	102.87	102.87	UP Jal Nigam
83	NR-I	Installation of Off-Grid Solar Plant (20 KW - 1 no.) and On-grid (20 KW - 1 no.) at Govt. Girls Senior Secondary School, Khatkar and Govt. Girls Model Senior Secondary school in Jind, Haryana	Education	Local Area	Jind	Haryana	33.50	31.14	31.14	District Administration
84	NR-I	Supply of sewing machine at Koteshwar	Social Welfare	Local Area	Koteshwar	Uttarakhand	6.55	5.11	5.11	Direct
85	NR-I	Procurement & supply of 06 nos. E-cart loader, for paota Panchayat, Kotputli, Dist. Jaipur.	Swachhta	Local Area	Jaipur	Rajasthan	10.68	8.41	8.41	Direct
86	NR-II	Construction of 12 nos. toilets, 4 nos. urinals and bore well at Govt. High School,, Singhawala Moga .	Swachhta	Local Area	Moga	Punjab	13.27	7.82	10.16	Direct
87	NR-II	Construction of community centre at village Kharta (Jammu)	Rural Development	Local Area	Jammu	Jammu & Kashmir	31.97	25.18	27.68	Direct
88	NR-II	Construction of examination hall at Govt. High School, Jandrah (Jammu)	Education	Local Area	Jammu	Jammu & Kashmir	57.50	29.57	29.73	Direct
89	NR-II	Construction of toilet complex at Kishenpur Chowk, Kharta village (Jammu)	Swachhta	Local Area	Jammu	Jammu & Kashmir	4.75	2.50	2.50	Direct
90	NR-II	Constructionof 4 nos. Houses in Kusth Ashram, at Jagadhri Yamuna Nagar, Haryana	Health	Local Area	Yamuna Nagar	Haryana	10.20	5.45	5.45	Direct
91	NR-II	Development of Infrastructure, supply of furniture and winter accessories Govt. Girls' High School, Raipur Satwari, Jammu, J&K	Education	Local Area	Satwari	Jammu & Kashmir	20.25	0.64	0.64	Direct

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92	NR-II	Providing 30 nos. of Solar Street Lights for Kuthar and Kanayala in Dist. Jammu, J&K	Environment	Local Area	Jammu	Jammu & Kashmir	6.90	0.07	6.90	Direct
93	NR-II	Providing 30 nos. sewing machines along with training to domestic ladies / girls at village Pahroo, Wagoora, J&K	Rural Development	Local Area	Srinagar	Jammu & Kashmir	5.13	1.14	1.14	Direct
94	NR-II	Providing ambulances to govt. hospitals of 10 districts in State of J&K, Punjab and Himachal and Haryana	Health	Local Area	Various districts	Haryana	111.34	98.60	98.60	Direct
95	NR-II	Providing various items to civil Hospital Moga for use of underpriviledged patients, Moga Punjab	Health	Local Area	Moga	Punjab	4.74	4.16	4.16	Direct
96	NR-II	Providing vehicle to DC, Leh for use by Looms by Ladakh SHG formed by the Govt. of J&K	Skill Development	Local Area	Ladhak	Jammu & Kashmir	7.90	7.89	7.89	Direct
97	NR-II	Repair and re-development of 930m approach road connected to Malerkotla-Ludhiana State Highway from village Dulma	Rural Development	Local Area	Malerkotla	Punjab	19.56	8.00	17.31	Direct
98	NR-II	Setting of Industrial Training Institute (ITI) in J&K	Skill Development	Local Area	Srinagar	Jammu & Kashmir	500.00	2.76	2.76	Direct
99	NR-II	Upgrading 5 nos. of Army Goodwill schools in J&K - introduction of Digital Learning Solution	Education	Local Area	Srinagar	Jammu & Kashmir	85.31	84.72	84.72	Indian Army
100	NR-II	Procurement of medical equipment (Dental Chairs with X-ray facility at 10 Govt. Hospitals/ Health centres and X-ray machines at 5 Govt. hospitals/Health centers) in J&K.	Health	Local Area	Jammu	Jammu & Kashmir	100.20	15.97	80.49	Direct

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101	NR-II	Construction of link road from NH-1A to Village Jatwal (Length 1.20 Km) and Const. of internal road in Village Jatwal (Length 675 M) at Samba, J&K	Rural Development	Local Area	Samba	Jammu & Kashmir	124.75	7.11	131.86	District Administration
102	NR-III	construction of 01 no. overhead tank, alongwith deep tubewell, pump and laying of distribution pipeline in Govt. District hospital, Kushinagar	Rural Development	Local Area	Kushinagar	Uttar Pradesh	52.23	20.89	20.89	Direct
103	NR-III	Construction of 08 nos. of public toilets in 8 locations in Basti District,Uttar Pradesh	Swachhta	Local Area	Basti	Uttar Pradesh	51.68	19.92	19.92	UPRNSS
104	NR-III	Construction of 430 Toilets at 116 nos School of Ghazipur district, Uttar Pradesh	Swachhta	Local Area	Ghazipur	Uttar Pradesh	310.59	104.60	104.60	IrconISL
105	NR-III	Construction of panchayat Ghar in 6 villages nearby Agra	Rural Development	Local Area	Agra	Uttar Pradesh	163.00	98.88	122.31	District Administration
106	NR-III	Construction of POWERGRID Vishram Sadan in King George's Medical University (KGMU) (Trauma Centre), Lucknow campus.	Health	Local Area	Lucknow	Uttar Pradesh	760.63	279.35	355.10	KGMU
107	NR-III	Construction of RCC drainage system in Uraiyadeeh Market of Baba Belkharmath Dham block in Pratapgarh district, Uttar Pradesh	Rural Development	Local Area	Pratapgarh	Uttar Pradesh	56.66	22.66	22.66	District Administration
108	NR-III	construction of toilets block in Civil Lines Bus-stand and Zero-Road Bus stand in Allahabad	Swachhta	Local Area	Allahabad	Uttar Pradesh	61.07	0.14	6.00	UPSRTS
109	NR-III	Implementation of water supply system in four villages of Orai / Madhogath Tehsil of Jalaun district, Uttar Pradesh.	Swachhta	Local Area	Jalaun	Uttar Pradesh	184.60	55.26	55.26	District Administration

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110	NR-III	Installation of 10 nos. Solar High Mast Lighting, 27 nos. Solar Street Lights and 02 nos. Solar submersible pump at various places in Allahabad.	Environment	Local Area	Allahabad	Uttar Pradesh	24.41	21.70	21.70	UPNEDA
111	NR-III	Installation of 500 nos. Solar lights in Lucknow, Uttar Pradesh	Environment	Local Area	Lucknow	Uttar Pradesh	112.20	84.13	84.13	UPNEDA
112	NR-III	Installation of water filter & water cooler in, Bakshi Ka Talab, Lucknow, Uttar Pradesh	Rural Development	Local Area	Lucknow	Uttar Pradesh	1.03	0.72	1.03	Direct
113	NR-III	Construction of Panchayat Ghars near Agra S/stn	Rural Development	Local Area	Agra	Uttar Pradesh	164.00	16.31	154.93	District Administration
114	NR-III	Part funding of construction of household toilets and construction of Namma public Toilets for Open Defecation Free (ODF) Varanasi through Varanasi Nagar Nigam	Swachhta	Local Area	Varanasi	Uttar Pradesh	764.00	191.00	191.00	Varanasi Nagar Nigam
115	NR-III	Funding of administrative cost towards implementation of IPDS work in old Kashi Area of Varanasi.	Rural Development	Local Area	Varanasi	Uttar Pradesh	1,600.00	688.03	1,209.00	Direct
116	NR-III	Procurement of furniture (Desk and benche set) for primary school at Nirmal Nagar, Sitarganj, UP	Education	Local Area	Udham Singh Nagar	Uttar Pradesh	1.83	1.41	1.41	Direct
117	NR-III	Promotion of traditional Art & Culture, Handicraft during Taj Mahotsav organised by Govt. of Uttar Pradesh at Agra.	Art & Culture	Local Area	Agra	Uttar Pradesh	4.00	4.00	4.00	District Administration
118	NR-III	Providing flood relief material in flood affected areas of district Siddharthnagar of Uttar Pradesh	Health	Local Area	Siddharthnagar	Uttar Pradesh	22.95	21.41	21.41	Direct

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119	NR-III	Providing medical equipments, high mast light, water cooler, RO water purifier etc. for TB Sapru Hospital, Allajhabad and Swarooprani Nehru Hospital, Allahabad, Uttar Pradesh	Health	Local Area	Allahabad	Uttar Pradesh	57.02	30.26	30.26	Direct
120	NR-III	Renovation of Kanya Purva Madhyamik Vidyalaya in village Banuga, Dist. Barabanki UP	Education	Local Area	Barabanki	Uttar Pradesh	22.40	21.96	21.96	Direct
121	NR-III	Renovation of waiting room (including furniture & Fixture) and toilet, construction of one toilet block in Sadar Tehsil, District Agra, Uttar Pradesh	Swachhta	Local Area	Agra	Uttar Pradesh	6.39	6.39	6.39	District Administration
122	NR-III	Supply & installation of 02 nos. water filter & cooler in Kanpur Tehsil, Uttar Pradesh	Rural Development	Local Area	Kannauj	Uttar Pradesh	2.31	2.13	2.13	Direct
123	NR-III	Supply & installation of 100 nos. hand pumps in various locations in Pratapgarh district, UP.	Drinking Water	Local Area	Pratapgarh	Uttar Pradesh	45.20	28.66	28.66	UP Jal Nigam
124	NR-III	Supply & installation of 100 nos. hand pumps in various villages of Manihari block of Ghazipur Parliamentary constituency	Drinking Water	Local Area	Ghazipur	Uttar Pradesh	43.60	8.28	43.60	UP Agro
125	NR-III	Supply & Installation of 134 nos. of hand pumps to facilitate water supply to 115 villages (approx) of Pratapgarh Dist., Uttar Pradesh	Swachhta	Local Area	Pratapgarh	Uttar Pradesh	55.34	29.11	55.34	UP Agro
126	NR-III	Supply & installation of 160 nos. hand pumps in villages Deoria	Drinking Water	Local Area	Deoria	Uttar Pradesh	57.51	28.62	48.62	UP Jal Nigam
127	NR-III	Supply & Installation of 200 nos. hand pumps in various villages of Akbarpur, UP	Swachhta	Local Area	Allahabad	Uttar Pradesh	117.76	93.61	93.61	UP Jal Nigam
128	NR-III	Supply & installation of 200 nos. solar street lights at various locations in Pilibhit district, Uttar Pradesh	Environment	Local Area	Pilibhit	Uttar Pradesh	42.00	34.86	34.86	UPRNSS

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129	NR-III	Supply & installation of 250 nos. hand pumps invillage of Kushinagar	Drinking Water	Local Area	Kushinagar	Uttar Pradesh	90.18	22.36	67.07	UP Jal Nigam
130	NR-III	Supply & installation of 252 nos. hand pumps various villages of Chandauli and Varanasi districts	Rural Development	Local Area	Chandauli	Uttar Pradesh	117.94	36.08	117.94	UP Jal Nigam
131	NR-III	Supply & installation of 400 solar street lights at various location in Shravasti district UP	Environment	Local Area	Shravasti	Uttar Pradesh	101.50	83.84	83.84	EESL
132	NR-III	Supply and installation of 200 nos. hand pumps in villages of Phoolpur parliamentary constituency, Allahabad	Drinking Water	Local Area	Allahabad	Uttar Pradesh	82.60	0.60	82.60	UP Jal Nigam
133	CC	Incidental expenditure on Health Checkup camp	health	Local Area	Various districts	Various parts of the Country	3.56	3.56	3.56	Direct
134	NR-III	Additional work towards construction of toilets in Ballia under Swachh Vidyalaya Abhiyaan	Swachhta	Local Area	Ballia	Uttar Pradesh	0.61	0.61	0.61	Direct
135	Odisha	(1) Construction of five no. community hall (2) Renovation of 3 nos. of community centre (3) construction of two nos. of rahasbadi (open shed) (4) construction of 127 mts cc road along with culvert widening & drains (5) supply of furnitures for phulpada Panchayat high school at villages in Banarpala bolck and angul bolck of Angul district.	Rural Development	Local Area	Angul	Odisha	74.26	1.31	64.04	District Administration
136	Odisha	"Rural Development" works in the villages in Banharpal Bolck, Angul Block, Chhendipada Block & Athamalik Block along the 765 kV S/C Angul-Jharsuguada Transmission Line of Angul Disrtrict	Rural Development	Local Area	Angul	Odisha	180.37	9.97	152.20	District Administration

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137	Odisha	(1) Construction of 2 nos. community centre (2) Construction of 01 no Rahasbadi (open shed) (3) Digging/Renovation of ponds of 04 nos. (4) drinking water system (5) Construction of 01 no. drain (6) Construction of school class room in village in Banarpala Block, Angul Block and Chhendipada Bolck along the 765 kV Angul- Jharsuguda Transmission line	Rural Development	Local Area	Angul	Odisha	98.94	0.04	95.94	District Administration
138	Odisha	Construction of 234 toilets in 160 schools. Deposit of amount to OPEPA	Rural Development	Local Area	Keonjhar	Odisha	369.72	5.81	369.72	District Administration
139	Odisha	Construction of Community Heritage Centre at Jajpur	Protection of national heritage,art & culture	Local Area	Jajpur	Odisha	402.00	185.00	235.00	District Administration
140	Odisha	Construction of one no of community hall , digging and renovation of 01 no.pond , Kishor Nagar Block,at Angul	Rural Development	Local Area	Angul	Odisha	12.70	6.00	12.70	District Administration
141	Odisha	Providing water supply system at Tolokbeda Vilalge, Kaniha.	Rural Development	Local Area	Angul	Odisha	6.97	6.97	6.97	District Administration
142	Odisha	13 No. Rural Development project in Banarpala, Phulpada, Athamalik, Paikasahi Block of Angul District	Rural Development & Education	Local Area	Angul	Odisha	115.67	33.09	115.67	District Administration
143	Odisha	Construction of Community centre at Dhokuta and Sanhula village at angul & Athamallik Block of Angul district.	Rural development	Local Area	Angul	Odisha	17.62	10.75	10.75	District Administration
144	Odisha	Providing 01 No. CNC lathe machine to ITI Talcher	Education	Local Area	Talcher	Odisha	21.51	0.11	20.51	Direct

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145	Odisha	Supply of 01 No ambulance to Angul district headquarter hospital	Health	Local Area	Angul	Odisha	6.87	6.36	6.36	Direct
146	Odisha	Supply of MINDRAY Diagnostic Ultrasound system Jeypore	Heath	Local Area	Jeypore	Odisha	9.67	9.67	9.67	District Administration
147	Odisha	Supply of musical drum set at Sevashram School Kenapali, Sundargarh	Education	Local Area	Sundergarh	Odisha	0.08	0.08	0.08	Direct
148	Odisha	Supply & installation of Digital X-Ray Machine for Community Health Centre Jaipatna Indravati, Odisha	Heath	Local Area	Kalahandi	Odisha	13.78	13.78	13.78	District Administration
149	Odisha	Supply of Mortuary Van for District Headquarter Hospital, Bhawanipatna, Odisha	Heath	Local Area	Jeypore	Odisha	10.35	10.35	10.35	Direct
150	Odisha	Supply of water cooler with purifier at sevashram school kenapali, Sundargarh	Heath	Local Area	Sundergarh	Odisha	0.46	0.46	0.46	Direct
151	Odisha	Supply of Aquaguard at Indravati Hospital	Heath	Local Area	Kalahandi	Odisha	0.28	0.28	0.28	Direct
152	Odisha	Supply of Patient Bed and Associated Acceories at Rengali Hospital	Heath	Local Area	Rengali	Odisha	6.62	6.62	6.62	District Administration
153	Odisha	Proposal for repairing of damaged road from Bandhapali high school to Kenapali village including repairing of damaged bridge situated in that road.	Rural Development	Local Area	Sundergarh	Odisha	30.80	18.49	18.49	District Administration
154	Odisha	Supply of Patient Waiting Chairs for Rengali Hospital	health	Local Area	Angul	Odisha	1.91	1.91	1.91	Direct
155	Odisha	Construction of RCC Culvert over existing drain, widening of existing Kaniha approach Road & Construction of Drain for haktidwar to Tolokbeda road to be executed under POWERGRID Kaniha	Rural Development	Local Area	Angul	Odisha	3.64	3.64	3.64	Direct

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156	Odisha	Pmnt for repair of Toilets at Kalobahal UP School	Swachhta	Local Area	Sundergarh	Odisha	0.50	0.50	0.50	Direct
157	Odisha	Ride-on Sweeper Machine at Jeypore	Swachhta	Local Area	Jeypore	Odisha	9.15	9.15	9.15	Direct
158	Odisha	Distribution of 104 nos of 240 Litre dustbin in govt schools of keonjhar district	Swachhta	Local Area	Keonjhar	Odisha	3.61	3.61	3.61	Direct
159	Odisha	Repairing of toilets of 04 different schools under swachchhata mission of POWERGRID, Sundargarh S/s	Swachhta	Local Area	Sundergarh	Odisha	1.91	1.91	1.91	Direct
160	Odisha	Construction of toilet at Jharbeni Primary School	Swachhta	Local Area	Sundergarh	Odisha	1.86	1.86	1.86	Direct
161	Odisha	Paintings of 03 Nos Schools	Swachhta	Local Area	Koraput	Odisha	0.62	0.62	0.62	Direct
162	Odisha	Painting of 03 Nos. schools	Swachhta	Local Area	Kalahandi	Odisha	0.87	0.87	0.87	Direct
163	Odisha	Supply of Hospital Furniture and Equipment in Kaniha	Heath	Local Area	Angul	Odisha	11.37	10.95	10.95	Direct
164	Odisha	Supply of AC,Air Cooler and Water Cooler at Kaniha	Rural Development	Local Area	Angul	Odisha	1.11	1.11	1.11	Direct
165	Odisha	Supply & Installation of Air conditioning system for Kaniha CHC Hospital	Rural Development	Local Area	Angul	Odisha	3.29	3.29	3.29	Direct
166	Odisha	03 Nos. Aquaguard Storage Cooler-Cum Purifier Model at Baripada	Swachhta	Local Area	Baripada	Odisha	2.39	2.39	2.39	Direct
167	Odisha	Construction of WBM approach Road and surface drain at Sundargarh	Ecology	Local Area	Sundergarh	Odisha	1.02	1.02	1.02	Direct
168	SR-I	Integrated Village Development near Kurnool by ICRISAT	Rural Development	Local Area	Kurnool	Andhra Pradesh	901.00	142.54	820.17	ICRISAT, Hyderabad
169	SR-I	Establishment of 2 nos. synthetic surface tennis courts at Vizzy sports complex, Viziaanagaram, (AP)	sports	Local Area	Vishakapatnam	Andhra Pradesh	30.00	25.16	25.16	District Administration

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170	SR-I	Construction of compound wall for Govt. Schools at Ramesampeta and at Kottamuru Village, Vemagiri, Andhra Pradesh.	Education	Local Area	Vemagiri	Andhra Pradesh	11.66	11.65	11.66	District Administration
171	SR-I	Construction of toilets and painting school buildings for Govt. Schools at Kottamuru Village, Vemagiri, Andhra Pradesh.	Education	Local Area	East Godavari	Andhra Pradesh	12.66	9.52	12.66	District Administration
172	SR-I	Supply of Solar Street Light in Surampalem. A.P.	Rural Development	Local Area	Surampalem	Andhra Pradesh	27.96	27.76	27.76	District Administration
173	SR-I	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	14.50	14.50	14.50	Direct
174	SR-I	Providing of Drinking Water facility to Paudivani Palem village, Kallepalli gramm Panchayat, Kota Mandal, Vizianagaram Dist. AP.	Swachhta	Local Area	Vishakapatnam	Andhra Pradesh	8.50	8.48	8.48	District Administration
175	SR-I	Construction of community hall at Karuvada Village Panchayat, K Katapadu Mandal, Visakhapatnam Dist, Andhra Pradesh	Rural Development	Local Area	Vishakapatnam	Andhra Pradesh	36.55	36.53	36.53	District Administration
176	SR-I	Providing 1750 nos. 3 seater dual desk benches to 47 Govt. schools in 11 mandals of Vishakhapatnam dist. A.P.	Education	Local Area	Various districts	Andhra Pradesh	152.00	36.50	116.22	"Govt. ITI, Vizag"
177	SR-I	Providing of Drinking Water facility to Pasarlapadu, Renta Chinthala Mandal, Guntur Dist. A.P.	Swachhta	Local Area	Guntur	Andhra Pradesh	20.00	15.86	20.00	District Administration
178	SR-I	Impact Assessment of ICRISAT Project	Rural Development	Local Area	Kurnool	Andhra Pradesh	3.71	3.73	3.73	ASCI
179	SR-I	Medical camps by Indian Red Cross Society- 23 locations	Health	Local Area	Various districts	Andhra Pradesh & Telengana	115.12	91.41	91.41	Indian Red Cross Society

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180	SR-I	Supply and Installation of LED Street Lights at Vizianagaram	Environment	Local Area	Vizianagaram	Andhra Pradesh	125.00	125.00	125.00	EESL
181	SR-I	RO plant pothuluru village	Swachhta	Local Area	Kakinada	Andhra Pradesh	2.80	2.80	2.80	District Administration
182	SR-I	"Rural development works Guntur: 1.Laying of 21 Nos of CC Roads & Drains 2.Laying of 11 Nos of CC Roads & Drains 3.Community halls-04 Nos in villanges of Sattenapalli Constituency 4.RO Plants-10 NO s in Villages of Satteenapalli Constituency"	Rural Development	Local Area	Guntur	Andhra Pradesh	190.00	95.00	95.00	District Administration
183	SR-I	Construction of : (i) 01 New Borewell ; (ii) 05 Toilet blocks; (iii) Urinal block with 24 capacity; & Renovation of (i) 02 borewells; (ii) 08 non functional toilets at Z.P.Govt Girls High school, Gooty	Swachhta	Local Area	Ananthapur	Andhra Pradesh	11.77	4.00	4.00	District Administration
184	SR-I	Providing portable water of 20 liters in a can for `2.00 each household (by installing 1000 LPH capacity R.O Units) in Rural areas under “NTR Sujala Pathakam”	Swachhta	Local Area	Kadapa	Andhra Pradesh	50.00	24.32	49.32	District Administration
185	SR-II	Construction of Community Hall at Salem	Rural Development	Local Area	Salem	Tamil Nadu	30.00	9.00	30.00	District Administration
186	SR-II	Construction of community hall at Yelahanka	Rural Development	Local Area	Bangalore	Karnataka	75.00	25.00	70.07	District Administration
187	SR-II	Integrated Village Development near Kudgi, by ICRISAT	Rural Development	Local Area	Vijayapura	Karnataka	901.00	181.91	600.35	ICRISAT, Hyderabad
188	SR-II	Impact Assessment of Integrated Village Development near Kudgi, by ICRISAT	Rural Development	Local Area	Vijayapura	Karnataka	1.16	0.70	1.16	Administrative Staff College of Ind

S. No.	Region	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 2017-18	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
189	SR-II	Construction of Community Hall at Madikeri	Community Devpt.	Local Area	Madikeri	Karnataka	50.00	25.00	45.00	District Administration
190	SR-II	Drinking Water System& Drip Irrigation	Rural Development	Local Area	Ramanagar	Karnataka	5.61	5.61	5.61	District Administration
191	SR-II	Supply of Medical Equipments and Construction of Labour-Patient Attender Waiting Hall and Outdoor Patient (OP) Waiting Shed, ICU BEDs, Beds, Bed Sheets, Pillow with covers at Govt. District Headquarters Hospital, Ariyalur	Health	Local Area	Ariyalur	Tamil Nadu	15.54	15.33	15.54	Direct
192	SR-II	Supply of 9 Nos. Ambulances to Govt. Hospitals., PHCs	Health	Local Area	Various districts	Karnataka, Puducherry, Tamil Nadu	108.44	96.62	96.62	Direct
193	SR-II	Providing Benches and Desks to schools	Education	Local Area	Hosur	Tamil Nadu	48.12	44.57	44.57	Direct
194	SR-II	Skill Development By Govt. Institute	Skill Development	Local Area	Various districts	Karnataka, Puducherry, Tamil Nadu	65.97	61.54	61.54	(i)BSNL Chennai, (ii) APEX, Hitech, Bangalore, (iii) kVK's of Madurai, TVM & Karur
195	SR-II	Construction of class rooms at Higher Primary school, Oorukere in Tumkur Rural	Education	Local Area	Tumkur	Karnataka	121.03	12.10	12.10	District Administration
196	SR-II	Construction of class rooms at Higher Primary school, Seethakallu in Tumkur Rural	Education	Local Area	Tumkur	Karnataka	121.03	12.10	12.10	District Administration
197	WR-I	Construction of a Boys Hostel for Pt.Ravishankar Shukla University, Raipur, Chattisgarh	Education	Local Area	Raipur	Chhattisgarh	400.00	8.28	365.94	Direct
198	WR-I	Construction of Bore well with water tank at village near Tamnar Pooling Station, Chattisgarh	Swachhta	Local Area	Raigarh	Chhattisgarh	6.33	6.33	6.33	Direct

S. No.	Region	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 2017-18	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
199	WR-I	construction of building for school cum hostel building for physically challenged children, at Rajnandgaon, Chattisgarh	Education	Local Area	Rajnandgaon	Chhattisgarh	350.00	92.66	251.20	District Administration
200	WR-I	Construction of classrooms at Zila Parishad Schools at Shikrapur & Koyal Villages Shikrapur , Pune.	Education	Local Area	Pune	Maharashtra	122.21	39.50	39.50	Direct
201	WR-I	Construction of Hostel for Integral Development of Children of underpriviledged & poor farmers at Panchgaon, Nagpur	Education	Local Area	Nagpur	Maharashtra	48.00	28.80	28.80	District Administration
202	WR-I	Construction of open hall for mid-day meal and strengthening of stage and paver blocks in front of stage including painting at ZP School, Ghodpeth, Bhadrawati	Education	Local Area	Chandrapur	Maharashtra	23.24	1.02	1.02	Direct
203	WR-I	Construction of road berms, laying of hume pipe at State Highway connecting point, RR Masonry for strenghening of area near culverts along the RCC road at Padegaon, Wardha,	Rural Development	Local Area	Wardha	Maharashtra	29.60	19.01	19.01	Direct
204	WR-I	Construction of stage, including dismantling of existing stage and toilets for boys and girls at Z.P.Schoo, Gavrala, Bhadrawati	Education	Local Area	Chandrapur	Maharashtra	21.89	1.79	1.79	Direct
205	WR-I	Deployment of 10 nos. JCBs (Proclain Machine) & 05 nos. Dumpers for a period of 10 days at Thane District under Jalyukta Shivar.	Conservation of Natural Resources	Local Area	Thane	Maharashtra	11.56	9.02	9.02	Direct
206	WR-I	Supply and installation of 02 nos. escalators at Santa Cruz Railway Station, Mumbai, Maharashtra	Rural Development	Local Area	Mumbai	Maharashtra	250.00	175.00	175.00	Indian Railways

S. No.	Region	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 2017-18	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
207	WR-I	House keeping works in the sorroundings of Shivajipeth for two years duration at Kolhapur, Maharashtra	Swachhta	Local Area	Kolhapur	Maharashtra	33.29	12.49	12.49	Direct
208	WR-I	House Keeping works in sorroundings of Mahalaxmi Mandir for three months duration at Kolhapur.	Swachhta	Local Area	Kolhapur	Maharashtra	3.57	1.12	3.57	Direct
209	WR-I	Nallah deepening & widening work at Kairewadi village, Shirur Taluka, Dist. Pune under Jalyukta Shivar Abhiyan and construction of class room at Ganegaon village, Dist. Pune	Environment	Local Area	Pune	Maharashtra	26.79	6.17	6.17	Direct
210	WR-I	Nallah deepening & widening work at Varude village, Shirur Taluka, Pune District under Jalyukta Shivar Abhiyan	Environment	Local Area	Pune	Maharashtra	48.54	35.91	35.91	District Administration
211	WR-I	Providing and fixing of 4 nos. solar semi high mast lamps in Taga / Chorbhatti for Champa Pooling Station	Environment	Local Area	Kurushetra	Haryana	13.40	11.77	11.77	Direct
212	WR-I	Supply of Water Conditioning Unit consisting of Anytime water machine, RO Plant & Water cooler with storage tank in various locations near Wardha substation.	Swachhta	Local Area	Wardha	Maharashtra	14.35	14.35	14.35	Direct
213	NER & ER-II	Capacity Building programme on Transmission Line Tower Erection & Strining in 5 centres in NER & ER, Assam, Manipur and W.B.	Skill Development	Local Area	Nagaon, Kokrajhar, Jorhat, Cachar	Assam, Manipur & West Bengal	761.00	239.11	489.13	Direct
214	NER	construction of “Centre for Capacity Development in Oncology” at Dr. B.Borooah Cancer Institute, Guwahati	Health	Local Area	Kamrup	Assam	398.26	94.61	94.61	Dr. B.Borooah Cancer Institute

S. No.	Region	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 2017-18	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
215	NER	Construction of 02 nos. of Paying Cabins at Civil Hospital, Biswanath Chariali	Health	Local Area	Sonitpur	Assam	10.54	0.24	0.24	Direct
216	NER	Construction of Boulder Pitching / Paving works on the four banks of the pond in Milan Udyan Park, Kajalgaon town, chirang dist, Assam	Rural Development	Local Area	Chirang	Assam	21.07	10.54	10.54	District Administration
217	NER	Construction of community hall at Sakawrtuichhun village, Aizwal, Mizoram	Rural Development	Local Area	Aizwal	Mizoram	14.00	14.00	14.00	Direct
218	NER	Construction of Hume Pipe Culvert at Milanpur, Dalangmalang, Borigaon G.P., Kamrup District, Assam	Rural Development	Local Area	Kamrup	Assam	5.50	2.75	2.75	Direct
219	NER	Construction of open stage at Kokakuli-Missiong village, Khanamukh, Assam	Rural Development	Local Area	Sonitpur	Assam	10.34	2.05	10.34	Direct
220	NER	Construction of waiting shed cum store for graveyard at Bishwanath Chariali	Rural Development	Local Area	Sonitpur	Assam	2.00	0.47	2.00	Direct
221	NER	Developmental works in Murabari lower Primary School in Murabari village, Salakati, BodolandTerritorial Autonomous District (BTAD), Assam	Education	Local Area	Kokrajhar	Assam	36.43	10.34	10.34	Direct
222	NER	Installation of solar street lights in Sawleng village, Aizwal Dist. Mizoram,	Environment	Local Area	Aizwal	Mizoram	2.06	2.00	2.00	District Administration
223	NER	Organising Free Coaching program for 500 meritorious students for preparation of Assam Public Service Commission Combined Competitive Examination	Skill Development	Local Area	Kamrup	Assam	36.43	36.43	36.43	District Administration
224	NER	Providing 01 no. Ambulance to Health Department Kolasib Dist. Mizoram	Health	Local Area	Kolasib	Mizoram	7.23	7.21	7.21	Direct

S. No.	Region	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 2017-18	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
225	NER	Providing Medical Equipment for General Hospital, Lohit District, Tezu, Arunachal Pradesh	Health	Local Area	Tezu	Arunachal Pradesh	11.80	7.08	7.08	District Administration
226	NER	Providing Medicine for Medical camp to be set up at Parsuram Kund Mela 2018, Wakro, Lohit district, Arunachal Pradesh	Health	Local Area	Lohit	Arunachal Pradesh	1.13	1.13	1.13	District Administration
227	NER	Providing one Emergency Response Vehicle (ERV) to Aizawl Disaster Mangement Authority	Disaster Management	Local Area	Aizwal	Mizoram	20.10	20.05	20.05	Direct
228	NER	Construction of Skill Development Centre building at Assam Engineering Institute, Guwahati	Skill Development	Local Area	Kamrup	Assam	148.56	7.00	74.28	Assam Engg. Institute
229	NER	Skill Development Training programs at Sualkuchi Institute of Fashion Technology (SIFT), Kamrup Dist, Assam.	Skill Development	Local Area	Kamrup	Assam	4.13	4.13	4.13	District Administration
230	WR-II	Installation of water supply scheme with solar powered water pumping system and constrction of associated water distribution system for village Beriste, Taluka Mokhada, Dist. Palghar, Maharashtra	Rural Development	Local Area	Palghar	Maharashtra	69.49	21.30	66.30	District Administration
231	WR-II	Providing 100 nos. sewing machines to Tribal Women in Mokhada and Jawahar Taluka, District Palghar, Maharashtra	Skill Development	Local Area	Palghar	Maharashtra	35.00	17.11	17.11	Direct
232	WR-II	Providing Advance Life Support (ALS) ambulance at Jawahar Mokhad Taluka Govt. Hospital at Jawahar, Dist. Palghar,	Health	Local Area	Palghar	Maharashtra	25.00	13.58	25.00	Direct

S. No.	Region	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 2017-18	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
233	WR-II	Providing one school bus to Govt. Primary & secondary school and one ambulance to village panchyat of village Avankhed, Tehsil Dindori, Dist. Nashik, Maharashtra	Preventive Health & Education	Local Area	Nashik	Maharashtra	34.89	28.05	28.05	Direct
234	WR-II	Water conservation by desilting of 06 ponds at dhindhori taluka of Nashik District of Maharashtra	Rural Development	Local Area	Nashik	Maharashtra	33.04	25.32	25.32	Direct
235	WR-II	Construction of community centre, Boundary wall and open play ground for underprivileged residents of Gram Panchayat Dastan, Tehsil Palsana, Dist. surat, Gujarat	Rural Development	Local Area	Palsana	Gujarat	31.82	7.25	17.74	Direct
236	WR-II	Construction of RCC drain, PCC Road and installation of hand pumps at village Karsara & Semariya in Satna, Madhya Pradesh	Rural Development	Local Area	Satna	Madhya Pradesh	85.04	17.74	70.66	District Administration
237	WR-II	Construction of sub health centre at village Kelhora in Panchayat Majhgavan, Dist. Satna, Madhya Pradesh	Health	Local Area	Satna	Madhya Pradesh	22.38	7.80	11.70	District Administration
238	WR-II	Development of Green Space and Play Ground for promotion of sports at Indian Institute of Forest Mangement (IIFT), Bhopal.	Sports	Local Area	Bhopal	Madhya Pradesh	29.61	18.48	21.02	IIFT
239	WR-II	Development of Mahatma Gandhi Udhyaan Public park and supply of 3 nos. garbage collection vans in Waghodia village, Vadodara. Gujarat	Swachhta	Local Area	Vadodara	Gujarat	48.25	22.50	30.79	Direct
240	WR-II	Providing 330 nos. of Desk & Benches, 25 nos. of Govt. schools at villages at Khandwa	Education	Local Area	Khandwa	Madhya Pradesh	20.94	2.54	11.69	Cental Jail, Khandwa

S. No.	Region	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 2017-18	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
241	WR-II	Providing 2 nos. ALS ambulance and 2 nos. Mortuary vans for Community Health Centres at Sihavai and Rampur Naikin District, Sidhi	Health	Local Area	Sidhi	Madhya Pradesh	59.81	8.29	8.29	Direct
242	WR-II	Providing mattresses, bed sheets with pillow cover, Blankets, pillow and mosquito net for adivasi Govt. Girls Hostels of Damoh, Madhya Pradesh	Education	Local Area	Damoh	Madhya Pradesh	9.35	9.15	9.15	Direct
243	WR-II	Providing medical equipments, machine, furniture etc. for Sardar Yallaba Bhai Patel District Hospital, Satna, Madhya Pradesh	Health	Local Area	Satna	Madhya Pradesh	54.22	39.53	39.53	Direct
244	WR-II	Providing Sanitary Napkin Vending machine in different Govt. Schools / colleges / Girls Hostel / Community Health Centre in Dist. Satna, Madhya Pradesh	Health	Local Area	Satna	Madhya Pradesh	4.84	4.02	4.02	Direct
245	WR-II	Provision of water supply arrangemen at Community Health centre at Sehra, Block Betul, Madhya Pradesh	Swachhta	Local Area	Betul	Madhya Pradesh	5.98	4.48	4.48	Direct
246	WR-II	Renovation work in District Hospital, Dist. Sagar, Madhya Pradesh	Health	Local Area	Sagar	Madhya Pradesh	42.23	40.25	30.25	Direct
247	WR-II	Skill Development Program for 150 no. of under privileged youth primarily from land oustee villages, Madhya Pradesh	Skill Development	Local Area	Various districts	Madhya Pradesh	107.10	98.42	98.42	Indo German Tool Room
248	WR-II	Skill Development Programme to 125 no. of youths primarily from land oustee villagers of Gujarat and Madhya Pradesh	Skill Development	Local Area	Various districts	Madhya Pradesh	145.63	13.11	138.11	Indo German Tool Room
249	WR-II	Various community development activities in Banaskantha in Patan District of Gujarat	Education	Local Area	Banaskhanta	Gujarat	91.48	55.88	55.88	District Administration

S. No.	Region	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 2017-18	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
250	WR-II	Providing school furniture to Govt. Higher Secondary school, Latagaon, Dist. Satna, Madhya Pradesh.	Education	Local Area	Satna	Madhya Pradesh	13.44	12.39	12.39	Direct
251	WR-II	Providing RO water purifier systems with Water coolers for 31 nos. Govt. Primary, Secondary and Higher Secondary Schools & 3 nos. Govt. Girls Hostels in Sagar District of Madhya Pradesh	Swachhta	Local Area	Sagar	Madhya Pradesh	37.89	33.70	33.70	Direct
252	WR-II	Construction of Open sheds for Govt. Higher Secondary Schools at Magrura and Maihar, Satna District, Madhya Pradesh	education	Local Area	Satna	Madhya Pradesh	40.89	14.10	14.10	Direct
253	WR-II	Development of 03 nos. ponds at Rudhi Gram Panchayat	Rural Development	Local Area	Khandwa	Madhya Pradesh	4.55	3.63	3.63	Direct
254	WR-II	Cremation Shed at Village Dharampura, Hirapur Bandha Gram Panchayat, Jabalpur	Rural development	Local Area	Jabalpur	Madhya Pradesh	8.44	1.16	1.16	Direct
255	WR-II	Balance payment of Toilet construction at Khandwa	Swachhta	Local Area	Khandwa	Madhya Pradesh	27.52	5.83	5.83	IrconISL
256	WR-II	Construction of School Rooms with stair & Girls Toilet for disabled children in 4 no. of Schools nf District Tapi	Education	Local Area	Tapi	Gujarat	11.68	11.68	11.68	Direct
						TOTAL	37,877.83	15,798.91	24,852.27	

Balance Sheet as at 31st March, 2018

(₹ in crore)

Particulars	Note No	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	**152243.89**	134252.57
Capital work-in-progress	5	**30261.17**	35806.80
Investment Property	6	**0.03**	0.03
Other Intangible assets	7	**1366.46**	1255.39
Intangible assets under development	8	**45.95**	77.33
Financial Assets			
Investments	9	**1608.24**	1327.55
Loans	10	**8253.12**	3618.41
Other non-current financial assets	11	**866.35**	836.95
Other non-current assets	12	**5645.51**	6346.78
		200290.72	183521.81
Current assets			
Inventories	13	**1038.45**	906.95
Financial Assets			
Investments	14	**-**	2.50
Trade receivables	15	**3638.96**	3221.10
Cash and cash equivalents	16	**1516.21**	3228.43
Bank balances other than Cash and cash equivalents	17	**654.22**	112.16
Loans	18	**46.88**	35.14
Other current financial assets	19	**4869.92**	3319.03
Other current assets	20	**535.56**	224.74
		12300.20	11050.05
Regulatory Deferral Account Balances	21	**314.83**	107.60
Total Assets		**212905.75**	194679.46
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	22	**5231.59**	5231.59
Other Equity	23	**49183.37**	44575.66
		54414.96	49807.25
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	24	**122420.32**	110963.17
Other non-current financial liabilities	25	**459.60**	352.24
Provisions	26	**716.87**	789.56
Deferred tax liabilities(Net)	27	**2569.50**	2550.54
Other non-current liabilities	28	**457.16**	575.20
		126623.45	115230.71
Current liabilities			
Financial Liabilities			
Borrowings	29	**1000.00**	1500.00
Trade payables	30	**240.34**	413.98
Other current financial liabilities	31	**21505.61**	19324.61
Other current liabilities	32	**2687.33**	2566.00
Provisions	33	**1059.58**	537.21
Current Tax Liabilities (Net)	34	**407.07**	417.33
		26899.93	24759.13
Deferred Revenue	35	**4967.41**	4882.37
Total Equity and Liabilities		**212905.75**	194679.46

The accompanying notes (1 to 69) form an integral part of financial statements

For and on behalf of the Board of Directors

Divya Tandon	**K. Sreekant**	**I. S. Jha**
Company Secretary	Director (Finance)	Chairman & Managing Director

As per our report of even date

For S.K. Mittal & Co.	**For R.G.N. Price & Co.**	**For Kothari & Co.**	**For Parakh & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn No. 001135N	Firm Regn No. 002785S	Firm Regn No. 301178E	Firm Regn No. 001475C
(CA Gaurav Mittal)	**(CA R. Rangarajan)**	**(CA Amitav Kothari)**	**(CA Indra Pal Singh)**
Partner	Partner	Partner	Partner
Membership No. 099387	Membership No. 041883	Membership No. 016639	Membership No. 410433

Place: New Delhi
Date: 29th May, 2018

Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in crore)

Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue From Operations	36	**29752.46**	25710.07
Other Income	37	**1013.86**	866.63
Total Income		**30766.32**	26576.70
EXPENSES			
Employee benefits expense	38	**1605.89**	1377.13
Finance costs	39	**7590.66**	6303.83
Depreciation and amortization expense	40	**9091.25**	7662.80
Other expenses	41	**2208.90**	1733.11
Total expenses		**20496.70**	17076.87
Profit Before Tax & Regulatory Deferral Account Balances		**10269.62**	9499.83
Tax expense:			
Current tax - Current Year		**2203.59**	1988.45
- Earlier Years		**15.34**	-
Deferred tax	27	**3140.15**	2680.23
Less: Deferred Asset for deferred tax liability		**3121.19**	2619.07
		2237.89	2049.61
Profit for the period before Regulatory Deferral Account Balances		**8031.73**	7450.22
Net movement in Regulatory Deferral Account Balances- Income/(Expenses)	42	**207.23**	69.93
Profit for the period		**8238.96**	**7520.15**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss	43	**13.72**	49.83
Total Comprehensive Income for the period		**8252.68**	**7569.98**
Earnings per equity share including movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):	64		
Basic & Diluted (₹)		**15.75**	14.37
Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):	64		
Basic & Diluted (₹)		**15.35**	14.24

The accompanying notes (1 to 69) form an integral part of financial statements

For and on behalf of the Board of Directors

Divya Tandon	**K. Sreekant**	**I. S. Jha**
Company Secretary	Director (Finance)	Chairman & Managing Director

As per our report of even date

For S.K. Mittal & Co.	**For R.G.N. Price & Co.**	**For Kothari & Co.**	**For Parakh & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn No. 001135N	Firm Regn No. 002785S	Firm Regn No. 301178E	Firm Regn No. 001475C
(CA Gaurav Mittal)	**(CA R. Rangarajan)**	**(CA Amitav Kothari)**	**(CA Indra Pal Singh)**
Partner	Partner	Partner	Partner
Membership No. 099387	Membership No. 041883	Membership No. 016639	Membership No. 410433

Place: New Delhi
Date: 29th May, 2018

Statement of Changes in Equity for the period ended 31st March, 2018

A. Equity Share Capital

(₹ in crore)

As at 1st April, 2017	5231.59
Changes during the year	-
As at 31st March, 2018	**5231.59**
As at 1st April, 2016	5231.59
Changes during the year	-
As at 31st March, 2017	**5231.59**

B. Other Equity

(₹ in crore)

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	Securities Premium Account	Bond Redemption Reserve	Self Insurance Reserve	CSR Reserve	General Reserve	Retained Earnings	Fair Value through Other Comprehensive Income Equity Investment	
Balance at 1st April, 2017	**9578.29**	**8095.09**	**676.64**	**123.38**	**23243.64**	**2754.86**	**103.76**	**44575.66**
Profit for the year						8238.96		8238.96
Other Comprehensive Income						26.64	(12.92)	13.72
Total Comprehensive Income						**8265.60**	**(12.92)**	**8252.68**
Adjustments during the year								
Transfer to General Reserve					3500.00	(3500.00)		-
Transfer to Bond redemption reserve		2075.83				(2075.83)		-
Transfer from Bond Redemption Reserve		(1012.33)				1012.33		-
Transfer to Self Insurance Reserve			226.25			(226.25)		-
Transfer from Self Insurance Reserve			(167.86)		167.86			-
Transfer from CSR Reserve				(0.05)	0.05	-		-
Final Dividend F.Y. 2016-17						(1752.59)		(1752.59)
Tax on Final Dividend F.Y. 2016-17						(355.44)		(355.44)
Interim Dividend F.Y. 2017-18						(1281.74)		(1281.74)
Tax on Interim dividend F.Y. 2017-18						(255.20)		(255.20)
Balance at 31st March, 2018	**9578.29**	**9158.59**	**735.03**	**123.33**	**26911.55**	**2585.74**	**90.84**	**49183.37**

Statement of Changes in Equity for the period ended 31st March, 2018 (Contd.)

(₹ in crore)

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	Securities Premium Account	Bond Redemption Reserve	Self Insurance Reserve	CSR Reserve	General Reserve	Retained Earnings	Fair Value through Other Comprehensive Income Equity Investment	
Balance at 1st 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**

The accompanying notes (1 to 69) form an integral part of financial statements
Refer to Note No 23 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 Gaurav Mittal)
Partner
Membership No. 099387

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 Amitav Kothari)
Partner
Membership No. 016639

For Parakh & Co.
Chartered Accountants
Firm Regn No. 001475C

(CA Indra Pal Singh)
Partner
Membership No. 410433

Place: New Delhi
Date: 29th May, 2018

Statement of Cash Flows for the year ended 31st March, 2018

(₹ in crore)

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Tax (including Net movement in Regulatory Deferral Account Balances)	**10,476.85**	9,569.76
	Adjustment for :		
	Depreciation & amortization expenses	**9,091.25**	7,662.80
	Transfer from Grants in Aid	**(12.13)**	(21.89)
	Deferred revenue - Advance against Depreciation	**(120.72)**	(145.85)
	Provisions	**31.67**	9.02
	Changes in fair value of financial assets through profit or loss	**(14.28)**	(36.66)
	Profit on Sale of Investments	**-**	(50.57)
	Net Loss on Disposal / Write off of Property, Plant & Equipment	**10.30**	3.80
	Deferred Foreign Currency Fluctuation Asset	**240.75**	852.86
	Deferred Income from Foreign Currency Fluctuation	**(203.50)**	(711.05)
	Regulatory Deferrral Account Debit Balances	**(207.23)**	(69.93)
	Finance Costs	**7,590.66**	6,303.83
	Provisions Written Back	**(8.36)**	(3.98)
	FERV loss / (gain)	**(0.32)**	(27.34)
	Interest received on Deposits, Bonds and loans to Subsidiaries	**(537.71)**	(266.54)
	Dividend received	**(94.05)**	(62.73)
		15,766.33	13,435.77
	Operating profit before Changes in Assets and Liabilities	**26,243.18**	23,005.53
	Adjustment for Changes in Assets and Liabilities:		
	(Increase)/Decrease in Inventories	**(152.56)**	(196.61)
	(Increase)/Decrease in Trade Receivables	**(433.60)**	(485.92)
	(Increase)/Decrease in Financial Assets	**(2,091.45)**	677.98
	(Increase)/Decrease in Other Non-current Assets	**74.93**	(202.47)
	(Increase)/Decrease in Other Current Assets	**(310.82)**	314.19
	Increase/(Decrease) in Liabilities & Provisions	**780.29**	8.99
		(2,133.21)	116.16
	Cash generated from operations	**24,109.97**	23,121.69
	Direct taxes paid	**(2,229.19)**	(1,870.79)
	Net Cash from operating activities	**21,880.78**	21,250.90
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Property, Plant & Equipment and Capital Work in Progress	**(21,109.78)**	(21,099.53)
	Advances for Capital Expenditure	**387.06**	(37.73)
	Receipt of Grant	**421.39**	63.02
	(Increase)/Decrease in Assets held for Sale	**-**	81.21
	(Increase)/Decrease in Investments	**(318.68)**	(419.53)
	(Increase)/Decrease in Long Term Loans under Securitisation Scheme	**-**	7.71
	Loans & Advances to Subsidiaries	**(4,633.08)**	(2,326.33)
	Lease receivables	**59.82**	43.94
	Interest received on Deposits, Bonds and loans to Subsidiaries	**472.59**	190.87
	Dividend received	**94.05**	62.73
	Net cash used in investing activities	**(24,626.63)**	(23,433.64)

Statement of Cash Flows for the year ended 31st March, 2018 (Contd.)

(₹ in crore)

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Loans raised during the year-Long Term	**18,706.79**	17,842.85
	Loans repaid during the year-Long Term	**(6,236.67)**	(6,059.05)
	Proceeds from Short Term Loans	**(500.00)**	(500.00)
	Adjustment for Fair Valuation of Long Term Loans	**22.31**	(33.19)
	Interest and Finance Costs Paid	**(7,313.83)**	(5,802.20)
	Dividend paid	**(3,034.33)**	(1,313.12)
	Dividend Tax paid	**(610.64)**	(264.76)
	Net Cash from Financing Activities	**1,033.63**	3,870.53
D.	Net change in Cash and Cash equivalents(A+B+C)	**(1,712.22)**	1,687.79
E.	Cash and Cash equivalents (Opening balance)	**3,228.43**	1,540.64
F.	Cash and Cash equivalents (Closing balance) (Refer Note No 16)	**1,516.21**	3,228.43

The accompanying notes (1 to 69) form an integral part of financial statements

Notes:

1. Cash and cash equivalents consist of cheques, drafts, stamps in hands, balances with banks and deposits with original maturity of upto three months.
2. Previous year figures have been re-grouped / re-arranged wherever necessary.
3. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

Particulars	Non-current borrowings	Current borrowings
Opening Balance as at 1st April, 2017	120,368.76	1,500.00
Net Cash Flows during the year	5,472.50	(500.00)
Non-cash changes due to :		
- Interest on borrowings	7,274.43	
- Variation in exchange rates	522.62	
- Fair value adjustments	22.31	
Closing Balance as at 31st March, 2018	**133,660.62**	1,000.00

For and on behalf of the Board of Directors

Divya Tandon	**K. Sreekant**	**I. S. Jha**
Company Secretary	Director (Finance)	Chairman & Managing Director

As per our report of even date

For S.K. Mittal & Co.	**For R.G.N. Price & Co.**	**For Kothari & Co.**	**For Parakh & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn No. 001135N	Firm Regn No. 002785S	Firm Regn No. 301178E	Firm Regn No. 001475C
(CA Gaurav Mittal)	**(CA R. Rangarajan)**	**(CA Amitav Kothari)**	**(CA Indra Pal Singh)**
Partner	Partner	Partner	Partner
Membership No. 099387	Membership No. 041883	Membership No. 016639	Membership No. 410433

Place: New Delhi
Date: 29th May, 2018

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, 2018 were approved for issue by the Board of Directors on 29th May, 2018.

2. Significant Accounting Policies

2.1 Basis of Preparation

i) Compliance with Ind AS

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

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 Rupees (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 Property, Plant and Equipment

The Company had opted to consider the carrying value of Property, Plant and Equipment as per previous GAAP on the date of transition to Ind AS (1st April, 2015) 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.

Subsequent costs

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the company and cost of the item can be measured reliably.

The cost of replacing part of an item of Property, Plant & Equipment is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

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)

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

The Company had opted to consider the carrying value of Intangible Assets as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

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.

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

Property, Plant & Equipment

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.

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.

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.

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.

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.

Mobile phones are charged off in the year of purchase.

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

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.

Depreciation 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.

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.

Intangible Assets

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.

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.

Telecom Licenses are amortised on straight line basis over their respective useful lives.

Expenditure on development of 1200kv Transmission System shall be amortised over a period of 10 years.

Amortisation on additions to/deductions from Intangible Assets during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

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 temporary deployment of funds) as part of the cost of such assets till the assets are ready for the intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use.

Other borrowing costs are charged to revenue.

2.8 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

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, including spare parts whose cost is less than ₹5,00,000/- 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

2.12.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities (Funds) and will have no legal or constructive obligation to pay further contributions, if the Fund does not hold sufficient assets to pay all employee's benefits related to employee service in the current and prior periods. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in the statement of profit and loss in the period during which services are rendered by employees.

The Company has a defined contribution pension scheme which is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post retirement medical facility (PRMF) or any other retirement benefits. The contributions to the fund for the year are recognized as an expense and charged to the statement of profit and loss.

2.12.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity, post-retirement medical facility, baggage allowance for settlement at home town after retirement, long service award on retirement and provident fund scheme to the extent of interest liability on provident fund contribution are in the nature of defined benefit plans.

The gratuity is funded by the Company and is managed by separate trust. The Company has Post-Retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facilities in the Company empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company.

The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contributions to the fund for the year are recognized as expense and are charged to the statement of profit and loss. The obligation of the Company is limited to such fixed contributions and to ensure a minimum rate of interest on contributions to the members as specified by the Government of India (GoI).

The Company has schemes for payment of baggage allowance towards expenses for settlement at hometown for the superannuated employees & their dependents and for providing a Long Service Award to all regular employees of the Company on superannuation.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognized in OCI in the period in which they arise.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of profit and loss.

2.12.3 Other long-term employee benefits

Benefits under the Company's leave encashment and employee family economic rehabilitation scheme constitute other long term employee benefits.

The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in the statement of profit and loss in the period in which they arise.

As per 'POWERGRID Employee Family Economic Rehabilitation Scheme', which is optional, in the event of death or permanent total disability of an employee, the dependent(s) or the employee, as the case may be, is paid a fixed amount based on the last salary drawn by the employee till the notional date of superannuation of the employee upon depositing the final provident fund and gratuity amount which will be interest free.

2.12.4 Short-term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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

Financial Liabilities

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

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

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the 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. When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. 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.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance.

(b) Financial assets that are debt instruments and are measured as at FVTOCI.

(c) Lease receivables under IND AS 17.

(d) Trade receivables under IND AS 18.

(e) Loan commitments which are not measured as at Fair Value Through statement of Profit and Loss (FVTPL).

(f) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 -month ECL.

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.

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.

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 Rupees (Rupees or ₹), which is the Company's functional and presentation currency.

(b) Transactions and balances

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

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

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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

2.18 Regulatory Deferral Account Balances

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.

Regulatory deferral accounts balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

2.19 Revenue

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

2.19.1 Revenue from Operations

Transmission

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 on provisional basis 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 expenditure incurred on year to year basis as per CERC tariff regulations. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue.

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.

Telecom Services

Income from Telecom Services, net of downtime credit, is recognised on the basis of terms of agreements/purchase orders from the customers. Upfront fee received in advance under long term contracts providing Indefeasible Right to Use (IRU), is recognised as revenue over the related period of service on straight line basis.

Consultancy Services

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.

2.19.2 Other Income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

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.

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.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

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. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and deducted from the related expenses.

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 on the basis of judgment of the management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

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 and for taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers and equipment of AC substation. The Reserve created as above 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 Operating Segments

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.
- Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets.

2.26 Earnings per Share

Basic earnings per share is computed using the net profit or loss 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 Judgments

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 judgments 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 expenditure incurred on year to year basis as per CERC tariff regulations.

Regulatory Deferral Balances:

Recognition of Regulatory Deferral Balances involves significant judgments 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 67.

Estimates and judgments 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.

Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The Company reviewes at the end of each reporting date the useful plant and equipment, other than the assets of transmission business which are governed by CERC Regulations, and are adjusted prospectively, if appropriate.

Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets". The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

Note 4/Property, Plant and Equipment

(₹ in crore)

Particulars	Cost					Accumulated depreciation					Net Book Value	
	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March,2018	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March,2018	As at 31st March, 2018	As at 31st March, 2017
Land												
a) Freehold	2,062.59	124.31	-	7.70	2,179.20	-	-	-	-	-	2,179.20	2,062.59
b) Leasehold	250.05	46.60	-	(9.07)	305.72	19.13	10.99	-	(1.10)	31.22	274.50	230.92
Buildings												
a) Sub-Stations & Office	869.89	419.74	-	7.84	1,281.79	57.98	45.66	-	0.18	103.46	1,178.33	811.91
b) Township	441.96	72.98	-	-	514.94	41.91	21.84	-	-	63.75	451.19	400.05
Temporary Erection	0.84	0.11	-	-	0.95	0.83	0.10	-	(0.01)	0.94	0.01	0.01
Roads & Bridges	154.50	9.40	-	-	163.90	15.12	6.87	-	-	21.99	141.91	139.38
Water Supply Drainage & Sewerage	92.91	3.63	-	-	96.54	8.65	4.22	-	-	12.87	83.67	84.26
Plant & Equipment												
a) Transmission	96,162.42	13,992.90	124.10	123.32	109,907.90	9,040.07	5,825.59	55.27	(22.55)	14,832.94	95,074.96	87,122.35
b) Sub-station	45,960.56	12,218.94	54.25	(115.63)	58,240.88	4,483.08	3,061.96	15.19	(7.94)	7,537.79	50,703.09	41,477.48
c) Unified Load Despatch & Communication	605.42	137.97	-	(12.59)	755.98	90.21	51.99	-	(7.76)	149.96	606.02	515.21
d) Telecom	918.87	153.39	-	15.11	1,057.15	193.00	104.60	-	7.73	289.87	767.28	725.87
Furniture Fixtures	98.08	11.93	0.44	0.05	109.52	12.53	8.07	0.27	(0.17)	20.50	89.02	85.55
Vehicles	2.74	0.59	-	-	3.33	0.66	0.45	-	-	1.11	2.22	2.08
Office equipment	132.59	96.52	0.43	38.48	190.20	15.34	11.60	0.26	(0.49)	27.17	163.03	117.25
Electronic Data Processing & Word Processing Machines	74.29	17.59	0.33	0.08	91.47	35.99	19.79	0.28	(0.74)	56.24	35.23	38.30
Construction and Workshop equipment	248.31	38.37	0.38	-	286.30	26.05	16.50	0.22	-	42.33	243.97	222.26
Electrical Installation	82.34	7.23	-	(3.22)	92.79	11.59	5.80	-	(0.19)	17.58	75.21	70.75
Laboratory Equipments	41.74	3.83	0.11	-	45.46	6.45	3.08	-	-	9.53	35.93	35.29
Workshop & Testing Equipments	120.31	35.67	0.20	-	155.78	7.56	7.54	0.17	(0.02)	14.95	140.83	112.75
Miscellaneous Assets/ Equipments	0.05	-	0.01	-	0.04	-	0.01	-	-	0.01	0.03	0.05
Total	**148,320.46**	**27,391.70**	**180.25**	**52.07**	**175,479.84**	**14,066.15**	**9,206.66**	**71.66**	**(33.06)**	**23,234.21**	**152,245.63**	**134,254.31**
Less: Provision for assets discarded	1.74	-	-	-	1.74	-		-	-	-	1.74	1.74
Grand Total	**148,318.72**	**27,391.70**	**180.25**	**52.07**	**175,478.10**	**14,066.15**	**9,206.66**	**71.66**	**(33.06)**	**23,234.21**	**152,243.89**	**134,252.57**

Note 4/Property, Plant and Equipment (Contd.)

(₹ in crore)

Particulars	Cost					Accumulated depreciation					Net Book Value	
	As at 1st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017	As at 1st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
Land												
a) Freehold	1,999.84	60.66	-	(2.09)	2,062.59	-	-	-	-	-	2,062.59	1,999.84
b) Leasehold	237.14	12.91	-	-	250.05	9.44	9.69	-	-	19.13	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	57.98	811.91	652.56
b) Township	409.79	32.67	0.50	-	441.96	20.70	21.23	0.02	-	41.91	400.05	389.09
Temporary Erection	0.40	0.44	-	-	0.84	0.39	0.44	-	-	0.83	0.01	0.01
Roads & Bridges	143.36	11.14	-	-	154.50	7.42	8.23	-	0.53	15.12	139.38	135.94
Water Supply Drainage & Sewerage	81.73	11.19	-	0.01	92.91	4.13	4.52	-	-	8.65	84.26	77.60
Plant & Equipment												
a) Transmission	79,112.14	17,416.10	27.77	338.05	96,162.42	4,051.86	4,950.14	29.09	(67.16)	9,040.07	87,122.35	75,060.28
b) Sub-station	35,721.54	10,525.90	3.85	283.03	45,960.56	2,015.64	2,508.85	5.18	36.23	4,483.08	41,477.48	33,705.90
c) Unified Load Despatch & Communication	485.43	122.33	-	2.34	605.42	39.83	50.38	-	-	90.21	515.21	445.60
d) Telecom	834.94	83.23	-	(0.70)	918.87	96.34	96.67	0.12	(0.11)	193.00	725.87	738.60
Furniture Fixtures	78.31	20.29	0.65	(0.13)	98.08	5.37	7.20	0.04	-	12.53	85.55	72.94
Vehicles	1.86	0.88	-	-	2.74	0.32	0.34	-	-	0.66	2.08	1.54
Office equipment	97.61	35.14	0.18	(0.02)	132.59	6.42	8.94	0.03	(0.01)	15.34	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	35.99	38.30	22.20
Construction and Workshop equipment	210.86	36.96	-	(0.49)	248.31	12.09	13.97	0.01	-	26.05	222.26	198.77
Electrical Installation	79.97	1.91	-	(0.46)	82.34	5.81	5.79	0.06	(0.05)	11.59	70.75	74.16
Laboratory Equipments	38.96	2.78	-	-	41.74	3.24	3.21	-	-	6.45	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)	7.56	112.75	63.81
Miscellaneous Assets/ Equipments	0.05	-	-	-	0.05	-	-	-	-	-	0.05	0.05
Total	**120,319.81**	**28,639.06**	**39.10**	**599.31**	**148,320.46**	**6,326.31**	**7,745.42**	**35.08**	**(29.50)**	**14,066.15**	**134,254.31**	**113,993.50**
Less: Provision for assets discarded	1.74	-	-	-	1.74	-	-	-	-	-	1.74	1.74
Grand Total	**120,318.07**	**28,639.06**	**39.10**	**599.31**	**148,318.72**	**6,326.31**	**7,745.42**	**35.08**	**(29.50)**	**14,066.15**	**134,252.57**	**113,991.76**

Note 4/Property, Plant and Equipment (Contd.)

Further Notes:

a) The Company owns 7232 hectare (Previous Year 7174 hectare) of land amounting to ₹ 2484.92 crore (Previous Year ₹ 2312.64 crore) which has been classified into freehold land 6197 hectare (Previous Year 6129 hectare) amounting to ₹ 2179.20 crore (Previous Year ₹ 2062.59 crore) and leasehold land 1035 hectare (Previous Year 1045 hectare) amounting to ₹ 305.72 crore (Previous Year ₹ 250.05 crore) based on available documentation.

b) i) The land classified as leasehold land held in the state of Jammu and Kashmir with area of 113.88 hectare (Previous Year 112.35 hectare) amounting to ₹ 96.60 crore (Previous Year ₹ 57.62 crore) 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 268.50 hectare (Previous Year 266.42 hectare) amounting to ₹ 230.05 crore (Previous Year ₹ 159.75 crore) in respect of which conveyance deed in favour of the company is pending and 289.81 hectare (Previous Year 256.28 hectare) amounting to ₹ 224.78 crore (Previous Year ₹ 130.78 crore) 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 (Previous Year 2.65 hectare) amounting to ₹ 13.97 crore (Previous Year ₹ 12.36 crore) 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 (Previous Year 0.41 hectare) amounting to ₹ 7.64 crore (Previous Year ₹ 7.64 crore) in respect of land acquired for office complex on perpetual lease basis and hence not amortised.

f) Township building includes ₹ 2.95 crore (Previous Year ₹ 2.95 crore) for 28 flats at Mumbai, for which registration in favour of the company is pending. Out of the above flats, 17 flats are occupied by employees of M/S Power System Operation Corporation Ltd.

g) 5.625 hectare of land (Previous Year 5.625 hectare) having value of ₹ 0.04 crore (Previous Year ₹ 0.04 crore) has been transferred to National High Power Test Laboratory Pvt. Ltd. on right to use without granting ownership.

h) Office space acquired by the Company of 389 Sq Mtr. at Mumbai ₹ 6.42 crore (Previous Year ₹ Nil crore)for which Lease Deed/agreement not yet executed in favour of the Company.

Note 5 / Capital work in progress

(₹ in crore)

Particulars	As at 1st April, 2017	Additions during the year	Adjustments	Capitalised during the year	As at 31st March, 2018
Land					
Development of land	25.16	60.84	-	75.24	10.76
Buildings					
a) Sub-Stations & Office	386.96	127.09	-	362.40	151.65
b) Township	67.59	64.83	-	35.42	97.00
Roads & Bridges	20.46	7.60	-	9.40	18.66
Water Supply Drainage and Sewerage	3.06	0.16	-	-	3.22
Plant & Equipments (including associated civil works)					
a) Transmission	15,449.54	9,128.01	0.26	12,725.49	11,851.80
b) Sub-Station	8,257.71	9,576.85	0.37	10,833.84	7,000.35
c) Unified Load Despatch & Communication	375.00	233.37	6.11	137.97	464.29
d) Telecom	66.99	69.86	-	89.95	46.90
Other office equipments	6.49	4.25	-	1.86	8.88
Electrical Installations	0.55	1.77	-	1.39	0.93
Construction Stores (Net of Provision)	7,664.18	-	74.99	-	7,589.19
Expenditure pending allocation					
i) Survey, investigation, consultancy & supervision Charges	23.18	14.40	-	4.63	32.95
ii) Difference in Exchange on foreign currency loans	69.49	170.00	-	51.60	187.89
iii) Expenditure during construction period(net) (Note 44)	3,394.08	2,207.39	0.57	2,801.94	2,798.96
	35,810.44	**21,666.42**	**82.30**	**27,131.13**	**30,263.43**
Less: Provision for unserviceable Assets	3.64	-	1.38	-	2.26
Grand Total	**35,806.80**	**21,666.42**	**80.92**	**27,131.13**	**30,261.17**

Note 5/Capital work in progress (Contd.)

(₹ in crore)

Particulars	As at 1st April, 2016	Additions during the year	Adjustments	Capitalised during the year	As at 31st 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
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	20,117.84	9,920.50	1.33	14,587.47	15,449.54
b) Sub-Station	7,609.85	11,937.47	2,060.85	9,228.76	8,257.71
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)	9,859.21	-	2,195.03	-	7,664.18
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 44)	4,593.37	2,355.72	2.05	3,552.96	3,394.08
	43,626.68	**24,562.20**	**4,342.19**	**28,036.25**	**35,810.44**
Less: Provision for unserviceable Assets	3.64	-	-	-	3.64
	43,623.04	**24,562.20**	**4,342.19**	**28,036.25**	**35,806.80**

Note 5 / Capital work in progress (Contd.)

(Details of Construction stores) (At cost)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Construction Stores		
Towers	**1442.08**	1545.37
Conductors	**2364.57**	2117.69
Other Line Materials	**547.97**	856.88
Sub-Station Equipments	**1982.03**	1999.25
High Voltage Direct Current (HVDC) Equipments	**704.51**	708.37
Unified Load Despatch & Communication(ULDC) Materials	**387.36**	259.03
Telecom Materials	**37.54**	27.32
Others	**123.13**	150.28
	7589.19	7664.19
Less: Provision for shortages and obsolete material	**-**	0.01
TOTAL	**7589.19**	7664.18
Construction Stores include:		
i) Material in transit		
Towers	**3.84**	1.67
Conductors	**-**	4.42
Other Line Materials	**12.38**	13.81
Sub-Station Equipments	**158.41**	345.57
High Voltage Direct Current (HVDC) Equipments	**45.22**	-
Unified Load Despatch & Communication(ULDC) Materials	**-**	8.65
Others	**2.35**	60.17
Total	**222.20**	434.29
ii) Material with Contractors		
Towers	**1438.24**	1543.70
Conductors	**2364.56**	2113.26
Other Line Materials	**535.60**	843.08
Sub-Station Equipments	**1823.62**	1653.68
High Voltage Direct Current (HVDC) Equipments	**659.29**	708.37
Unified Load Despatch & Communication (ULDC) Materials	**387.36**	250.38
Telecom Materials	**37.54**	27.32
Others	**120.78**	90.10
Total	**7366.99**	7229.89
Grand total	**7589.19**	7664.18

Further Notes:

Materials with Contractors amounting to ₹488.14 crore (Previous Year ₹385.80 crore) 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 1st April,2017	Additions during the year	Disposal	Adjustment during the year	**As at 31st March, 2018**	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	**As at 31st March, 2018**	**As at 31st March, 2018**	As at 31st March, 2017
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 1st April,2016	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017	As at 1st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017	As at 31st March, 2017	As at 31st 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**

6. Investment Property (Contd.)

(i) Amount recognised in profit and loss for investment property

(₹ in crore)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Rental income	**0.80**	0.64
Direct operating expenses from property that generated rental income	**-**	-
Direct operating expenses from property that did not generate rental income	**-**	-
Profit from investment property before depreciation	**0.80**	0.64
Depreciation	**-**	-
Profit from investment property	**0.80**	0.64

(ii) Contractual obligations

(₹ in crore)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Contractual obligation for future repairs and maintenance- not recognised as a liability	**0.80**	0.64

(iii) Leasing arrangements

Minimum lease payments receivable under non-cancellable operating leases of investment property are as follows:-

(₹ in crore)

	31st March,2018*	31st March, 2017
Within one year	-	0.83
Later than one year but not later than 5 years	-	0.91
Later than 5 years	-	-

* Lease agreement ended with mutual consent during the year w.e.f 15th March 2018 and no new lease agreement has been entered.

(iv) Fair value

(₹ in crore)

	31st March,2018	31st March, 2017
Investment property	**2.98**	2.87

Estimation of fair value

The fair values of investment property has 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 property are included in level 2.

Note 7/Other Intangible assets

(₹ in crore)

Particulars	Cost					Accumulated Amortisation					Net Book Value	
	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
Electronic Data Processing Software	42.21	4.67	-	(0.09)	46.97	30.21	11.96	-	-	42.17	4.80	12.00
Right of Way-Afforestation Expenses	1,297.34	211.32	-	5.85	1,502.81	118.44	81.94	-	-	200.38	1,302.43	1,178.90
Telecom Licenses	2.50	2.80	2.50	-	2.80	1.37	0.13	1.37	-	0.13	2.67	1.13
Development of 1200 KV TS*	69.41	-	-	(0.16)	69.57	6.05	6.96	-	-	13.01	56.56	63.36
Total	**1,411.46**	**218.79**	**2.50**	**5.60**	**1,622.15**	**156.07**	**100.99**	**1.37**	**-**	**255.69**	**1,366.46**	**1,255.39**

*Internally generated intangible asset

(₹ in crore)

Particulars	Cost					Accumulated Amortisation					Net Book Value	
	As at 1st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017	As at 1st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
Electronic Data Processing Software	36.97	5.24	-	-	42.21	14.67	15.54	-	-	30.21	12.00	22.30
Right of Way-Afforestation Expenses	981.78	315.63	-	0.07	1,297.34	53.54	64.97	-	0.07	118.44	1,178.90	928.24
NLD Licence	-	-	-	(2.50)	2.50	-	0.12	-	(1.25)	1.37	1.13	-
Development of 1200 KV TS*	-	69.41	-	-	69.41	-	6.05	-	-	6.05	63.36	-
Total	**1,018.75**	**390.28**	**-**	**(2.43)**	**1,411.46**	**68.21**	**86.68**	**-**	**(1.18)**	**156.07**	**1,255.39**	**950.54**

*Internally generated intangible asset

Note 8 / Intangible assets under development

(₹ in crore)

Particulars	As at 1st April, 2017	Additions	Adjustments	Capitalised during the year	As at 31st March, 2018
Electronic Data Processing Software	0.07	1.77	-	1.84	-
Right of Way-Afforestation expenses	61.38	71.99	-	87.42	**45.95**
Development of 1200 KV TS	15.88	-	15.88	-	-
Total	**77.33**	**73.76**	**15.88**	**89.26**	**45.95**

(₹ in crore)

Particulars	As at 1st April, 2016	Additions	Adjustments	Capitalised during the year	As at 31st 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	**172.11**	**80.96**	**6.58**	**169.16**	**77.33**

Note 9 / Investments

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Investments in Equity Instruments (fully paid up)		
Quoted		
Investments at Fair Value through Other Comprehensive Income (OCI)		
PTC India Limited		
12000006 (Previous Year 12000006) Equity Shares of ₹10/- each	**104.88**	112.08
Unquoted		
Investments at Fair Value through Other Comprehensive Income (OCI)		
Energy Efficiency Services Limited		
22500000 (Previous Year 22500000) Equity Shares of ₹10/- each	**23.90**	29.62
Unquoted		
Investments at Cost (Fully paid up)		
i) Subsidiary Companies		
Powergrid NM Transmission Limited		
212000000 (Previous Year 134000000) Equity Shares of ₹10 each.	**212.00**	134.00
Powergrid Vemagiri Transmission Limited		
50000 (Previous Year 50000) Equity Shares of ₹10 each.	**0.05**	0.05
Less: Provision for diminution in the value of Investment	**0.05**	0.05
	-	-
Powergrid Vizag Transmission Limited		
209730000 (Previous Year 209730000) Equity Shares of ₹10 each.	**209.73**	209.73
Powergrid Unchahar Transmission Limited		
12961067 (Previous Year 12961067) Equity Shares of ₹10 each.	**12.96**	12.96
Powergrid Kala Amb Transmission Limited		
56000000 (Previous Year 1050000) Equity Shares of ₹10 each.	**56.00**	1.05
POWERGRID-Jabalpur Transmission Limited		
150000 (Previous Year 150000) Equity Shares of ₹10 each.	**0.15**	0.15

Note 9 / Investments (Contd.)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
POWERGRID Warora Transmission Limited		
176300000 (Previous Year 25100000) Equity Shares of ₹10 each.	**176.30**	25.10
POWERGRID Parli Transmission Limited		
100000 (Previous Year 100000) Equity Shares of ₹10 each.	**0.10**	0.10
POWERGRID Southern Interconnector Transmission System Limited		
50000 (Previous Year 50000) Equity Shares of ₹10 each.	**0.05**	0.05
Grid Conductor Limited		
50000 (Previous Year 50000) Equity Shares of ₹10 each. (Refer further note 4 below)	**-**	0.05
Less: Provision for diminution in the value of Investment	**-**	0.05
	-	-
Powergrid Medinipur Jeerat Transmission Limited		
10000 (Previous Year 10000) Equity Shares of ₹10 each.	**0.01**	0.01
Powergrid Mithilanchal Transmission Limited		
50000 (Previous Year NIL) Equity Shares of ₹10 each.	**0.05**	-
WR-NR Power Transmission Limited		
50000 (Previous Year NIL) Equity Shares of ₹10 each.	**0.05**	-
	667.40	383.15
ii) Joint Venture Companies		
Torrent Power Grid Limited		
23400000 (Previous Year 23400000) Equity Shares of ₹10/- each.	**23.40**	23.40
Jaypee Powergrid Limited		
78000000 (Previous Year 78000000) Equity Shares of ₹10/- each.	**78.00**	78.00
Parbati Koldam Transmission Company Limited		
70937620 (Previous Year 70937620) Equity Shares of ₹10/- each.	**70.94**	70.94
Teestavalley Power Transmission Limited		
94277820 (Previous Year 94277820) Equity Shares of ₹10/- each.	**94.28**	94.28
Powerlinks Transmission Limited		
229320000 (Previous Year 229320000) Equity Shares of ₹10/- each.	**229.32**	229.32
North East Transmission Company Limited		
106964000 (Previous Year 106964000) Equity Shares of ₹10/- each.	**106.96**	106.96
National High Power Test Laboratory Limited		
304000000 (Previous Year 304000000) Equity Shares of ₹10/- each.	**30.40**	30.40
Cross Border Power Transmission Company Limited		
12612473 (Previous Year 12612473) Equity Shares of ₹10/- each.	**12.62**	12.62
Kalinga Bidyut Prasaran Nigam Private Limited		
5000 (Previous Year 5000) Equity Shares of ₹10/- each. (Refer further note 5 below)	**0.01**	0.01
Less: Provision for diminution in the value of Investment	**0.01**	0.01
	-	-
Bihar Grid Company Limited		
156240000 (Previous Year 148500000) Equity Shares of ₹10/- each.	**156.24**	148.50
Power Transmission Company Nepal Limited		
1040000 (Previous Year 780000) Equity Shares of Nepali Rupee 100/- each. (Refer further note 6 below)	**6.50**	4.88

Note 9 / Investments (Contd.)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
RINL POWERGRID TLT Private Limited		
3400000 (Previous Year 3400000) Equity Shares of ₹10/- each.	**3.40**	3.40
	812.06	**802.70**
iii) Others		
500 (Previous Year 500) Equity Shares of ₹10/- each in Employees Co-op Society Limited Rourkela (₹ 5000/-)		
1 (Previous Year 1) share of ₹10/- each in Bharat Broadband Network Limited (₹ 10/-)		
TOTAL	**1608.24**	**1327.55**

Further notes:

(₹ in crore)

1)	a)	Aggregate amount of Quoted Investments		
		At Cost	12.00	12.00
		Market Value	104.88	112.08
	b)	Aggregate amount of Unquoted Investments	1503.36	1215.47
	c)	Aggregate amount of impairment in value of Investment	0.06	0.11

2) 229319997 Equity Shares (Previous Year 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) Investment of ₹ 0.05 crore in Grid Conductor Limited has been written off during the year as per the approval of the Board of Directors.

5) POWERGRID's Board of Directors in its meeting held on 16th August, 2017 accorded approval for initiating procedure for winding up/ removal of the name of Kalinga Bidyut Prasaran Nigam Private Ltd under fast track Exit mode of Registrar of Companies (ROC). Provision for diminution in the value of Investment of ₹ 0.01 crore had been made in the previous year.

6) Number of shares as at 31st March, 2018 does not include 130000 bonus shares declared in the Annual General Meeting held on 10th January, 2018 and allotted after 31st March, 2018.

Note 10 / Loans (considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Loans to Related Parties **		
Loans to Subsidiaries-Unsecured	**8113.13**	3486.05
Loan to Directors & Key Managerial Personnel (KMP)		
Secured	**-**	0.08
Unsecured	**0.07**	-
	8113.20	3486.13
Loans to Employees (including interest accrued)		
Secured	**111.02**	114.09
Unsecured	**28.90**	18.19
	139.92	132.28
Total	**8253.12**	3618.41

Further notes:

** Details of loans to related parties is provided in Note 59.

Note 11/Other Non-current Financial Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Lease receivables	**602.88**	635.24
Unbilled Revenue	**77.62**	15.40
Bank deposits with more than 12 months maturity #	**185.85**	158.23
Advances to related parties (Subsidiaries and Others)*		
i) Considered good	**-**	0.08
ii) Considered doubtful**	**19.39**	19.39
	19.39	19.47
Less: Provision for Doubtful advances**	**19.39**	19.39
	-	0.08
Share Application Money		
Subsidiaries Companies		
Powergrid NM Transmission Limited ##	**-**	28.00
TOTAL	**866.35**	836.95

Further notes:

Bank deposits against designated accounts for consultancy work.

*Details of advances to related parties are provided in Note 59.

**CERC vide order dated 06/04/2015 in petition no.127/2012 had directed that 80% of the acquisition price incurred by the Company for Vemagiri Transmission Company Limited (VTSL) shall be reimbursed by the Long Term Transmission Customers (LTTCs) and balance 20% along with the expenditure incurred by VTSL from the date of acquisition till the liquidation of the company shall be borne by the Company. Subsequently, on a review petition filed by the Company, CERC vide order dated 20/10/2016 held that there are sufficient reasons to review the liability of the Company to pay 20% of the acquisition price and accordingly, directed that the issue shall be decided afresh by taking a holistic view in the matter after disposal of appeals filed by the LTTCs on the issue in Appellate Tribunal of Electricity (ATE). The matter is still pending before ATE/CERC.

Equity Shares allotted on 10th April, 2017.

Note 12/Other non-current Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advances for Capital Expenditure		
Unsecured		
a. Against bank guarantees	**2633.90**	2919.03
b. Others	**36.96**	138.89
Unsecured considered doubtful	**1.67**	2.95
	2672.53	3060.87
Less: Provision for bad & doubtful Advances	**1.67**	2.95
	2670.86	3057.92
Security Deposits	**8.91**	5.13
Advances to Related Parties (Unsecured) *	**0.43**	33.19
Deferred Employee Cost	**50.59**	56.30
Deferred Foreign currency Fluctuation Asset	**2734.16**	2974.91

Note 12 / Other non-current Assets (Contd.)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advances recoverable in kind or for value to be received		
Contractors & Suppliers	**129.10**	120.71
Balance with Customs Port Trust and other authorities	**20.53**	76.18
Others**	**30.93**	22.44
	180.56	219.33
Considered doubtful	**2.90**	3.09
	183.46	222.42
Less: Provision for doubtful Advances	**2.90**	3.09
	180.56	219.33
TOTAL	**5645.51**	6346.78

Further notes:

*Details of advances to related parties are provided in Note 59.

**Others include amount recoverable from State Governments, insurance claims, prepaid expenses etc.

Note 13 / Inventories

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
(For mode of valuation refer Note 2.10)		
Components,Spares & other spare parts	**1047.03**	902.26
Loose tools	**21.58**	12.23
Consumable stores	**8.15**	9.71
	1076.76	924.20
Less Provision for Shortages/damages etc	**38.31**	17.25
TOTAL	**1038.45**	906.95
Inventories includes material in transit		
Components, Spares & other spare parts	**3.75**	19.93

Note 14 / Investments

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
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
TOTAL	**-**	2.50
Further notes:		
a) Aggregate amount of unquoted Investments		
Book value	**-**	2.50

Note 15 / Trade receivables

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Trade receivables		
Unsecured Considered good	**3574.09**	3110.10
Considered doubtful	**48.15**	32.41
	3622.24	3142.51
Receivable from related parties *		
Unsecured Considered good	**64.87**	111.00
	3687.11	3253.51
Less: Provision for doubtful trade receivables	**48.15**	32.41
TOTAL	**3638.96**	3221.10

Further notes:

*Details of trade receivables from related parties are provided in Note 59.

Note 16 / Cash and Cash Equivalents

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance with banks-		
- In Current accounts	**118.99**	612.16
- In designated Current accounts (For Consultancy clients and others)	**360.19**	752.88
In term deposits (with maturity less than 3 months)*	**1013.73**	1826.86
Drafts/Cheques in hand/Remittances in transit	**23.30**	36.51
Others (Stamps and Imprest)	**-**	0.02
Total	**1516.21**	3228.43

Further notes:

*Term deposit includes ₹ 1013.73 crore (Previous Year ₹ 1326.86 crore) for Consultancy clients and others.

Note 17 / Bank Balances other than Cash & cash equivalents

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Earmarked balance with banks*	**12.61**	11.18
In Term Deposits having maturity over 3 months but upto 12 months (For Consultancy clients and others)	**641.61**	100.98
Total	**654.22**	112.16

Further notes:

*Earmarked balance with Bank includes unpaid dividend and refund of FPO proceeds

Note 18 / Loans

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Loans to Related Parties**		
Loans to Joint Venture - Unsecured	**6.00**	-
Loan to Directors & Key Managerial Personnel (KMP)		
Secured	**-**	0.06
Unsecured Considered good	**0.04**	0.01
	6.04	0.07
Loans to Employees (including interest accrued)		
Secured	**21.63**	22.28
Unsecured Considered good	**19.21**	12.79
	40.84	35.07
TOTAL	**46.88**	35.14

Further notes:

** Details of loans to related parties is provided in Note No 59.

Note19 / Other Current Financial Assets

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Lease Receivables	**43.48**	70.94
Unbilled Revenue*	**4009.77**	2500.42
Interest accrued but not due		
Interest accrued on Investments (Bonds)	**0.42**	0.46
Interest accrued on Term/Fixed Deposits	**2.23**	0.40
Interest accrued on Others **	**4.05**	1.13
Interest accrued on Loan to Subsidiaries	**168.17**	104.84
	174.87	**106.83**
Advances to Related Parties #	**5.99**	2.46
Others (Unsecured) ##		
Considered Good	**635.81**	638.38
Considered Doubtful	**-**	0.86
Total	**635.81**	**639.24**
Less: Provision for doubtful Advances	**-**	0.86
	635.81	**638.38**
Total	**4869.92**	3319.03

Further notes:

* Unbilled revenue includes transmission charges for the month of March in the financial year amounting to ₹ 2245.81 crore (Previous Year ₹1968.66 crore) billed to beneficiaries in the month of April of subsequent financial year.

** Interest accrued on Others includes accrued interest on advance to contractors.

Details of advances to related parties are provided in Note 59.

Others include amount recoverable from Customers, Advance rent for Residential and Office accommodation, Advance to PF Trust and Gratutity Trust, Other advance etc.

Note 20 / Other current Assets

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advances recoverable in kind or for value to be received (considered good unless otherwise stated)		
Contractors & Suppliers	**91.85**	127.79
Employees	**6.20**	6.78
Balance with Customs Port Trust and other authorities	**221.19**	49.81
Claims recoverable	**0.54**	1.12
	319.78	185.50
Advances to related parties #		
Subsidiaries and JVs	**153.52**	4.06
Others*		
Considered Good	**62.26**	35.18
Considered Doubtful	**0.03**	0.03
	62.29	35.21
Less:Provision for Doubtful Advances	**0.03**	0.03
	62.26	35.18
Total	**535.56**	**224.74**

Further notes:

Details of advances to related parties are provided in Note 59.

*Others include advance given for CSR activities and prepaid expenses.

Note 21 / Regulatory Deferral Account Balances

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Assets		
For Foreign Currency Fluctuation	**200.34**	4.42
For Employee Benefits Expense	**114.49**	103.18
Total	**314.83**	**107.60**

Further Note:

Refer to note no 54 for detailed disclosure on Regulatory Deferral Account Balances.

Note 22 / Equity Share capital

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Equity Share Capital		
Authorised		
10,00,00,00,000 (Previous Year 10,00,00,00,000) equity shares of ₹10/- each at par	**10000.00**	10000.00
Issued, subscribed and paid up		
5,23,15,89,648 (Previous Year 5,23,15,89,648) equity shares of ₹10/-each at par fully paid up	**5231.59**	5231.59

Note 22 / Equity Share capital (Contd.)

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 31st March, 2018		For the year ended 31st March, 2017	
	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 31st March, 2018		As at 31st March, 2017	
	No.of Shares	% of holding	No.of Shares	% of holding
Government of India	**2977314759**	**56.91**	3028835198	57.90

Note 23 / Other Equity

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Reserves and Surplus		
Securities Premium Account	**9578.29**	9578.29
Bonds Redemption Reserve	**9158.59**	8095.09
Self Insurance Reserve	**735.03**	676.64
Corporate Social Responsibility (CSR) Activity Reserve	**123.33**	123.38
General Reserve	**26911.55**	23243.64
Retained Earnings	**2585.74**	2754.86
Other Reserves		
Other Comprehensive Income Reserve	**90.84**	103.76
Total	**49183.37**	**44575.66**

23.1 Securities Premium Account

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	**9578.29**	9578.29
Balance at the end of the year	**9578.29**	9578.29

23.2 Bonds Redemption Reserve

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	**8095.09**	6892.42
Addition during the year	**2075.83**	2004.95
Deduction during the year	**1012.33**	802.28
Balance at the end of the year	**9158.59**	8095.09

Bonds Redemption Reserve is created for the purpose of redemption of debentures in term of the Companies Act, 2013.

Note 23/Other Equity (Contd.)

23.3 Self Insurance Reserve

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	**676.64**	484.32
Addition during the year	**226.25**	193.17
Deduction during the year	**167.86**	0.85
Balance at the end of the year	**735.03**	**676.64**

Self-Insurance Reserve is created @ 0.12% p.a. (0.12% p.a. in previous year) on the Gross Block 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 and for procurement of towers and other transmission line materials including strengthening of towers and equipments of AC sub-station to take care of future contingencies.

23.4 Corporate Social Responsibility (CSR) Activity Reserve

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	**123.38**	135.53
Addition during the year	**-**	-
Deduction during the year	**0.05**	12.15
Balance at the end of the year	**123.33**	**123.38**

Corporate Social Responsibility Reserve is 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.

23.5 General Reserve

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	**23243.64**	21226.72
Addition during the year	**3667.91**	2000.00
Add/(Less): Adjustments	**-**	16.92
Balance at the end of the year	**26911.55**	**23243.64**

General Reserve is retained earnings of the company which are kept aside out of company's profits. It is a free reserve which can be utilized to meet any unknown future contingencies and to pay dividends to shareholders.

23.6 Retained Earnings

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	**2754.86**	197.56
Add: Additions		
Net Profit for the period	**8238.96**	7520.15
Items of other comprehensive income recognised directly in surplus balance		
- Remeasurements of post employment benefit obligations	**26.64**	10.87
Transfer from Bond Redemption Reserve	**1012.33**	802.28
Less: Appropriations		
General Reserve	**3500.00**	2,000.00
Bonds Redemption Reserve	**2075.83**	2,004.95
Self Insurance Reserve	**226.25**	193.17
Interim dividend paid	**1281.74**	523.15
Tax on Interim dividend	**255.20**	105.40
Final Dividend (refer note 63(b))	**1752.59**	789.97
Tax on Final Dividend	**355.44**	159.36
Balance at the end of the year	**2585.74**	**2754.86**

Note 23/Other Equity (Contd.)

23.7 Other Comprehensive Income Reserve

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	**103.76**	64.80
Addition during the year	**(12.92)**	38.96
Balance at the end of the year	**90.84**	**103.76**

Note 24/ Borrowings

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
A) BONDS		
A1) Secured (Taxable, Redeemable, Non-Cumulative, Non-Convertible)		
A1.1) i) Bonds of ₹ 10 Lakhs each		
LV Issue-7.55% Redeemable at par on 21.09.2031	**1238.91**	1238.62
LX Issue-7.20% Redeemable at par on 09.08.2027	**3059.76**	-
LIX Issue-7.30% Redeemable at par on 19.06.2027	**3069.76**	-
XXXIX Issue- 9.40% redeemable at par on 29.03.2027	**1799.86**	1799.36
LVIII Issue- 7.89% redeemable at par on 09.03.2027	**2059.41**	2058.95
XXXVIII Issue- 9.25% redeemable at par on 09.03.2027	**854.72**	854.48
LVI Issue- 7.36% redeemable at par on 18.10.2026	**1064.08**	1063.83
XLII Issue-8.80% redeemable at par on 13.03.2023	**1989.49**	1,989.07
LVII Issue- 7.20% redeemable at par on 21.12.2021	**2118.75**	2118.27
ii) Bonds of ₹ 30 Lakhs each consisting of 3 STRPPs of ₹ 10 Lakhs each redeemable at par in 3 (Three) equal installments on 15.07.2021, 15.07.2026 and 15.07.2031		
LIV Issue-7.97% Redeemable w.e.f 15.07.2021	**2997.89**	2,997.11
iii) Bonds of ₹ 30 Lakhs each consisting of 3 STRPPs of ₹ 10 Lakhs each redeemable at par in 3(Three) equal installments on 23.12.2020, 23.12.2025 and 23.12.2030		
LII Issue-8.32% redeemable w.e.f. 23.12.2020	**1396.94**	1396.75
iv) Bonds of ₹ 1.20 crore each consisting of 12 STRPPs of ₹ 10 Lakhs each redeemable at par in 12(twelve) equal installments		
LIII Issue-8.13% Redeemable w.e.f 25.04.2020	**3995.46**	3993.89
v) Bonds of ₹ 30 Lakhs each consisting of 3 STRPPs of ₹ 10 Lakhs each redeemable at par in 3 (Three) equal installments on 09.03.2020, 09.03.2025 and 09.03.2030		
XLIX Issue-8.15% redeemable w.e.f. 09.03.2020	**1304.60**	1304.38
vi) Bonds of ₹40 Lakhs each consisting of 4 STRPPs of ₹ 10 Lakhs each redeemable at par in 4(Four) equal installments on 23.01.2020, 23.01.2022, 23.01.2025 and 23.01.2030		
XLVIII Issue-8.20% redeemable w.e.f. 23.01.2020	**2578.64**	2578.29
vii) Bonds of ₹ 1.20 crore each consisting of 12 STRPPs of ₹ 10 Lakhs each redeemable at par in 12(Twelve) equal installments		
LI Issue-8.40% redeemable w.e.f. 14.09.2019	**2997.62**	2996.74

Note 24/ Borrowings (Contd.)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
viii) Bonds of ₹ 30 Lakhs each consisting of 3 STRPPs of ₹ 10 Lakhs each redeemable at par in 3 (Three) equal installments on 04.09.2019, 04.09.2024 and 04.09.2029		
XLVI Issue-9.30% redeemable w.e.f. 04.09.2019	**4357.52**	4357.74
ix) Bonds of ₹ 1.20 crore each consisting of 12 STRPPs of ₹ 10 Lakhs each redeemable at par in 12(Twelve) equal installments		
L Issue-8.40% redeemable w.e.f. 27.05.2019	**2926.70**	2926.13
x) Bonds of ₹ 1.20 crore each consisting of 12 STRPPs of ₹10 Lakhs each redeemable at par in 12(Twelve) equal installments		
XLVII Issue-8.93% redeemable w.e.f 20.10.2018	**2417.64**	2636.90
xi) Bonds of ₹ 30 Lakhs each redeemable at par in 3 equal instalments on 15.07.2018, 15.07.2023 and 15.07.2028		
XLIV Issue-8.70% redeemable w.e.f. 15.07.2018	**2640.88**	3962.03
xii) Bonds of ₹ 1.2 crore each consisting of 12 STRPPs of ₹ 10 lakhs each redeemable at par in 12 (Twelve) equal annual instalments		
XLV Issue-9.65% redeemable w.e.f. 28.02.2018	**1665.55**	1831.36
XLIII Issue-7.93% redeemable w.e.f. 20.05.2017	**2603.84**	2863.58
xiii) Bonds of ₹ 1.2 crore each consisting of 12 STRPPs of ₹ 10.00 Lakhs each redeemable at par in 12 (Twelve) equal annual instalments.		
XLI Issue-8.85% redeemable w.e.f. 19.10.2016	**2129.59**	2365.63
xiv) Bonds of ₹ 1.50 crore 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	**2469.27**	2674.67
xv) Bonds of ₹ 1.2 crore each consisting of 12 STRPPs of ₹ 10.00 Lakhs each redeemable at par in 12 (Twelve) equal annual instalments.		
XL Issue-9.30% redeemable w.e.f. 28.06.2016	**2995.53**	3327.43
XXXVII Issue- 9.25% redeemable w.e.f 26.12.2015	**1328.77**	1494.70
xvi) Bonds of ₹ 1.5 crore 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	**1304.05**	1466.80
XXXIV Issue- 8.84% redeemable w.e.f 21.10.2014	**2032.19**	2322.11
XXXIII Issue- 8.64% redeemable w.e.f 08.07.2014	**1678.61**	1918.04
XXXII Issue- 8.84% redeemable w.e.f 29.03.2014	**517.45**	603.56
XXXI Issue- 8.90% redeemable w.e.f 25.02.2014	**1023.33**	1193.66
XXX Issue- 8.80% redeemable w.e.f 29.09.2013	**1164.96**	1358.84
XXIX Issue- 9.20% redeemable w.e.f 12.03.2013	**540.47**	648.39
XXVIII Issue- 9.33% redeemable w.e.f 15.12.2012	**998.95**	1198.48
XXVII Issue- 9.47% redeemable w.e.f 31.03.2012	**234.92**	293.65
XXVI Issue- 9.30% redeemable w.e.f 07.03.2012	**332.88**	415.99
XXV Issue- 10.10% redeemable w.e.f 12.06.2011	**354.65**	443.23
XXIV Issue- 9.95% redeemable w.e.f 26.03.2011	**199.85**	266.41
XXIII Issue- 9.25% redeemable w.e.f 09.02.2011	**76.82**	102.41
XXII Issue- 8.68% redeemable w.e.f 07.12.2010	**172.32**	229.73
XXI Issue- 8.73% redeemable w.e.f 11.10.2010	**127.34**	169.77
XX Issue- 8.93% redeemable w.e.f 07.09.2010	**374.53**	499.29

Note 24/ Borrowings (Contd.)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
XIX Issue- 9.25% redeemable w.e.f 24.07.2010	**123.60**	164.77
XVIII Issue- 8.15% redeemable w.e.f 09.03.2010	**166.45**	249.63
xvii) Bonds of ₹ 1.00 crore 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
xviii) Bonds of ₹ 1.5 crore each consisting of 12 STRPPs of ₹ 12.50 Lakhs each redeemable at par in 12 (Twelve) equal annual instalments.		
XV Issue-6.68% redeemable w.e.f. 23.02.2008	**-**	74.95
	69484.55	68549.46
A2) Unsecured		
A2.1 Redeemable Domestic Bonds		
Bonds of ₹ 50 Lakhs each consisting of 05 STRPPs of ₹ 10.00 Lakhs each redeemable at par in 05 (Five) equal annual instalments.		
LXI Issue-7.74% redeemable w.e.f. 12.12.2028	**2999.75**	-
A2.2 Redeemable Foreign Currency Bonds	**3253.88**	3262.79
3.875% Foreign Currency Bonds to be redeemed at par on 17.01.2023		
	6253.63	3262.79
Total (A)	**75738.18**	71812.25
B) Term loans		
from Banks		
Secured		
Foreign Currency Loans (Guaranted by Government of India (GOI))	**21294.39**	20213.43
Other Foreign Currency Loans	**2548.77**	2672.65
Rupee Loans	**13638.00**	12752.00
	37481.16	35638.08
Unsecured		
Foreign Currency Loans (Guaranted by GOI)	**3738.32**	1445.26
Other Foreign Currency Loans	**2022.66**	1917.58
Rupee Loans	**3440.00**	150.00
	9200.98	3512.84
Total (B)	**46682.14**	39150.92
TOTAL (A TO B)	**122420.32**	110963.17

Further notes:

Details of terms of repayment and rate of interest

1 Secured Foreign Currency Loans (Guranteed 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 except for one loan of ₹ 199.69 crore (Previous year Nil) which carries fixed rate of interest of 0.25% p.a.

2 Secured other Foreign Currency Loans carry floating rate of interest linked to 6M LIBOR / EURIBOR / STIBOR. These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period of 3 to 5 years.

Note 24/ Borrowings (Contd.)

3 Secured Rupee loans from banks carry floating rate of interest linked to 3M MCLR. These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period of 5 years.

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 installments as per terms of the respective loan agreements.

5 Unsecured Foreign Currency Loans carry floating rate of interest linked to 6M STIBOR/EURIBOR. These loans are repayable in semi annual installments as per terms of the respective loan agreements, commencing after moratorium period as per terms of the respective loan agreements.

6 Unsecured Rupee loans from banks carry floating rate of interest linked to 3 months MCLR & 6 months MCLR. These loans are repayable in semi annual installments, commencing after moratorium period as per terms of the respective loan agreements.

7 There has been no default in repayment of loans or payment of interest thereon as at the end of the year.

Details of Securities

1 Domestic Bonds 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 Secured Foreign Currency Loans (Guranteed by GoI) are secured by pari passu interest in the lien created on the assets as security for the debts.

3 Secured Other Foreign Currency Loans and Rupee Loans are secured by the way of

(i) 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 or ;

(ii) pari passu charge on the assets of the company except investments and current assets or ;

(iii) floating charge on the immovable properties of the company

as per the terms of respective loan agreements.

Note 25/Other Non-current financial liabilities

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Deposits/Retention money from contractors and others.	**456.95**	189.67
Dues for Capital Expenditure	**2.65**	162.57
Total	**459.60**	352.24

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 51.

Note 26/ Provisions

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Employee Benefits		
As per last balance sheet	**789.56**	650.45
Additions/(adjustments) during the year	**(72.69)**	139.11
Closing Balance	**716.87**	789.56

Further Notes:
Provision is created for the purpose of leave encashment, Settlement Allowance, Long Service Award and other benefits. Detailed disclosure related to Employee Benefit Obligations is given in Note No 67.

Note 27/ Deferred tax liabilities (Net)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
A. Deferred Tax Liability		
Difference in book depreciation and tax depreciation	**14209.42**	11214.62
Finance lease assets	**88.37**	90.83
Others	**48.27**	66.30
Deferred Tax Liability (A)	**14346.06**	11371.75
B. Deferred Tax Assets		
Income during Construction Period	**16.76**	18.69
Self Insurance Reserve	**8.11**	11.26
Provisions allowable on payment basis	**215.92**	236.77
Advance Against Depreciation	**525.59**	562.31
Others	**20.79**	123.98
Deferred Tax Assets (B)	**787.17**	953.01
Deferred Tax Liability (Net) (A-B)	**13558.89**	10418.74
Less: Deferred assets for deferred tax liability	**10989.39**	7868.20
Net Deferred Tax Liability	**2569.50**	2550.54

Movement in Deferred Tax Liabilities

(₹ in crore)

Particulars	Difference in book depreciation and tax depreciation	Finance Leased Assets	Others	Total
At 1st April, 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**
Charged/(credited)				
- to profit or loss	2994.80	(2.46)	(18.03)	2974.31
At 31st March, 2018	**14209.42**	**88.37**	**48.27**	**14346.06**

a) Charge of ₹ 18.96 crore (Previous year ₹ 61.16 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, 2018 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.

c) Matter regarding presentation of 'Deferred Assets against Deferred Tax Liability' in Balance Sheet and Statement of Profit and loss has been referred to Expert Advisory Committee (EAC) of Institute of Chartered Accountant of India, opinion of which is still awaited.

Note 27/ Deferred tax liabilities (Net) (Contd.)

Movement in Deferred Tax Assets

(₹ in crore)

Particulars	Income during construction period	Self-insurance reserve	Provisions allowable on payment basis	Advance against depreciation	Others	Total
At 1st April, 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**
Charged/(credited)						
- to profit or loss	(1.93)	(3.15)	(20.85)	(36.72)	(103.19)	(165.84)
At 31st March, 2018	**16.76**	**8.11**	**215.92**	**525.59**	**20.79**	**787.17**

Amount taken to Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Increase in Deferred Tax Liabilities	**2974.31**	2649.14
Decrease in Deferred Tax Assets	**165.84**	31.09
Total	**3140.15**	2680.23
Less: Deferred Assets for deferred tax liability	**3121.19**	2619.07
Net Amount taken to Statement of Profit and Loss	**18.96**	61.16

Note 28/Other non-current liabilities

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advance from customers (Consultancy/Telecom services)	**328.84**	448.16
Others*	**128.32**	127.04
Total	**457.16**	575.20

Further Notes:
*Others includes amount payable to Customers upon recovery.

Note 29/Borrowings

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Short Term - Unsecured		
From Others		
Commercial Paper	**1000.00**	1500.00
Total	**1000.00**	1500.00

Note 30 / Trade payables

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
For goods and services	**240.34**	413.98
Total	**240.34**	413.98

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 51.

Note 31 / Other Current Financial Liabilities

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current maturities of long term borrowings		
Secured		
Bonds	**5211.89**	3812.37
Rupee Term Loans	**454.00**	454.00
Foreign Currency Loans	**1849.71**	1715.36
	7515.60	5981.73
Un-secured		
Foreign Currency Loans	**277.04**	253.01
	7792.64	6234.74
Interest accrued but not due on borrowings from		
Foreign Banks & Financial Institutions	**144.90**	100.99
Secured/Unsecured redeemable Bonds	**3302.76**	3069.84
	3447.66	3170.83
Others		
Dues for capital expenditure	**4065.11**	3546.60
Employee related liabilities	**170.31**	135.88
Unclaimed dividends & FPO*	**12.61**	11.18
Deposits/Retention money from contractors and others	**4761.13**	5449.79
Related parties**	**52.05**	40.31
Others #	**1204.10**	735.28
	10265.31	9919.04
Total	**21505.61**	19324.61

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 51.

* No amount is due for payment to Investor Education and Protection Fund.

**Details of amount payable to related parties are provided in Note 59.

#Others include liability for Long Term Access (LTA), Short Term Open Access (STOA), dead cheques, Price variation etc.

Note 32 / Other current liabilities

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advances from customers	**2569.87**	2495.82
Statutory dues	**117.46**	70.18
Total	**2687.33**	2566.00

Note 33 / Provisions

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
A) Employee Benefits		
i) Performance related pay /special incentive		
As per last balance sheet	**109.83**	182.52
Addition during the year	**163.46**	168.04
Amount paid/adjusted during the year	**109.96**	240.73
Closing Balance	**163.33**	109.83
ii) Wage revision		
As per last balance sheet	**265.43**	-
Additions during the year	**459.93**	265.43
Closing Balance	**725.36**	265.43
iii) Other Employee Benefits		
(Leave Encashment, Settlement Allowance and Long Service Award etc.)		
As per last balance sheet	**73.86**	46.56
Additions/(adjustments) during the year	**(7.34)**	27.30
Closing Balance	**66.52**	73.86
Total (A)	**955.21**	449.12
B) Others		
i) Downtime Service Credit-Telecom		
As per last balance sheet	**14.85**	10.09
Additions during the year	**8.26**	9.11
Amounts adjusted during the year	**4.91**	4.35
Closing Balance	**18.20**	14.85
ii) Provision Others		
As per last balance sheet	**73.24**	58.76
Additions/(adjustments) during the year	**12.93**	14.48
Closing Balance	**86.17**	73.24
Total (B)	**104.37**	88.09
Total (A+B)	**1059.58**	537.21

Further notes:

Employee Benefits

Performance Related Pay/Special Incentive

Provision is created for Performance Related Pay to Executives and Non-Executives

Note 33 / Provisions (Contd.)

Wage Revision

Pay revision of employees of the Company is due w.e.f 1st January, 2017. Provision has been made in line with circular of Department of Public Enterprises, Government of India 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 pending approval of Board of Directors for implementation of pay revision in terms of presidential directives dated 10th May 2018.

Other Employee Benefits

Provision is created for the purpose of meeting out leave encashment, settlement allowance, long service award and POWERGRID Employee Family Rehabilitation Scheme.

Others

Downtime 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 34 / Current Tax Liabilities (Net)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Taxation (Including interest on tax)		
As per last balance sheet	**4846.07**	4132.97
Additions during the year	**2218.93**	1988.45
Amount adjusted during the year	**1283.35**	1275.35
Total	**5781.65**	4846.07
Net off against Advance tax and TDS	**5374.58**	4428.74
Closing Balance	**407.07**	417.33

Note 35 / Deferred Revenue

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advance against depreciation	**1504.09**	1624.81
Grants in aid (Refer Further Notes)		
As per last Balance Sheet	**150.30**	109.17
Received during the year	**421.39**	63.02
Adjustments during the year	**12.13**	21.89
Closing balance	**559.56**	150.30
Deferred income from foreign currency fluctuation (Net)	**2903.76**	3107.26
TOTAL	**4967.41**	4882.37

Further Notes:

1. Grant in Aid of ₹ 141.27 crore (Previous Year NIL) was received from Power System Development Fund (PSDF) for installation of STATCOM in ER (ERSS-XI) and SR (System Strengthening in SR-XXI).
2. Grant in Aid of ₹ 115.99 crore (Previous Year 63.02 crore) was received from Power System Development Fund (PSDF) for Unified Real Time Dynamic State Measurement (URTDSM).
3. Grant in Aid of ₹ 164.13 crore (Previous Year NIL) was received from Ministry of Natural Resources & Environment (MNRE) for establishment of transmission system associated with Ultra Mega Solar Parks in Andhra Pradesh, Karnataka, Madhya Pradesh, Rajasthan and Gujarat.

Note 36 / Revenue from operations

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Sales of services		
Transmission Business		
Transmission Charges	**28326.44**	24265.81
Add: Revenue recognised out of Advance Against Depreciation	**120.72**	145.85
	28447.16	24411.66
Other Operating Revenue	**36.53**	218.62
	28483.69	24630.28
Telecom Business	**606.59**	497.36
Consultancy Project Management and Supervision	**662.18**	582.43
Total	**29752.46**	25710.07

Further 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.

b) The company has recognised transmission income during the year as per the following:-

i) ₹ 24212.99 crore (previous year ₹ 22065.90 crore) as per final tariff orders issued by CERC.

ii) ₹ 4234.17 crore (previous year ₹ 2345.76 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) Consequent to the final order issued by CERC, transmission income includes ₹ 79.33 crore (decrease) (Previous Year ₹ 125.08 crore (increase) pertaining to earlier years.

d) Other operating income includes interest on differential between provisional and final tariff and income from finance lease.

Note37 / Other income

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest income from financial assets at amortised cost		
Interest on Govt. securities	**0.07**	0.79
Indian Banks	**110.72**	121.94
Interest on loan to subsidiaries/JVs	**438.74**	175.50
Others*	**14.62**	16.14
	564.15	314.37
Interest from advances to contractors	**54.36**	60.38
	618.51	374.75
Dividend income from investment in		
Subsidiaries	**22.92**	3.56
Joint Ventures	**65.55**	55.66
Equity investments designated at fair value through other comprehensive income	**5.58**	3.51
	94.05	62.73
Others		
Profit on sale of Property, Plant and Equipment	**0.45**	0.03
Profit on sale of Investment	**-**	50.57

Note37/Other income (Contd.)

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Transfer from Grants-in-aid	**12.13**	21.89
Finance Income from finance lease	**73.64**	75.99
Surcharge	**155.61**	188.50
FERV gain	**0.32**	27.34
Provisions written back	**8.36**	5.69
Fair Value gain on initial recognition of Financial liability/investment	**50.56**	48.22
Miscellaneous income	**105.89**	128.12
	406.96	546.35
	1119.52	983.83
Less: Transferred to expenditure during construction(Net)-Note 44	**105.66**	117.20
TOTAL	**1013.86**	866.63

Further Notes:

* Others include interest on employee loans & unwinding of finance cost on employee loans.

Note 38/Employee benefits expense

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salaries, wages, allowances & benefits	**1844.95**	1393.10
Contribution to provident and other funds	**112.24**	357.03
Staff Welfare expenses (Including Deferred Employee cost)	**193.10**	161.47
	2150.29	1911.60
Less: Transferred to Expenditure during Construction(Net)-Note 44	**544.40**	534.47
Total	**1605.89**	1377.13

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 31st March, 2018	For the year ended 31st March, 2017
Salaries and Allowances	**2.38**	2.05
Contribution to Provident Fund and other Funds, Gratuity and Group Insurance	**0.17**	0.30
Other benefits	**0.94**	1.26

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 benefit expense (net of amount transferred to Expenditure during construction) includes ₹ 348.52 crore (Previous Year ₹ 204.51 crore) towards Pay Revision of employees of the Company due w.e.f 1st January,2017.

c) Pending approval of Ministry of Power and Department of Public Enterprises, special allowance upto 10% of basic pay amounting to ₹ 12.88 crore for the Financial Year 2017-18 (₹ 12.34 crore for F.Y. 2016-17) (Cumulative amounting to ₹ 139.23 crore upto 31st March, 2018) 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 39 / Finance costs

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest and finance charges on financial liabilities at amortised cost		
Indian Banks & Financial Institutions	**1367.58**	1311.61
Foreign Banks and Financial Institutions	**558.71**	397.31
Secured/Unsecured redeemable Bonds	**6534.22**	5901.59
Foreign Currency Bonds	**134.89**	121.62
Unwinding of discount on financial liabilities	**51.25**	59.89
Interest - Others	**15.45**	75.80
	8662.10	7867.82
Other Finance charges		
Commitment charges	**10.13**	9.56
Guarantee Fee	**296.95**	263.30
Others*	**62.03**	34.29
	369.11	307.15
Exchange differences regarded as adjustment to Borrowing Cost	**205.10**	(46.23)
	574.21	260.92
Total	**9236.31**	8128.74
Less: Transferred to Expenditure during Construction(Net)-Note 44	**1645.65**	1824.91
Total	**7590.66**	6303.83

Further Notes:

*Others includes agency fees, trustee fees, front-end fees etc

Note 40 / Depreciation and amortization expense

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Depreciation of Property, Plant and Equipment	**9206.66**	7745.42
Amortization of Intangible assets	**100.99**	86.68
	9307.65	7832.10
Less: Transferred to Expenditure During Construction(Net)-Note 44	**12.76**	16.17
	9294.89	7815.93
Less:Depreciation amortised due to FERV adjustment	**203.64**	153.13
Charged to Statement of Profit & Loss	**9091.25**	7662.80

Note 41 / Other expenses

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Repair & Maintenance		
Buildings	**64.66**	54.97
Plant & Machinery		
Sub-Stations	**333.00**	270.54
Transmission lines	**147.10**	173.55
Telecom equipments	**37.25**	42.60
Others	**38.64**	28.98
	555.99	515.67
System and Market Operation Charges	**8.22**	9.22
Power charges	**242.21**	225.86
Less: Recovery from contractors	**1.13**	2.11
	241.08	223.75
Expenses of Diesel Generating sets	**5.04**	4.54
Stores consumed	**8.67**	3.92
Water charges	**2.70**	4.12
Right of Way charges-Telecom	**7.57**	5.20
Patrolling Expenses-Telecom	**2.95**	2.62
Last Mile connectivity-Telecom	**9.83**	9.51
Training & Recruitment Expenses	**30.82**	28.95
Less:Fees for training and application	**2.00**	1.46
	28.82	27.49
Legal expenses	**19.40**	18.83
Professional charges	**22.62**	15.70
Consultancy expenses	**1.96**	1.39
Communication expenses	**16.03**	21.58
Inland Travelling Expenses	**104.49**	98.92
Foreign travel	**11.11**	8.30
	115.60	107.22
Tender expenses	**12.09**	28.49
Less: Sale of tenders	**1.89**	3.15
	10.20	25.34
Payments to Statutory Auditors		
Audit Fees	**1.07**	0.90
Tax Audit Fees	**0.26**	0.26
In Other Capacity	**1.21**	1.02
Arrears	**0.36**	0.66
Out of pocket Expenses	**0.99**	1.05
	3.89	3.89
Advertisement and publicity	**14.01**	15.15

Note 41/Other expenses (Contd.)

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Printing and stationery	**5.70**	7.36
Books Periodicals and Journals	**1.48**	1.27
EDP hire and other charges	**10.70**	10.80
Entertainment expenses	**3.17**	2.06
Brokerage & Commission	**1.08**	0.64
Research & Development expenses	**1.33**	2.63
Cost Audit and Physical verification Fees	**1.26**	1.15
Rent	**14.60**	12.42
CERC petition & Other charges	**62.31**	58.41
Miscellaneous expenses	**94.05**	75.70
Horticulture Expenses	**27.11**	16.96
Security Expenses	**243.42**	140.06
Hiring of Vehicle	**143.00**	109.89
Insurance	**79.31**	88.50
Rates and taxes	**34.63**	4.92
License Fees to DOT	**60.38**	44.20
Bandwidth charges dark fibre lease charges (Telecom)	**30.70**	23.66
Corporate Social Responsibility (CSR) & Sustainable development	**151.19**	142.59
Transit Accomodation Expenses	**22.28**	14.57
Less : Income from Transit Accomodation	**1.36**	1.10
	20.92	13.47
Foreign Exchange Rate Variation	**162.08**	-
Provisions	**31.67**	4.26
	2319.33	1831.06
Less:Transferred to Expenditure during Construction (Net) -Note 44	**121.18**	101.78
	2198.15	1729.28
Loss on Disposal/Write off of Property, Plant & Equipment	**10.75**	3.83
Total	**2208.90**	1733.11

Note 42/Net Movement in Regulatory Deferral Account Balances-Incomes/(expenses)

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
For Foreign Currency Fluctuation	**195.92**	(33.25)
For Employee Benefits Expense	**11.31**	103.18
TOTAL	**207.23**	69.93

Refer to note no 54 for detailed disclosure on Regulatory Deferral Account Balances.

Note 43/Other Comprehensive Income

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Items that will not be reclassified to Profit or Loss		
Gain/(Loss) on valuation of Investment in Equity	**(12.92)**	38.96
Provisions for actuarial valuation	**37.58**	15.28
	24.66	54.24
Less: Transferred to Expenditure during Construction (Net) -Note 44	**10.94**	4.41
TOTAL	**13.72**	49.83

Note 44/ Expenditure during Construction (Net)

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. Employees Remuneration & Benefits		
Salaries wages allowances and benefits	**486.71**	409.73
Contribution to provident and other funds	**29.97**	105.14
Welfare expenses	**27.72**	19.60
Total (A)	**544.40**	534.47
B. Other Expenses		
Repair and maintenance	**5.60**	3.38
Power charges	**2.47**	10.06
Less: Recovery from contractors	**0.74**	1.72
	1.73	8.34
Expenses on Diesel Generating sets	**0.45**	0.37
Training & Recruitment Expenses	**0.98**	1.43
Legal expenses	**1.33**	0.78
Professional charges	**5.40**	4.08
Consultancy expenses	**0.15**	0.04
Communication expenses	**2.13**	2.32
Travelling & Conv. exp. (Including Foreign Travel)	**27.03**	26.01
Tender expenses	**10.30**	5.41
Less: Sale of tenders	**1.64**	2.88
	8.66	2.53
Payment to Auditors	**0.04**	0.01
Advertisement and Publicity	**0.97**	1.09
Printing and stationery	**0.69**	0.63
Books, Periodicals and Journals	**0.01**	0.02
EDP hire and other charges	**0.22**	0.27
Entertainment expenses	**0.40**	0.25
Brokerage and commission	**0.03**	0.06
Rent	**3.27**	3.69
Miscellaneous expenses	**11.72**	10.30
Horticulture Expenses	**0.64**	0.90
Security Expenses	**19.28**	14.55

Note 44/ Expenditure during Construction (Net) (Contd.)

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Hiring of Vehicles	**23.54**	19.29
Insurance	**0.03**	0.03
Rates and taxes	**5.82**	0.13
Bandwidth charges, dark fibre lease charges (Telecom)	**0.13**	0.24
Transit Accomodation Expenses	**0.93**	1.05
Less : Income from Transit Accomodation	**-**	0.01
	0.93	1.04
Total (B)	**121.18**	101.78
C. Depreciation/Amortisation	**12.76**	16.17
Total (C)	**12.76**	16.17
D. Finance Costs		
a) Interest and finance charges on financial liabilities at amortised cost		
Government of India		
Indian Banks and Financial Institutions	**301.29**	455.19
Foreign Banks and Financial Institutions	**131.59**	100.14
Secured/Unsecured Redeemable Bonds	**882.92**	1156.92
Foreign Currency Bonds	**5.17**	26.36
Others	**44.83**	62.78
	1365.80	1801.39
b) Other finance charges		
Commitment charges	**8.33**	9.44
Guarantee fee	**71.61**	43.63
Others	**26.91**	12.97
	106.85	66.04
c) FERV adjustment to borrowing cost	**173.00**	(42.52)
Total (D)	**1645.65**	1824.91
E. Less: Other Income		
Interest from		
Indian banks	**11.82**	31.69
Contractors	**48.87**	56.87
	60.69	88.56
Miscellaneous income	**44.97**	28.64
Total (E)	**105.66**	117.20
F. Less: Other Comprehensive Income		
Other Comprehensive Income	**10.94**	4.41
Total (F)	**10.94**	4.41
GRAND TOTAL (A+B+C+D-E-F)	**2207.39**	2355.72

45. 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, 2018 is ₹ 12.12 crore (Previous Year ₹ 12.12 crore). The company continued to show the balance of ₹ 197.87 crore as at 31st March, 2018 (Previous Year ₹ 197.87 crore) in the capital cost of the respective assets / projects pending receipt of the same from Customs and Excise Authorities.

46. 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.

47. 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 31st March, 2018	For the year ended 31st March, 2017
i)	The amount of revenue recognised on cost plus consultancy contract works	**474.08**	494.82
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 -2.19**	Accounting Policy -2.19
iii)	Cumulative amount of costs incurred on construction contracts	**20072.26**	18426.50
iv)	Cumulative amount of advance received from customers as at the year end	**22554.85**	20715.04
v)	Amount of retention money with customers as at the year end	**17.54**	16.01
vi)	Gross amount due from customers for contract works as an asset as at the year end	**125.90**	162.29
vii)	Gross amount due to customers for contract works as a liability as at the year end	**2818.74**	2274.79

48. 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.

49. (i) FERV Loss of ₹ 146.36 crore (Previous Year Gain of ₹ 810.37 crore) has been adjusted in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP)/Lease Receivables.

(ii) FERV Loss of ₹ 161.76 crore (Previous Year Gain of ₹ 31.05 crore) has been recognised in the Statement of Profit and Loss.

50. Borrowing cost capitalised during the year is ₹ 1645.65 crore (Previous Year ₹ 1824.91 crore) in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.

51. 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		31st March, 2018	31st March, 2017
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:		
	Principal	**15.21**	0.50
	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

52. 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 and Bilateral Line Assets. 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	31st March, 2018	31st March, 2017
	Gross value of assets acquired and leased at the beginning of the year	**1581.71**	1493.26
Add	Adjustment for gross value of assets acquired prior to the beginning of the year	**(23.84)**	1.26
	Revised Gross value of the assets at the beginning of the year	**1557.87**	1494.52
Less	Capital recovery provided up to the beginning of the year	**970.59**	869.44
Add	Capital recovery for assets acquired prior to the beginning of the year	**19.50**	1.51
	Revised Capital recovery provided up to the beginning of the year	**990.09**	870.95
	Capital recovery outstanding as on 31st March of last financial year	**567.78**	623.57
Add	Gross value of assets acquired and leased during current financial year	**69.32**	87.19
Less	Capital recovery for the current year	**60.08**	99.64
	Lease receivables at end of the year	**577.02**	611.12

52. 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	31st March, 2018	31st March, 2017
Gross investment in Lease	**1742.24**	1982.50
Un-earned Finance Income	**1165.22**	1371.38
Present value of Minimum Lease Payment (MLP)	**577.02**	611.12

(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 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Not later than one year	**130.31**	143.99	**46.45**	70.94
Later than one year and not later than five years	**492.86**	468.22	**170.38**	177.27
Later than five years	**1119.07**	1370.29	**360.19**	362.91
Total	**1742.24**	**1982.50**	**577.02**	**611.12**

(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 ₹ 52.19 crore (Previous Year ₹ 66.41 crore). Such cost become part of project cost only on discharge of such liabilities.

(b) Unamortized FERV on loans included in lease receivable amounting to ₹ 17.15 crore (Previous Year ₹ 28.65 crore). 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 ₹ 26.12 crore (previous year ₹ 40.59 crore) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments of ₹ 14.60 crore (previous year ₹ 12.42 crore) in respect of premises for offices and guest house/transit camps are shown under the head Rent in Note 41- Other expenses

53. Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise

Particulars		Amount in Foreign Currency (in crore)		Amount (₹ in crore)	
		31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Borrowings	USD	**437.34**	418.09	**28632.86**	27481.07
	EURO	**49.44**	24.26	**4037.84**	1710.32
	SEK	**280.65**	300.85	**2245.21**	2220.25
	JPY	**163.59**	181.77	**101.95**	107.01
Interest accrued but not due thereon including Agency Fee, Commitment Fee & other Charges	USD	**2.36**	1.81	**154.69**	118.78
	EURO	**0.20**	0.10	**15.94**	7.03
	SEK	**1.12**	1.04	**8.97**	7.69
	JPY	**0.41**	0.46	**0.26**	0.27

53. Foreign Currency Exposure (Contd.)

Particulars		Amount in Foreign Currency (in crore)		Amount (₹ in crore)	
		31st March, 2018	31st March, 2017	**31st March, 2018**	31st March, 2017
Trade Payables/deposits and retention money	USD	**11.59**	13.65	**758.80**	727.10
	EURO	**1.53**	1.01	**124.96**	40.12
	SEK	**17.81**	23.42	**142.48**	172.14
	CHF	**0.04**	0.19	**2.78**	12.23
	GBP	**1.94**	-	**180.67**	-
	JPY	**1.04**	-	**0.65**	-
Trade receivables and Bank balances	USD	**0.04**	0.08	**2.62**	4.90
	NPR	**-**	0.05	**-**	0.03
	EURO	**-**	0.01	**-**	0.53
Amount of contracts remaining to be executed	USD	**14.19**	35.16	**929.02**	2305.00
	EURO	**27.82**	28.53	**2272.06**	1996.27
	SEK	**162.92**	165.46	**1303.36**	1174.80
	CHF	**-**	0.01	**-**	0.87
	GBP	**8.95**	12.47	**833.51**	993.76
	JPY	**744.28**	866.45	**463.84**	507.74

54. 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/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 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 company has recognized an amount of ₹ 11.31 crore (Previous Year ₹ 103.18 crore) on account of pay revision 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 CERC.

The Regulatory Deferral Account Balances (assets) recognized in the books to be recovered from the beneficiaries in future periods are as follows:

(₹ in crore)

	Particulars	**31st March, 2018**	31st March, 2017
A.	Opening Balance	**107.60**	37.67
B.	Addition/(deduction) during the year	**207.23**	69.93
C.	Amount collected/refunded during the year	**NIL**	NIL
D.	Regulated Income/(Expense) recognized in the statement of Profit and Loss	**207.23**	69.93
E.	Closing Balance	**314.83**	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.

55. Disclosure as required by Clause 34 (3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

A. Loans and Advances in nature of Loans:

1. To Subsidiary Companies and Joint Ventures

(₹ in crore)

Name of the Company	Outstanding balance as at		Maximum amount outstanding during	
	31st March, 2018	31st March, 2017	**31st March, 2018**	31st March, 2017
Subsidiary				
Powergid NM Transmission Limited	**924.30**	839.25	**924.30**	839.25
Powergid Vizag Transmission Limited	**708.43**	720.33	**748.83**	720.33
Powergrid Unchahar Transmission Ltd	**55.92**	54.44	**55.92**	54.44
Powergrid Kala Amb Transmission Limited	**246.84**	204.59	**246.84**	204.59
Powergrid Jabalpur Transmission Limited	**967.00**	204.06	**967.00**	204.06
Powergrid Warora Transmission Limited	**1657.87**	675.43	**1657.87**	675.43
Powergrid Parli Transmission Limited	**1476.58**	445.39	**1476.58**	445.39
Powergrid Southern Interconnector Transmission System Limited	**1823.62**	342.56	**1823.62**	342.56
Powergrid Mednipur Jeerut Transmission Limited	**252.57**		**252.57**	
Joint Ventures				
National High Power Test Laboratory Private Limited	**6.00**	-	**6.00**	-
Total	**8119.13**	**3486.05**	**8159.53**	**3486.05**

2. To firms/companies in which directors are interested : NIL

B. Investment by the loanee (as detailed above) in the shares of Power Grid Corporation of India Ltd: NIL

56. 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 preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:-

(₹ in crore)

	Particulars	**For the year ended 31st March, 2018**	For the year ended 31st March, 2017
A.	Amount required to be spent during the year	**157.94**	135.12
B.	Amount spent on CSR - Revenue expenses	**127.15**	98.00
	- Capital Expenses	**30.84**	49.27
C.	Shortfall/(Excess) amount appropriated to CSR Reserve	**(0.05)**	(12.15)
D.	Break-up of the amount spent on CSR (Note 41)		
	1. Education and Skill Development expenses	**12.16**	17.87
	2. Ecology and Environment Expenses	**5.67**	6.95
	3. Health and Sanitation expenses	**74.23**	61.89
	4. Sports, Art and Culture expenses	**15.82**	0.98

(₹ in crore)

Particulars		For the year ended 31st March, 2018	For the year ended 31st March, 2017
5.	Protection of national heritage, art and culture including restoration of building and sites of historical importance	**6.99**	4.99
6.	Other CSR activities	**5.48**	0.64
7.	Capital Expenditure	**30.84**	49.27
	Total	**151.19**	142.59
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 38)	**6.80**	4.68
TOTAL		**157.99**	**147.27**
Amount spent on CSR			
E.	Total amount of ₹ 157.99 crore (Previous year ₹ 147.27 crore), ₹ 154.53 crore (Previous year ₹ 145.37 crore) has been spent in cash and the balance amount of ₹ 3.46 crore (Previous year ₹ 1.90 crore) is yet to be paid in cash as at 31st March, 2018		

57. In view of massive expansion of business considering uncertainty of paying normal tax MAT credit is not recognised as an asset.

58. Fair Value Measurements

(₹ in crore)

Financial Instruments by category	31st March, 2018		31st March, 2017	
	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets				
Investments				
Equity Instruments				
-PTC India Limited (12000006 shares of ₹ 10 each)*	**104.88**	**-**	112.08	-
-Energy Efficiency Services Limited (22500000 shares of ₹ 10 each)**	**23.90**	**-**	29.62	-
Government Securities				
-8.5% Bonds	**-**	**-**	-	2.50
Trade Receivables	**-**	**3638.96**	-	3221.10
Loans	**-**	**8300.00**	-	3653.55
Cash & cash Equivalents	**-**	**1516.21**	-	3228.43
Bank Balance	**-**	**840.07**	-	270.39
Other Financial Assets				
Current	**-**	**4869.92**	-	3319.89
Non-Current	**-**	**680.50**	-	678.72
Total Financial assets	**128.78**	**19845.66**	141.70	14374.58
Financial Liabilities				
Borrowings	**-**	**134660.62**	-	121868.74
Trade Payables	**-**	**240.34**	-	413.98
Other Financial Liabilities				
Current	**-**	**10265.31**	-	9919.04
Non-Current	**-**	**459.60**	-	352.24
Total financial liabilities	**-**	**145625.87**	-	132554.00

* 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.

58. Fair Value Measurements (Contd.)

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.

(₹ 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, 2018				
Financial Assets				
Investments				
8.5% Bonds	-	-		-
Loans				
Loans to Subsidiaries	-	8074.33		8074.33
Loans to Joint Ventures	-	6.00		6.00
Loans to employees	-	183.76		183.76
Total Financial Assets	**-**	**8264.09**		**8264.09**
Financial Liabilities				
Borrowings	-	139882.65		139882.65
Deposits/retention money from contractors and others	-	419.04		419.04
Total financial liabilities	**-**	**140301.69**		**140301.69**

(₹ 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				
Investments				
8.5% Bonds	-	2.55	-	2.55
Loans				
Loans to Subsidiaries	-	3607.95	-	3607.95
Loan to Joint Ventures	-	-	-	-
Loans to employees	-	195.27	-	195.27
Total Financial Assets	**-**	**3805.77**	**-**	**3805.77**
Financial Liabilities				
Borrowings	-	128946.98	-	128946.98
Deposits/retention money from contractors and others	-	364.20	-	364.20
Total financial liabilities	**-**	**129311.18**	**-**	**129311.18**

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 assets included in level 3.

There are no transfers between levels 1 and 2 during the year. The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

58. Fair Value Measurements (Contd.)

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 Instrument has been detrmined by an independent valuer.

Fair value of financial assets and liabilities measured at amortized cost:

(₹ in crore)

Particulars	31st March, 2018		31st March, 2017	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets				
Investments				
Government Securities				
8.5% Bonds	-	-	2.50	2.55
Loans				
Loans to Subsidiaries	8113.13	8074.33	3486.05	3607.95
Loan to Joint Venture	6.00	6.00	-	-
Loans to employees	180.87	183.76	167.50	195.27
Total Financial assets	**8300.00**	**8264.09**	**3656.05**	**3805.77**
Financial Liabilities				
Borrowings	134660.62	139882.65	121868.74	128946.98
Deposits/retention money from contractors and others	459.60	419.04	352.24	364.20
Total financial liabilities	**135120.22**	**140301.69**	**122220.98**	**129311.18**

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.

59. Related party Transactions

(a) Subsidiaries

Name of entity	Place of business/ country of incorporation	Proportion of Ownership Interest 31st March, 2018	31st March, 2017
Powergrid Vizag Transmission Limited	India	100%	100%
Powergrid NM Transmission Limited	India	100%	100%
Powergrid Unchahar Transmission Limited	India	100%	100%
Powergrid Kala Amb Transmission Limited	India	100%	100%
Powergrid Jabalpur Transmission Limited	India	100%	100%
Powergrid Warora Transmission Limited	India	100%	100%
Powergrid Parli Transmission Limited	India	100%	100%
Powergrid Southern Interconnector Transmission System Limited	India	100%	100%
Powergrid Vemagiri Transmission Limited	India	100%	100%
Grid Conductors Limited#	India	-	100%
Powergrid Medinipur Jeerat Transmission Limited (erstwhile Medinipur Jeerat Transmission Limited)	India	100%	100%
Powergrid Mithilanchal Transmission Limited (erstwhile ERSS XXI Transmission Limited) ##	India	100%	Not Applicable
WR-NR Power Transmission Limited ###	India	100%	Not Applicable

#Pursuant to the application dated 13th June 2017 submitted to Ministry of Corporate Affairs for striking off the name of Grid Conductors Limited, the company ceases to be wholly owned subsidiary.

##100% equity in Powergrid Mithilanchal Transmission Limited acquired from REC Transmission Projects Limited on 12th January, 2018.

100% equity in WR-NR Power Transmission Limited acquired from REC Transmission Projects Limited on 27th March, 2018.

(b) Joint Ventures

Name of entity	Place of business/ country of incorporation	Proportion of Ownership Interest 31st March, 2018	31st March, 2017
Powerlinks Transmission Limited	India	49%	49%
Torrent Power Grid Limited	India	26%	26%
Jaypee Powergrid Limited	India	26%	26%
Parbati Koldam Transmission Company Limited	India	26%	26%
Teestavalley Power Transmission Limited	India	26%	26%
North East Transmission Company Limited	India	26%	26%
National High Power Test Laboratory Private Limited	India	20%	20%
Bihar Grid Company Limited	India	50%	50%
Kalinga Bidyut Prasaran Nigam Private Limited####	India	50%	50%
Cross Border Power Transmission Company Limited	India	26%	26%
RINL Powergrid TLT Private Limited	India	50%	50%
Power Transmission Company Nepal Ltd	Nepal	26%	26%

POWERGRID's Board of Directors in its meeting held on 16th august 2017 accorded approval for initiating procedure for winding up/removal of the name of Kalinga Bidyut Prasaran Nigam Private Ltd. under fast track Exit mode of Registrar of Companies (ROC).

59. Related party Transactions (Contd.)

(c) Key Managerial Personnel

Name	Designation
Shri I.S. Jha	Chairman and Managing Director
Shri Ravi P. Singh	Director (Personnel)
Shri K. Sreekant	Director (Finance)
Shri R.P. Sasmal	Director (Operations) retired on 28.02.2018
Sh. Prabhakar Singh	Director (Projects)
Ms. Seema Gupta	Director (Operations) w.e.f 01.03.2018
Dr. Pradeep Kumar	Government Nominee Director Ceased to be Director w.e.f 31.07.2017
Ms. Jyoti Arora	Government Nominee Director Ceased to be Director w.e.f 05.07.2017
Shri Jagdish Ishwar Bhai Patel	Independent Director
Shri Tse Ten Dorji	Independent Director
Ms. Shalini Prasad	Government Nominee Director w.e.f. 14.08.2017 to 30.08.2017
Ms. Bharati	Government Nominee Director w.e.f. 31.08.2017
Ms. Jyotika Kalra	Independent Director Ceased to be Director w.e.f 06.04.2017
Shri. Manoj Kumar Mittal	Independent Director w.e.f. 12.09.2017
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 56.91% 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, 2018	31st March, 2017
Amount Payables		
Joint Ventures & Subsidiary		
Cross Border Power Transmission Company Limited	**11.12**	9.53
Teestavalley Power Transmission Limited	**30.92**	30.78
North East Transmission Company Limited	**7.86**	-
Powerlinks Transmission Limited	**2.01**	-
Powergrid Warora Transmission Limited (Subsidiary)	**0.14**	-
Total payables to related parties	**52.05**	40.31

59. Related party Transactions (Contd.)

(₹ in crore)

Particulars	31st March, 2018	31st March, 2017
Amount Receivables		
Subsidiaries		
Powergrid Vemagiri Transmission Limited	**19.39**	19.39
Powergrid NM Transmission Limited	**81.21**	31.67
Powergrid Vizag Transmission Limited	**0.16**	16.31
Powergrid Unchahar Transmission Limited	**-**	3.52
Powergrid Kala Amb Transmission Limited	**1.08**	9.37
Powergrid Jabalpur Transmission Limited	**18.27**	10.69
Powergrid Warora Transmission Limited	**9.32**	15.99
Powergrid Parli Transmission Limited	**14.61**	11.76
Powergrid Southern Interconnector Transmission System Ltd.	**35.73**	15.18
Powergrid Medinipur Jeerat Transmission Limited.	**3.47**	19.23
Powergrid Mithilanchal Transmission Limited	**25.02**	-
WR-NR Power Transmission Limited	**15.21**	-
Joint Ventures		
Parbati Koldam Transmission Company Limited	**0.38**	0.36
North East Transmission Company Limited	**-**	5.22
National High Power Test Laboratory Private Limited	**10.99**	4.67
Bihar Grid Company Limited	**7.50**	4.92
Kalinga Bidyut Prasaran Nigam Private Limited	**-**	0.85
Power Transmission Company Nepal Limited	**1.43**	-
RINL Powergrid TLT Pvt. Ltd	**-**	0.08
Powerlinks Transmission Limited	**-**	0.97
Jaypee Powergrid Limited	**0.02**	-
Torrent Powergrid Limited	**0.41**	-
Total	**244.20**	170.18
Loans to Subsidiaries		
Powergrid NM Transmission Limited	**924.30**	839.25
Powergrid Vizag Transmission Limited	**708.43**	720.33
Powergrid Unchahar Transmission Limited	**55.92**	54.44
Powergrid Kala Amb Transmission Limited	**246.84**	204.59
Powergrid Jabalpur Transmission Limited	**967.00**	204.06
Powergrid Warora Transmission Limited	**1657.87**	675.43
Powergrid Parli Transmission Limited	**1476.58**	445.39
Powergrid Southern Interconnector Transmission System Limited	**1823.62**	342.56
Powergrid Medinipur Jeerat Transmission Limited	**252.57**	-
Total	**8113.13**	3486.05

59. Related party Transactions (Contd.)

(₹ in crore)

Particulars	31st March, 2018	31st March, 2017
Loans to Joint Ventures		
National High Power Test Laboratory Private Limited	**6.00**	-
Total	**6.00**	-
Interest Accrued on loan to Subsidiaries		
Powergrid NM Transmission Limited	**37.78**	33.88
Powergrid Vizag Transmission Limited	**-**	23.75
Powergrid Unchahar Transmission Limited	**-**	2.54
Powergrid Kala Amb Transmission Limited	**0.10**	4.72
Powergrid Jabalpur Transmission Limited	**18.80**	5.05
Powergrid Warora Transmission Limited	**41.00**	16.15
Powergrid Parli Transmission Limited	**31.65**	9.99
Powergrid Southern Interconnector Transmission System Limited	**35.22**	8.76
Powergrid Medinipur Jeerat Transmission Limited	**3.61**	-
Interest Accrued on loan to Joint Ventures		
National High Power Test Laboratory Private Limited	**0.01**	-
Total	**168.17**	104.84
Loans to Key Managerial Personnel	**0.11**	0.15

(₹ in crore)

Other Related Parties	31st March, 2018	31st March, 2017
Outstanding balances with Employees Benefit Trust		
Powergrid Employees Gratuity Fund Trust	**109.59**	56.67
Total	**109.59**	56.67

(g) Transactions with related parties

The following transactions occurred with related parties:

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Services received by the Company		
Subsidiaries		
Power System Operation Corporation Limited*	**-**	9.22
Joint Ventures		
Energy Efficiency Services Limited**	**-**	0.49
Total	**-**	9.71
Services provided by the Company		
Subsidiaries		
Power System Operation Corporation Limited##	**-**	5.91
Powergrid Parli Transmission Limited	**-**	0.10
Powergrid Vemagiri Transmission Limited	**-**	0.05

59. Related party Transactions (Contd.)

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Joint Ventures		
National High Power Test Laboratory Private Limited	-	0.13
Powerlinks Transmission Limited	-	0.28
Power Transmission Company Nepal Limited	-	3.10
Jaypee Powergrid Limited	**1.01**	0.28
Cross Border Power Transmission Company Limited	**1.60**	2.96
Bihar Grid Company Limited	**13.84**	0.12
Parbati Koldam Transmission Company Limited	**0.05**	0.37
Teestavalley Power Transmission Limited	**0.17**	0.58
North East Transmission Company Limited	**6.53**	8.12
Torrent Powergrid Ltd	**2.85**	1.29
Total	**26.05**	23.29
Consultancy Income		
Subsidiaries		
Powergrid Unchahar Transmission Limited	**0.67**	2.70
Powergrid Kala Amb Transmission Limited	**4.19**	8.11
Powergrid Jabalpur Transmission Limited	**32.18**	11.39
Powergrid Warora Transmission Limited	**46.62**	29.92
Powergrid Parli Transmission Limited	**40.91**	22.68
Powergrid Southern Interconnector Transmission System Limited	**85.67**	11.92
Powergrid NM Transmission Limited	**7.77**	33.95
Powergrid Vizag Transmission Limited	**4.93**	27.74
Powergrid Mithilanchal Transmission Limited	**6.06**	-
Powergrid Medinipur Jeerat Transmission Limited	**21.51**	-
Total	**250.51**	148.41
Interest on Loan		
Subsidiaries		
Powergrid NM Transmission Limited	**71.48**	62.32
Powergrid Vizag Transmission Limited	**61.55**	56.79
Powergrid Unchahar Transmission Limited	**4.47**	3.94
Powergrid Kala Amb Transmission Limited	**17.46**	5.93
Powergrid Jabalpur Transmission Limited	**37.93**	5.75
Powergrid Warora Transmission Limited	**99.11**	18.68
Powergrid Parli Transmission Limited	**69.20**	11.42
Powergrid Southern Interconnector Transmission System Limited	**72.56**	10.67
Powergrid Medinipur Jeerat Transmission Limited	**4.97**	-
Joint Ventures		
National High Power Test Laboratory Private Limited	**0.01**	-
Total	**438.74**	175.50

59. Related party Transactions (Contd.)

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Dividend received		
Subsidiaries		
Power System Operation Corporation Limited *	-	3.56
Powergrid Vizag Transmission Limited	**20.97**	-
Powergrid Unchahar Transmission Limited	**1.95**	-
Joint Ventures		
Powerlinks Transmission Limited	**38.99**	38.99
Jaypee Powergrid Limited	**6.63**	13.26
Torrent Power Grid Limited	**2.34**	1.64
North East Transmission Company Limited	**4.28**	-
Cross Border Power Transmission Company Limited	**4.05**	-
Parbati Koldam Transmission Company Limited	**7.80**	1.77
Power Transmission Company Nepal Limited	**1.46**	-
Total	**88.47**	59.22
Investments made during the year (Equity)		
Subsidiaries		
Powergrid NM Transmission Limited	**50.00**	138.00@
Powergrid Vizag Transmission Limited	-	155.00
Powergrid Kala Amb Transmission Limited	**54.95**	1.00
Powergrid Jabalpur Transmission Limited	-	0.10
Powergrid Warora Transmission Limited	**151.20**	25.05
Powergrid Parli Transmission Limited	-	0.05
Powergrid Unchahar Transmission Limited	-	12.91
Powergrid Medinipur Jeerat Transmission Limited	-	0.01
Grid Conductors Limited	-	0.05
Powergrid Mithilanchal Transmission Limited	**0.05**	-
WR-NR Power Transmission Limited	**0.05**	-
Joint Ventures		
Teestavalley Power Transmission Limited	-	27.17
National High Power Test Laboratory Private Limited	-	6.50
Bihar Grid Company Limited	**7.74**	108.19
Cross Border Power Transmission Company Limited	-	2.30
RINL Powergrid TLT Pvt. Ltd.	-	3.30
Power Transmission Company Nepal Limited	**1.62**	-
Total	**265.61**	479.63
@includes share application amounting to ₹ 28 crore allotted on 10th April 2017.		
Other Related Parties		
Contribution made during the year		
Powergrid Employees P.F. Trust	**93.07**	89.47
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	**108.67**	109.83
Powergrid Employees Gratuity Fund Trust	**4.05**	26.85
Total	**205.79**	226.15

59. Related party Transactions (Contd.)

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Recovery for Deputation of Employees		
Joint Ventures		
Jaypee Powergrid Limited	**0.17**	0.11
Cross Border Power Transmission Company Limited	**0.82**	-
North East Transmission Company Limited	**0.11**	-
Total	**1.10**	0.11

* Ceased to be a Subsidiary w.e.f. 2nd January, 2017

** Ceased to be a Joint Venture w.e.f. 25th April, 2016

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.

Loans to Subsidiaries are given on cost to cost basis.

Transaction in the capacity of Central Transmission Utility (CTU) with the related parties

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Subsidiaries		
Powergrid Vizag Transmission Limited	**220.18**	48.26
Powergrid Unchahar Transmission Limited	**5.05**	
Joint Ventures		
Parbati Koldam Transmission Company Limited	**178.83**	162.46
Torrent Power Grid Limited	**46.46**	52.71
Powerlinks Transmission Limited	**172.79**	262.14
Jaypee Powergrid Limited	**192.86**	195.56
North East Transmission Company Limited	**357.06**	321.43
Teestavalley Power Transmission Limited	**30.27**	**-**
Total	**1203.50**	**1042.56**

Remuneration to Key Managerial Personnel is ₹ 3.49 crore (Previous Year ₹ 3.61 crore) and amount of dues outstanding to the company as on 31st March, 2018 are ₹ 0.11 crore (Previous Year ₹ 0.15 crore).

60. Operating Segments

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 services provided.

- **Transmission Services**- Company's principal business is transmission of bulk power across different states of India.
- **Telecom Services**-The company Utilizes the spare Optical fibres available in the Optical Ground Wire (OPGW) laid on the transmission network for providing telecom services. It operates as a neutral carrier in the point to point bandwidth leasing business.
- **Consultancy Services**- provides Consultancy Services 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.

c) Information about major customer: Revenue from any single customer is not equal to or exceeds 10% of the company's total revenue.

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.

Operating Segments (Contd.)

₹ in crore

Particulars	Transmission Services		Consultancy Services		Telecom Services		Elemination		Total	
	As at 31st March, 2018	As at 31st March, 2017	**As at 31st March, 2018**	As at 31st March, 2017	**As at 31st March, 2018**	As at 31st March, 2017	**As at 31st March, 2018**	As at 31st March, 2017	**As at 31st March, 2018**	As at 31st March, 2017
Revenue:										
Revenue from Operations (including allocable other income)	**28,835.41**	25,111.35	**668.38**	590.56	**610.21**	499.07	**-**	-	**30,114.00**	26,200.98
Inter Segment Revenue					**68.20**	55.53	**(68.20)**	(55.53)	**-**	-
Net Revenue from Operations	**28,835.41**	25,111.35	**668.38**	590.56	**678.41**	554.60	**(68.20)**	(55.53)	**30,114.00**	26,200.98
Segment results	**16,669.10**	14,835.51	**431.68**	408.36	**314.41**	254.00			**17,415.19**	15,497.87
Unallocated Interest and Other Income									**652.32**	375.72
Unallocated Finance Costs									**7,590.66**	6,303.83
Profit before Tax (Including movement in Regulatory Deferral Account Balances)									**10,476.85**	9,569.76
Provision for Taxes									**2,237.89**	2,049.61
Profit after Tax									**8,238.96**	7,520.15
Other information:										
Segment Assets	**166,224.62**	146,173.12	**1,993.03**	2,128.67	**919.35**	861.20			**169,137.00**	149,162.99
Unallocated Assets									**43,768.75**	45,516.47
Total Assets									**212,905.75**	**194,679.46**
Segment Liabilities:	**8,644.29**	7,722.37	**2,395.04**	2,361.41	**541.17**	654.16			**11,580.50**	10,737.94
Unallocated Other Liabilities (including loans)									**146,910.29**	134,134.27
Total liabilities									**158,490.79**	**144,872.21**
Depreciation and Amortisation	**8,991.67**	7,570.39	**1.11**	1.20	**98.47**	91.21			**9,091.25**	7,662.80
Non-cash expenditure other than Depreciation	**26.04**	7.14	**0.23**	1.55	**16.15**	4.16			**42.42**	12.85
Capital Expenditure	**21,687.20**	20,338.83	**1.16**	2.00	**104.70**	141.51			**21,793.06**	20,482.34

61. Capital and other Commitments

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**25502.79**	32544.86
Company's commitment towards further investment in join venture entities	**231.72**	39.24
Company's commitment towards further investment in subsidiary companies	**9876.51**	13541.81

62. 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 ₹ 1440.68 crore (Previous Year ₹ 1381.17 crore) 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 ₹ 2490.90 crore (Previous Year ₹ 2671.53 crore) 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 ₹ 4.12 crore (Previous Year ₹ 4.00 crore) has been estimated.

(iv) Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to ₹ 432.64 crore (Previous Year ₹ 388.38 crore) are being contested before various Appellate Authorities. Many of these matters have been 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 ₹ 403.95 crore (Previous Year ₹ 201.32 crore).

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.

62. 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	31st March, 2018	31st March, 2017
Powergrid NM Transmission Ltd	**-**	-
Powergrid Vizag Transmission Ltd	**-**	43.59
Powergrid Unchahar Transmission Ltd	**0.02**	2.17
Powergrid Kala Amb Transmission Limited	**-**	5.96
Powergrid Jabalpur Transmission Limited	**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
Powergrid Medinipur Jeerat Transmission Limited	**141.89**	141.89
Powergrid Mithilanchal Transmission Limited	**84.32**	-
WR-NR Power Transmission Limited	**30.38**	-

b) The Company has given guarantee for the dues & punctual payment and discharge of the obligations amounting to ₹ 290 crore (Previous Year ₹ 290 crore) against bond issued by Powergrid Vizag Transmission Company Ltd.

63. 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 Account 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	31st March, 2018	31st March, 2017
Long term debt (₹ in crore)	**130212.96**	117197.91
Equity (₹ in crore)	**54414.96**	49807.25
Long term debt to Equity ratio	**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, 2018 and 31st March, 2017.

b) Dividends

63. Capital management (Contd.)

(₹ in crore)

Particulars	31st March, 2018	31st March, 2017
(i) Equity shares		
Final dividend for the year ended 31st March, 2017 of ₹ 3.35 (31st March, 2016 – ₹ 1.51) per fully paid share	**1752.59**	789.97
Interim dividend for the year ended 31st March, 2018 of ₹ 2.45 (31st March, 2017 – ₹ 1.00) per fully paid share	**1281.74**	523.15

Dividend not recognized at the end of the reporting period

In addition to above dividend, the Board of Directors on 29th May, 2018 recommended the payment of a final dividend of ₹ 2.80 per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual general meeting.

64. Earnings per share

(Amount in ₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the company	31st March, 2018	31st March, 2017
Including movement in Regulatory deferral balances	**15.75**	14.37
Excluding movement in Regulatory deferral balances	**15.35**	14.24
Total basic and diluted earnings per share attributable to the equity holders of the company	**15.75**	14.37

(₹ in crore)

(b) Reconciliation of earnings used as numerator in calculating earnings per share	31st March, 2018	31st March, 2017
Earnings attributable to the equity holders of the company including movement in Regulatory deferral balances	**8238.96**	7520.15
Earnings attributable to the equity holders of the company excluding movement in Regulatory deferral balances	**8031.73**	7450.22
Total Earnings attributable to the equity holders of the company	**8238.96**	7520.15

(c) Weighted average number of shares used as the denominator	31st March, 2018	31st March, 2017
	No. of shares	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

65. 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,

a) Credit risk,

b) Liquidity risk,

c) Market risk.

This note presents information regarding the company's exposure, objectives, policies and processes for measuring and managing these risks.

Risk management framework

The Company has a duly constituted Risk Management Committee headed by Director (Projects) 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 such 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 ₹ 3257.37 crore (Previous Year ₹ 2835.17 crore), receivables relating to consultancy services of ₹ 253.79 crore (Previous Year ₹ 315.92 crore) and receivables relating to telecom business of ₹ 175.95 crore (Previous Year ₹ 102.42 crore).

65. Financial Risk Management (Contd.)

(ii) Other Financial Assets (excluding trade receivables)

- **Cash and cash equivalents**

  The Company held cash and cash equivalents of ₹ 502.48 crore (Previous Year ₹ 1401.57 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 ₹ 1853.80 crore (Previous Year ₹ 2097.25 crore). Term deposits are placed with public sector banks and have negligible credit risk.

- **Investments**

  The Company holds investment of ₹ Nil (Previous Year ₹ 2.50 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.

o Exposure to credit riskre to credit risk

(₹ in crore)

Particulars	31st March, 2018	31st March, 2017
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current Investments	**-**	-
Non-current Loans	**8253.12**	3618.41
Other non-current financial assets	**680.50**	678.72
Current Investments	**-**	2.50
Cash and cash equivalents	**502.48**	1401.57
Deposits with banks and financial institutions	**1853.80**	2097.25
Current loans	**46.88**	35.14
Other current financial assets	**4869.92**	3319.89
Total	**16206.70**	11153.48
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	**3687.11**	3253.51

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.

65. 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 31st March, 2018	**5.57**	**1504.84**	**822.79**	**272.69**	**167.02**	**914.20**	**3687.11**
Gross carrying amount as on 31st March, 2017	28.58	1661.57	808.28	145.53	257.70	351.85	3253.51

(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, 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**
Impairment loss recognized	15.74	-	-	-	-	15.74
Amounts written off	-	-	-	0.86	-	0.86
Balance as at 31st March, 2018	**48.15**	**-**	**-**	**19.39**	**-**	**67.54**

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	31st March, 2018	31st March, 2017
Expiring within 1 year (bank overdraft and other facilities)	**1676.50**	5134.38
Expiring beyond one year (bank loans)	**15002.74**	7730.51

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 (Previous Year 1 to 5 years).

65. 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, 2018				
Borrowings (including interest outflows)	17573.08	73642.89	99822.32	**191038.29**
Trade payables	240.34	-	-	**240.34**
Other financial liabilities	10265.31	459.60	-	**10724.91**
Total	**28078.73**	**74102.49**	**99822.32**	**202003.54**
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**

C) Market risk

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

i. Currency risk

ii. Interest rate risk

iii. 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 2017-18, 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. 53.

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.

65. 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	31st March, 2018	31st March, 2017
Long Term Debt with floating rate of interest		
- Domestic	**17532.00**	13356.00
- Foreign	**27771.63**	26752.78
Sub Total	**45303.63**	40108.78
Long Term Debt with fixed rate of interest		
- Domestic	**77696.21**	72361.84
- Foreign	**7213.12**	4727.29
Sub Total	**84909.33**	77089.13
Total Long Term Debt	**130212.96**	117197.91
% of Floating Interest Rate Debt to Total Long Term Debt	**34.79%**	34.22%

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.

66. 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	31st March, 2018	31st March, 2017
Current Tax		
Current tax on profits for the year	**2203.59**	1988.45
Adjustments for current tax of prior periods	**15.34***	-
Total current tax expense	**2218.93**	1988.45
Deferred Tax		
Decrease (increase) in deferred tax assets	**(0.42)**	68.56
(Decrease) increase in deferred tax liabilities	**19.38**	(7.40)
Total deferred tax expense/benefit	**18.96**	61.16
Income tax expense	**2237.89**	2049.61

*This includes tax on Regulatory Deferral Balance Account for the last year.

66. Income Tax expense (Contd.)

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

(₹ in crore)

Particulars	31st March, 2018	31st March, 2017
Profit before income tax expense	**10476.85**	9499.83
Tax at the Indian tax rate of 21.3416% (Previous Year – 21.3416 %)	**2235.93**	2027.42
Tax effect of amounts which are not deductible (non- taxable) in calculating taxable income		
Provisions made	**6.76**	1.93
Advance against depreciation	**(25.76)**	(31.13)
Provision written back	**(1.79)**	(0.85)
Bond Interest & Dividend income exempted	**(20.07)**	(13.27)
Adjustments due to Ind AS Adoption/ reclassification	**8.32**	4.95
Revaluation of EESL Shares	**-**	(0.73)
Others	**15.54**	0.13
Deferred Tax	**18.96**	61.16
Income Tax expenses	**2237.89**	**2049.61**

67. Employee Benefit Obligations

(₹ in crore)

Particulars	31st March, 2018			31st March, 2017		
	Current	Non-current	Total	Current	Non-current	Total
Leave Obligations	42.04	312.90	354.94	59.60	430.37	489.97
Post-retirement Medical facility (PRMF)	12.30	374.36	386.66	9.28	331.00	340.28
Other Employee benefits/Long Service Award	1.14	13.26	14.40	0.97	12.36	13.33
Gratuity	82.72	548.76	631.48	76.07	549.48	625.55
Other Defined retirement benefits (ODRB)/Baggage Allowance	2.08	16.35	18.43	1.81	15.83	17.64
Total employee benefit obligations	**140.28**	**1265.63**	**1405.91**	**147.73**	**1339.04**	**1486.77**

(i) Long Term Employee Benefits

A. 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 en-cashable 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.

B. Other employee benefits – POWERGRID Employee family rehabilitation scheme

The company has introduced POWERGRID Employees Family Economic Rehabilitation Scheme during the year. The Objective of the scheme is to provide monetary assistance and support to an employee in case of his/her permanent total disablement and to his/her family in case of death while in service. The beneficiary would be entitled to monthly payment equivalent to the employee's 50% of one month pay last drawn provided the beneficiary deposits with the company an amount equal to PF (excluding VPF) balance, Gratuity amount and Group Insurance (EDLI) amount, Such monthly payment would continue till the normal notional date on which the employee concerned would have attained the age of superannuation had the employee continued in the service of the company. The schme is optional. Provision for POWERGRID Employees Family Economic Rehabilitation Scheme amounting to ₹ 6.62 crore (Previous Year ₹ Nil crore) for the year has been made during the year based on actuarial valuation.

67. Employee Benefit Obligations (Contd.)

(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.

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 lacs. 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. Company has carried out the actuarial valuation of Gratuity benefit considering enhanced ceiling of ₹ 20 Lakhs as notified vide order No. W-02/0020/2018-DPE(WC)-GL-XII/18 dated 11th April 2018.

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 ₹ 93.07 crore (previous year ₹ 89.47 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 recognized in the Balance Sheet.

(₹ in crore)

Particulars	31st March, 2018			31st March, 2017		
	Current	Non-current	Total	Current	Non-current	Total
Provident Fund (PF)	427.96	2196.21	2624.17	429.30	1,892.65	2,321.95

(₹ in crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2017	**2321.95**	**2363.30**	**(41.35)**
Service cost	71.41	-	71.41
Interest expense (income)	174.15	217.78	(43.63)
Total	**245.56**	**217.78**	**27.78**
Remeasurements			
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	(0.06)	-	(0.06)
Experience (Gain)/Losses	60.21	-	60.21
Total	**60.15**	**-**	**60.15**
Employee contributions	134.22	205.63	(71.41)
Benefits payments	(137.71)	(137.71)	-
31st March, 2018	**2624.17**	**2649.00**	**(24.83)**

67. 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**
Remeasurements	**-**	**-**	**-**
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	
	31st March, 2018	31st March, 2017
Present value of funded obligations	**2624.17**	2,321.95
Fair value of plan assets	**2649.00**	2,363.30
Deficit/(Surplus) of funded plan	**(24.83)**	(41.35)

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	2624.17
- Impact due to increase of 0.5%	(0.27)
- Impact due to decrease of 0.5%	0.28

67. Employee Benefit Obligations (Contd.)

The major categories of plan assets (PF) are as follows

(₹ in crore)

Particulars	31st March, 2018				31st March, 2017			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	**14.84**	**-**	**14.84**	**1%**	34.49	-	34.49	2%
Debt instruments								
Govt/State Bonds	**1395.64**	**-**	**1395.64**	**53%**	1261.14	-	1261.14	53%
PSU and Private Bonds	**1056.47**	**-**	**1056.47**	**40%**	997.75	-	997.75	42%
Bank Balance	**12.11**	**-**	**12.11**	**0%**	9.65	-	9.65	0%
Other Receivables	**169.94**	**-**	**169.94**	**6%**	60.27	-	60.27	3%
Total	**2649.00**	**-**	**2649.00**		**2363.30**	**-**	**2363.30**	

Fair value of company's own transferable financial instruments held as plan assets is ₹ 94.81 crore as on 31st March, 2018 (₹ 113.27 crore as on 31st March, 2017).

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, 2018	**427.96**	**185.44**	**584.58**	**1426.19**	**2624.17**
31st March, 2017	429.31	160.06	457.77	1,274.81	2,321.95

67. Employee Benefit Obligations (Contd.)

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 ₹ 108.67 crore (previous year ₹ 109.83 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			PRMF		
	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, 2017	**625.54**	**551.83**	**73.71**	**17.64**	**-**	**17.64**	**489.97**	**-**	**489.97**	**340.28**	**-**	**340.28**
Service cost	32.32	-	32.32	0.94	-	0.94	33.78	-	33.78	11.16	-	11.16
Interest expense (income)	46.92	41.39	5.53	1.32	-	1.32	36.75	-	36.75	25.52	-	25.52
Total amount recognized in profit or loss	**79.24**	**41.39**	**37.85**	**2.26**	**-**	**2.26**	**70.53**	**-**	**70.53**	**36.68**	**-**	**36.68**
Remeasurements												
Return on plan assets, excluding amount included in interest expense/(income)	-	10.95	(10.95)	-	-	-	-	-	-	-		-
(Gain)/Loss from change in demographic assumptions	-	-	-	-	-	-	-		-	-	-	-
(Gain)/Loss from change in financial assumptions	(3.97)	-	(3.97)	(0.13)	-	(0.13)	(2.69)	-	(2.69)	(5.07)	-	(5.07)
Experience (Gain)/ Losses	(40.62)		(40.62)	(1.24)	-	(1.24)	6.95	-	6.95	25.30	-	25.30
Total amount recognized in other comprehensive income	**(44.59)**	**-**	**(44.59)**	**(1.37)**	**-**	**(1.37)**	**4.26**	**-**	**4.26**	**20.23**	**-**	**20.23**
Employer contributions	-	4.05	(4.05)	-	-	-	-	-	-	-	-	-
Benefits payments	(28.71)	(28.71)	-	(0.10)	-	(0.10)	(209.82)	-	(209.82)	(10.53)	-	(10.53)
31st March, 2018	**631.48**	**579.51**	**51.97**	**18.43**	**-**	**18.43**	**354.94**	**-**	**354.94**	**386.66**	**-**	**386.66**

67. Employee Benefit Obligations (Contd.)

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	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**
Remeasurements												
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
Employer 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		PRMF	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Present value of funded obligations	631.48	625.54	-	-	-	-	-	
Fair value of plan assets	579.51	551.83	-	-	-	-	-	-
Deficit/(Surplus) of funded plan	**51.97**	**73.71**	**-**	**-**	**-**	**-**	**-**	**-**
Unfunded plans	**-**	**-**	**18.43**	**17.64**	**354.94**	**489.97**	**386.66**	**340.28**

The company expects to contribute ₹ 34.82 crore to the gratuity trust during the FY 2018-19.

67. Employee Benefit Obligations (Contd.)

(iii) Significant actuarial assumptions for Post-Employment Benefits :

Economic Assumptions

Particulars	Gratuity, ODRB, Pension, PRMF, PF	
	31st March, 2018	31st March, 2017
Discount rate	**7.60%**	7.50%
Salary growth rate (except for PF)	**6.50%**	6.50%

Demographic Assumptions

Particulars	**31st March, 2018**	31st March, 2017
i) Retirement Age	**60**	60
ii) Mortality rates inclusive of provision for disability	**100% of IALM (2006-08)**	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	PRMF
a)	Impact of change in discount rate				
	Present value of Obligation at the end of period	631.48	18.43	354.94	386.66
	- Impact due to increase of 0.5%	(19.07)	(0.66)	(12.84)	(22.91)
	- Impact due to decrease of 0.5%	20.49	0.67	13.85	23.34
b)	Impact of change in salary increase				
	Present value of Obligation at the end of period	631.48	-	354.94	-
	- Impact due to increase of 0.5%	7.22	-	13.93	-
	- Impact due to decrease of 0.5%	(7.51)	-	(13.02)	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

67. Employee Benefit Obligations (Contd.)

(v) The major categories of plan assets (Gratuity) are as follows:

(₹ in crore)

Particulars	31st March, 2018				31st March, 2017			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	**3.20**	**-**	**3.20**	**1%**	5.94	-	5.94	1%
Debt instruments								
Govt/State Bonds	**291.91**	**-**	**291.91**	**49%**	269.34	-	269.34	48%
PSU and Private Bonds	**296.26**	**-**	**296.26**	**50%**	289.76	-	289.76	51%
Total	**591.37**	**-**	**591.37**		**565.04**	**-**	**565.04**	
Less: Plan Assets related to POSOCO	**-**	**-**	**-**		13.21	-	13.21	
Total	**591.37***	**-**	**591.37**		**551.83**	**-**	**551.83**	

*Fair valuation as per actuarial valuation is ₹ 579.51 crore.

Fair value of company's own transferable financial instruments held as plan assets is ₹ 87.53 crore (Previous Year ₹ 103.38 crore).

(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:

A) 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.

B) 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.

C) Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality & disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) 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 41.89 years (Previous Year 43.08 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, 2018					
Defined benefit obligation (Gratuity)	82.71	153.47	153.16	242.14	631.48
Post-employment medical benefits	12.31	12.95	43.26	318.14	386.66
ODRB	2.08	1.72	4.82	9.81	18.43
Other employee benefits (LSA)	1.14	0.97	2.83	9.46	14.40
Total	**98.24**	**169.11**	**204.07**	**579.55**	**1050.97**
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**

68. Recent Accounting Pronouncements:

Standard issued but not yet effective

In March 2018, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying Ind AS 115, 'Revenue from Contracts with Customers'. This Ind AS is applicable to the company from 1st April, 2018.

Introduction to Ind AS 115 'Revenue from Contracts with Customers ':

With the introduction to Ind AS 115 'Revenue from Contracts with Customers' , Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue' will ceases to be applicable to the entities. There is a shift from the present' transfer of risk and rewards model to transfer of control of goods and services by the entity. The company is evaluating the requirements of the amendment and the effect on the financial statements.

69. a) Figures have been rounded off to nearest rupees in crore up to two decimal.

b) Previous year figures have been regrouped / rearranged wherever considered necessary.

For and on behalf of the Board of Directors

Divya Tandon	**K. Sreekant**	**I. S. Jha**
Company Secretary	Director (Finance)	Chairman & Managing Director

As per our report of even date

For S.K. Mittal & Co.	**For R.G.N. Price & Co.**	**For Kothari & Co.**	**For Parakh & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn No. 001135N	Firm Regn No. 002785S	Firm Regn No. 301178E	Firm Regn No. 001475C
(CA Gaurav Mittal)	**(CA R. Rangarajan)**	**(CA Amitav Kothari)**	**(CA Indra Pal Singh)**
Partner	Partner	Partner	Partner
Membership No. 099387	Membership No. 041883	Membership No. 016639	Membership No. 410433

Place: New Delhi
Date: 29th May, 2018

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, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows 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, changes in equity and cash flows 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 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 and the Order issued under section 143 (11) of the Act.

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, of the state of affairs of the company as at 31st March 2018, its profit including other comprehensive income, its changes in equity and its cash flows 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) in respect of recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 36 (b) (ii)]; and

(b) in respect of Balance confirmation, reconciliation and consequential adjustments, if any, of Trade Receivable and Recoverable and Trade and Other Payables which is carried out on an ongoing basis [Refer Note No. 46(a)].

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

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

2. In terms of section 143 (5) of the Companies Act, 2013, we give in the **Annexure '2'** our report on the directions issued by the Comptroller and Auditor General of India.

3. As required by section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income),the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards 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 with reference to standalone Ind AS financial statements of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure '3'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone Ind AS financial statements.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note No. 48 and 62 to the standalone Ind AS financial statements;

      ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, 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 Company.

For **S. K. Mittal & Co.**	For **R. G. N. Price & Co.**	For **Kothari & Co.**	For **Parakh & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN : 001135N	FRN : 002785S	FRN : 301178E	FRN : 001475C
(CA Gaurav Mittal)	**(CA R. Rangarajan)**	**(CA Amitav Kothari)**	**(CA Indra Pal Singh)**
Partner	Partner	Partner	Partner
M. No. 099387	M. No. 041883	M. No. 016639	M. No. 410433

Place : New Delhi
Date : 29th May, 2018

Annexure '1' to the Independent Auditors' Report

As referred to in our Independent Auditors' Report of even date to the members of the Power Grid Corporation of India Limited, on the standalone Ind AS financial statements for the year ended 31st March, 2018, 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 crore)	Net Block (₹ in crore)
Leasehold Land	10	69.83	61.59
Freehold Land	30	230.05	230.05
Buildings (Flats in Mumbai)	28	2.95	1.99

(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 not granted loans, secured or unsecured, during the year, to any companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. In view of the above, the clause 3(iii) (a), clause 3(iii) (b) and clause 3(iii) (c) of the Order are not applicable.

(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, Goods and Services 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, 2018 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	2.23	For the FY 2010-11	ITAT, Delhi
Income Tax Act, 1961	Income Tax	2.02	For the FY 2013-14 & 2014-15	CIT (A) Delhi
Income Tax Act, 1961	Income Tax	5.99		Jurisdictional Assessing Officers of TANs
Income Tax Act, 1961	Income Tax	4.16		Jurisdictional Assessing Officer, Delhi
Chhattisgarh Entry Tax Act, 1976	Entry Tax	71.44	For the FY 2012-13 to 2017-18	Chhattisgarh High Court
Finance Act, 1994	Service Tax	1.57	For the F.Y. 2003-04	CESTAT, Kolkata
Bihar Value Added Tax,2005	Entry Tax	12.00	For FY 2014-15	Chief Commissioner, Commercial Tax, Bihar
Bihar Value Added Tax,2005	Entry Tax	3.60	For FY 2015-16	Joint Commissioner, Commercial Tax (Appeals)
Goa Building & Other Construction Workers Act & Rules thereunder	Building & Other Construction Workers Cess	0.04	For the F.Y. 2014-15 & 2015-16	---
J&K GST Act, 1962	Sales Tax	7.76	From F.Y.1996-97 to 2001-02	Sales Tax Appellate Tribunal, J&K
J&K GST Act, 1962	Sales Tax	179.37	From F.Y.2002-03 to 2012-13	Dy./Addl. 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,
Building & Other Construction Workers Cess Act, 1996	BOCW	4.62	For FY 2007-08	Hon'able High Court Himachal Pradesh, Shimla
UP VAT	Sales Tax Demand	0.10	For F.Y. 2015-16	Hon'able Allahabad
High Court				
UP VAT	Central Sales Tax	0.01	For FY 2013-14	Dy. Commissioner, Commercial Tax, Allahabad
Finance Act,1994	Service Tax	0.05	FY 2015-16 & 2016-17	Commissioner of Central Tax, Hyderabad
	Total	**304.60**		

* 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 **R. G. N. Price & Co.** Chartered Accountants FRN : 002785S	For **Kothari & Co.** Chartered Accountants FRN : 301178E	For **Parakh & Co.** Chartered Accountants FRN : 001475C
(CA Gaurav Mittal) Partner M. No. 099387	**(CA R. Rangarajan)** Partner M. No. 041883	**(CA Amitav Kothari)** Partner M. No. 016639	**(CA Indra Pal Singh)** Partner M. No. 410433

Place : New Delhi
Date : 29th May, 2018

Annexure '2' to the Auditors Report

As referred to in our Independent Auditors' Report of even date to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31st March, 2018

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 268.50 hectares of freehold land valuing ₹230.05 crore, 133.25 hectares of leasehold land valuing ₹69.83 crore and 21674 sq.feet of flats valuing ₹2.95 crore.	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 ₹0.87 crore recoverable from Kalinga Bidyut Prasaran Nigam Pvt. Ltd. (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 ₹0.87 crore and Other current financial assets are lower by ₹0.87 crore.
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.**	For **R. G. N. Price & Co.**	For **Kothari & Co.**	For **Parakh & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN : 001135N	FRN : 002785S	FRN : 301178E	FRN : 001475C
(CA Gaurav Mittal)	**(CA R. Rangarajan)**	**(CA Amitav Kothari)**	**(CA Indra Pal Singh)**
Partner	Partner	Partner	Partner
M. No. 099387	M. No. 041883	M. No. 016639	M. No. 410433

Place : New Delhi
Date : 29th May, 2018

Annexure '3' to the Auditors' Report

As referred to in our Independent Auditors' Report of even date to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31st March, 2018

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 with reference to Ind AS financial statements of the company as at 31st March 2018 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 with reference to Ind AS financial statements, based on the internal 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to Ind AS financial statements 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 with reference to Ind AS financial statements 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 with reference to Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to Ind AS financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal controls 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 with reference to Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Ind AS financial statements

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

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

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at 31st March, 2018, 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 **R. G. N. Price & Co.** Chartered Accountants FRN : 002785S	For **Kothari & Co.** Chartered Accountants FRN : 301178E	For **Parakh & Co.** Chartered Accountants FRN : 001475C
(CA Gaurav Mittal) Partner M. No. 099387	**(CA R. Rangarajan)** Partner M. No. 041883	**(CA Amitav Kothari)** Partner M. No. 016639	**(CA Indra Pal Singh)** Partner M. No. 410433

Place : New Delhi
Date : 29th May, 2018

Consolidated Balance Sheet as at 31st March, 2018

(₹ in crore)

Particulars	Note No	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	**154831.38**	136422.44
Capital work-in-progress	5	**37603.90**	38187.00
Investment Property	6	**0.03**	0.03
Other Intangible assets	7	**1366.86**	1255.39
Intangible assets under development	8	**64.67**	77.34
Investments in Joint Ventures accounted for using the equity method	9A	**1095.19**	1020.76
Financial Assets			
Investments	9	**128.78**	141.70
Loans	10	**139.99**	132.36
Other non-current financial assets	11	**866.35**	808.95
Other non-current assets	12	**5747.68**	6516.58
		201844.83	184562.55
Current assets			
Inventories	13	**1049.35**	906.95
Financial Assets			
Investments	14	**-**	2.50
Trade receivables	15	**3640.02**	3131.93
Cash and cash equivalents	16	**1534.80**	3241.45
Bank balances other than Cash and cash equivalents	17	**654.22**	112.18
Loans	18	**46.88**	39.82
Other current financial assets	19	**4737.23**	3239.17
Other current assets	20	**504.50**	300.85
		12167.00	10974.85
Regulatory Deferral Account Balances	21	**314.83**	107.60
Total Assets		**214326.66**	195645.00
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	22	**5231.59**	5231.59
Other Equity	23	**49194.40**	44633.91
		54425.99	49865.50
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	24	**122710.32**	111253.17
Other non-current financial liabilities	25	**459.60**	474.60
Provisions	26	**716.87**	789.56
Deferred tax liabilities(Net)	27	**2483.46**	2535.98
Other non-current liabilities	28	**457.16**	575.20
		126827.41	115628.51
Current liabilities			
Financial Liabilities			
Borrowings	29	**1000.00**	1500.00
Trade payables	30	**240.44**	413.98
Other current financial liabilities	31	**22680.00**	19809.94
Other current liabilities	32	**2718.55**	2589.08
Provisions	33	**1059.60**	537.21
Current Tax Liabilities (Net)	34	**407.26**	418.41
		28105.85	25268.62
Deferred Revenue	35	**4967.41**	4882.37
Total Equity and Liabilities		**214326.66**	195645.00

The accompanying notes (1 to 70) form an integral part of financial statements

For and on behalf of the Board of Directors

Divya Tandon	**K. Sreekant**	**I. S. Jha**
Company Secretary	Director (Finance)	Chairman & Managing Director

As per our report of even date

For S.K. Mittal & Co.	**For R.G.N. Price & Co.**	**For Kothari & Co.**	**For Parakh & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn No. 001135N	Firm Regn No. 002785S	Firm Regn No. 301178E	Firm Regn No. 001475C
(CA Gaurav Mittal)	**(CA R. Rangarajan)**	**(CA Manaswy Kothari)**	**(CA Indra Pal Singh)**
Partner	Partner	Partner	Partner
Membership No. 099387	Membership No. 041883	Membership No. 064601	Membership No. 410433

Place: New Delhi
Date: 29th May, 2018

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in crore)

Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue From Operations	36	**29,941.49**	25,697.44
Other Income	37	**489.05**	585.52
Total Income		**30,430.54**	26,282.96
EXPENSES			
Employee benefits expense	38	**1,605.89**	1,377.13
Finance costs	39	**7,324.14**	6,203.55
Depreciation and amortization expense	40	**9,230.99**	7,722.25
Other expenses	41	**2,230.90**	1,734.71
Total expenses		**20,391.92**	17,037.64
Profit before share of net profits of investments in Joint Ventures accounted for using Equity Method and tax		**10,038.62**	9,245.32
Share of net profits of investments in Joint Ventures accounted for using Equity Method		**147.94**	141.75
Profit Before Tax and Regulatory Deferral Account Balances		**10,186.56**	9,387.07
Tax expense:			
Current tax - Current Year		**2,232.56**	1,989.07
- Earlier Years		**15.34**	-
Deferred tax	27	**3,068.77**	2,636.27
Less: Deferred Asset for deferred tax liability		**3,121.19**	2,619.07
		2,195.48	2,006.27
Profit for the period before Regulatory Deferral Account Balances		**7,991.08**	7,380.80
Net movement in Regulatory Deferral Account Balances- Income/(Expenses)	42	**207.23**	69.93
Profit for the period		**8,198.31**	7,450.73
Other Comprehensive Income			
Items that will not be reclassified to profit or loss	43	**13.72**	49.83
Share of other comprehensive income of Joint Ventures accounted for using Equity Method		**(0.10)**	0.01
		13.62	49.84
Total Comprehensive Income for the period		**8,211.93**	7,500.57
Earnings per equity share including movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):	64		
Basic & Diluted (₹)		**15.67**	14.24
Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):	64		
Basic & Diluted (₹)		**15.27**	14.11

The accompanying notes (1 to 70) form an integral part of financial statements

For and on behalf of the Board of Directors

Divya Tandon	**K. Sreekant**	**I. S. Jha**
Company Secretary	Director (Finance)	Chairman & Managing Director

As per our report of even date

For S.K. Mittal & Co.	**For R.G.N. Price & Co.**	**For Kothari & Co.**	**For Parakh & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn No. 001135N	Firm Regn No. 002785S	Firm Regn No. 301178E	Firm Regn No. 001475C
(CA Gaurav Mittal)	**(CA R. Rangarajan)**	**(CA Manaswy Kothari)**	**(CA Indra Pal Singh)**
Partner	Partner	Partner	Partner
Membership No. 099387	Membership No. 041883	Membership No. 064601	Membership No. 410433

Place: New Delhi
Date: 29th May, 2018

Consolidated Statement of Changes in Equity for the period ended 31st March, 2018

A. Equity Share Capital

(₹ in crore)

As at 1st April, 2017	5231.59
Changes during the year	-
As at 31st March, 2018	**5231.59**
As at 1st April, 2016	5231.59
Changes during the year	-
As at 31st March, 2017	**5231.59**

B. Other Equity

(₹ in crore)

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	Securities Premium Account	Bond Redemption Reserve	Self Insurance Reserve	CSR Reserve	General Reserve	Retained Earnings	Fair Value through Other Comprehensive Income Equity Investment	
Balance at 1st April, 2017	**9,578.29**	**8,095.83**	**677.79**	**123.38**	**23,312.01**	**2,742.85**	**103.76**	**44,633.91**
Profit for the year						8,198.31		8,198.31
Other Comprehensive Income						26.54	(12.92)	13.62
Total Comprehensive Income						**8,224.85**	**(12.92)**	**8,211.93**
Adjustments during the year								
Transfer to General Reserve					3,500.00	(3,500.00)		-
Transfer to Bond redemption reserve		2,104.08				(2,104.08)		-
Transfer from Bond Redemption Reserve		(1,012.33)				1,012.33		-
Transfer to Self Insurance Reserve			228.63			(228.63)		-
Transfer from Self Insurance Reserve			(168.82)		167.86	0.96		-
Transfer from CSR Reserve				(0.05)	0.05	-		-
Final Dividend F.Y. 2016-17						(1,752.59)		(1,752.59)
Tax on Final Dividend F.Y. 2016-17						(365.58)		(365.58)
Interim Dividend F.Y. 2017-18						(1,281.74)		(1,281.74)
Tax on Interim dividend F.Y. 2017-18						(259.87)		(259.87)
Other Changes					9.07	(0.73)		8.34
Balance at 31st March, 2018	**9,578.29**	**9,187.58**	**737.60**	**123.33**	**26,988.99**	**2,487.77**	**90.84**	**49,194.40**

Consolidated Statement of Changes in Equity for the period ended 31st March, 2018 (Contd.)

(₹ in crore)

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	Securities Premium Account	Bond Redemption Reserve	Self Insurance Reserve	CSR Reserve	General Reserve	Retained Earnings	Fair Value through Other Comprehensive Income Equity Investment	
Balance at 1st April,2016	9,578.29	6,893.16	484.47	135.53	21,312.00	270.09	64.80	38,738.34
Profit for the year						7,450.73		7,450.73
Other Comprehensive Income						10.88	38.96	49.84
Total Comprehensive Income						**7,461.61**	**38.96**	**7,500.57**
Adjustments during the year								
Transfer to General Reserve					2,000.00	(2,000.00)		0.00
Transfer to Bond redemption reserve		2,004.95				(2,004.95)		0.00
Transfer from Bond Redemption Reserve		(802.28)				802.28		0.00
Transfer to Self Insurance Reserve			194.17			(194.17)		0.00
Transfer from Self Insurance Reserve			(0.85)		0.85	-		0.00
Transfer from CSR Reserve				(12.15)	12.15	-		0.00
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 Changes			-		(12.99)	0.09		(12.90)
Balance at 31st March, 2017	**9,578.29**	**8,095.83**	**677.79**	**123.38**	**23,312.01**	**2,742.85**	**103.76**	**44,633.91**

The accompanying notes (1 to 70) form an integral part of financial statements
Refer to Note No 23 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 Gaurav Mittal)
Partner
Membership No. 099387

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, 2018

Consolidated Statement of Cash Flows for the year ended 31st March, 2018

(₹ in crore)

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit Before Tax (including Net movement in Regulatory Deferral Account Balances)	**10,393.79**	9,457.00
	Adjustment for :		
	Depreciation & amortization expenses	**9,230.99**	7,722.25
	Transfer from Grants in Aid	**(12.13)**	(21.89)
	Deferred revenue - Advance against Depreciation	**(120.72)**	(145.85)
	Provisions	**50.59**	9.05
	Changes in fair value of financial assets through profit or loss	**(6.42)**	(47.53)
	Net Loss on Disposal / Write off of Property, Plant & Equipment	**10.30**	3.82
	Deferred Foreign Currency Fluctuation Asset	**240.75**	852.86
	Deferred Income from Foreign Currency Fluctuation	**(203.50)**	(711.05)
	Regulatory Deferrral Account Debit Balances	**(207.23)**	(69.93)
	Finance Costs	**7,324.14**	6,203.55
	Provisions Written Back	**(8.36)**	(3.98)
	FERV loss / (gain)	**(0.33)**	(27.34)
	Interest received on Deposits, Bonds	**(98.97)**	(85.79)
	Dividend received	**(5.58)**	(7.07)
		16,193.53	13,671.10
	Operating profit before Changes in Assets and Liabilities	**26,587.32**	23,128.10
	Adjustment for Changes in Assets and Liabilities:		
	(Increase)/Decrease in Inventories	**(163.46)**	(196.61)
	(Increase)/Decrease in Trade Receivables	**(523.83)**	(395.25)
	(Increase)/Decrease in Financial Assets	**(2,151.34)**	274.65
	(Increase)/Decrease in Other Non-current Assets	**57.95**	(192.66)
	(Increase)/Decrease in Other Current Assets	**(196.47)**	587.58
	Increase/(Decrease) in Liabilities & Provisions	**1,359.01**	240.87
		(1,618.14)	318.58
	Cash generated from operations	**24,969.18**	23,446.68
	Direct taxes paid	**(2,259.06)**	(1,871.41)
	Net Cash from operating activities	**22,710.12**	21,575.27
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Property, Plant & Equipment and Capital Work in Progress	**(26,651.53)**	(23,754.29)
	Advances for Capital Expenditure	**471.67**	(170.09)
	Receipt of Grant	**421.39**	63.02
	(Increase)/Decrease in Assets held for Sale	**0.00**	81.21
	(Increase)/Decrease in Investments	**(25.12)**	(17.51)
	(Increase)/Decrease in Investments accounted for using the equity method	**(74.43)**	(186.54)
	(Increase)/Decrease in Long Term Loans under Securitisation Scheme	**0.00**	7.71
	Loans & Advances to JV Company	**(6.00)**	0.00
	Lease receivables	**59.82**	43.94
	Interest received on Deposits, Bonds	**97.17**	89.51
	Dividend received	**5.58**	7.07
	Net cash used in investing activities	**(25,701.45)**	(23,835.97)

Consolidated Statement of Cash Flows for the year ended 31st March, 2018 (Contd.)

(₹ in crore)

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Loans raised during the year-Long Term	**18,706.79**	17,842.85
	Loans repaid during the year-Long Term	**(6,236.67)**	(6,059.05)
	Proceeds from Short Term Loans	**(500.00)**	(500.00)
	Adjustment for Fair Valuation of Long Term Loans	**22.31**	(33.19)
	Interest and Finance Costs Paid	**(7,047.97)**	(5,699.95)
	Dividend paid	**(3,034.33)**	(1,313.12)
	Dividend Tax paid	**(625.45)**	(278.98)
	Net Cash from Financing Activities	**1,284.68**	3,958.56
D.	Net change in Cash and Cash equivalents(A+B+C)	**(1,706.65)**	1,697.86
E.	Cash and Cash equivalents(Opening balance)	**3,241.45**	1,543.59
F.	Cash and Cash equivalents(Closing balance) (Refer Note No 16)	**1,534.80**	3,241.45

The accompanying notes (1 to 70) form an integral part of financial statements

Notes:

1. Cash and cash equivalents consist of cheques, drafts, stamps in hands, balances with banks and deposits with original maturity of upto three months.
2. Previous year figures have been re-grouped / re-arranged wherever necessary.
3. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

Particulars	Non-current borrowings	Current borrowings
Opening Balance as at 1st April, 2017	120680.12	1,500.00
Net Cash Flows during the year	5739.34	(500.00)
Non-cash changes due to :		
- Interest on borrowings	7006.95	
- Variation in exchange rates	522.62	
- Fair value adjustments	22.31	
Closing Balance as at 31st March, 2018	**133971.34**	1,000.00

For and on behalf of the Board of Directors

Divya Tandon	**K. Sreekant**	**I. S. Jha**
Company Secretary	Director (Finance)	Chairman & Managing Director

As per our report of even date

For S.K. Mittal & Co.	**For R.G.N. Price & Co.**	**For Kothari & Co.**	**For Parakh & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn No. 001135N	Firm Regn No. 002785S	Firm Regn No. 301178E	Firm Regn No. 001475C
(CA Gaurav Mittal)	**(CA R. Rangarajan)**	**(CA Manaswy Kothari)**	**(CA Indra Pal Singh)**
Partner	Partner	Partner	Partner
Membership No. 099387	Membership No. 041883	Membership No. 064601	Membership No. 410433

Place: New Delhi
Date: 29th May, 2018

Notes to Consolidated Financial Statements

1. Group Information

Power Grid Corporation of India Limited ('the Company') is a public company domiciled and incorporated in India under the provisions of The 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 consolidated financial statements of the group for the year ended March 31, 2018 were approved for issue by the Board of Directors on 29th May 2018.

2. Significant Accounting Policies

The Consolidated financial statements of the group are consisting of the Company and its subsidiaries and the group's interest in joint ventures.

2.1 Basis of Preparation

i) Compliance with Ind AS

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

ii) Basis of Measurement

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

iv) Use of estimates

The preparation of consolidated 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 Group has control. The Group controls an entity when the Group 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 Group. 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 Group combines the financial statement of the subsidiaries line by line adding together like items of assets, liabilities, equity, income, and expenses. Inter Group 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 Group.

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 Ind AS 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 Group 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 Group's share of the post – acquisition profits or losses of the investee company in Statement of Profit and Loss, and the Group'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 Group'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 Group 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 Group and its joint ventures are eliminated to the extent of the Group'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 Group

Difference in Accounting Policies and Impact thereon:

For certain items the Group 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

The Group had opted to consider the carrying value of Property, Plant and Equipment as per previous GAAP on the date of transition to Ind AS (1st April 2015) 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. However in case of subsidiaries, transmission system assets are considered as ready for intended use after meeting the conditions as stipulated in Transmission Service Agreement (TSA) 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.

Subsequent costs

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the Group and cost of the item can be measured reliably

The cost of replacing part of an item of Property, Plant & Equipment is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

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)

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

The Group had opted to consider the carrying value of Intangible Assets as per previous GAAP on the date of transition to Ind AS (1st April 2015) to be the deemed cost as per Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

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.

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

Property, Plant and Equipment

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.

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.

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.

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.

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.

Mobile phones are charged off in the year of purchase.

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

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.

Depreciation 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.

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.

Intangible Assets

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.

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.

Telecom Licenses are amortised on straight line basis over their respective useful lives.

Expenditure on development of 1200kv Transmission System shall be amortised over a period of 10 years.

Amortisation on additions to/deductions from Intangible Assets during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

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 temporary deployment of funds) as part of the cost of such assets till the assets are ready for the intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use.

Other borrowing costs are charged to revenue.

2.9 Impairment of non-financial assets

The carrying amounts of the Groups's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

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 including spare parts whose cost is less than ₹ 5,00,000/- 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

2.13.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities (Funds) and will have no legal or constructive obligation to pay further contributions, if the Fund does not hold sufficient assets to pay all employee's benefits related to employee service in the current and prior periods. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in the statement of profit and loss in the period during which services are rendered by employees.

The Group has a defined contribution pension scheme which is administered through a separate trust. The obligation of the Group is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post retirement medical facility (PRMF) or any other retirement benefits. The contributions to the fund for the year are recognized as an expense and charged to the statement of profit and loss.

2.13.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's liability towards gratuity, post-retirement medical facility, baggage allowance for settlement at home town after retirement, long service award on retirement and provident fund scheme to the extent of interest liability on provident fund contribution are in the nature of defined benefit plans.

The gratuity is funded by the Group and is managed by separate trust. The Group has Post-Retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facilities in the Group empanelled hospitals.

They can also avail treatment as out-patient subject to a ceiling fixed by the Group.

The Group pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contributions to the fund for the year are recognized as expense and are charged to the statement of profit and loss. The obligation of the Group is limited to such fixed contributions and to ensure a minimum rate of interest on contributions to the members as specified by the Government of India (GoI).

The Group has schemes for payment of baggage allowance towards expenses for settlement at hometown for the superannuated employees & their dependents and for providing a Long Service Award to all regular employees of the Group on superannuation.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Group if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognized in OCI in the period in which they arise.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of profit and loss.

2.13.3 Other long-term employee benefits

Benefits under the Group's leave encashment and Employee Family Economic Rehabilitation Scheme constitute other long term employee benefits.

The Group's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in the statement of profit and loss in the period in which they arise.

As per the Group's Employee Family Economic Rehabilitation scheme, which is optional, in the event of death or permanent total disability of an employee, the dependent(s) or the employee, as the case may be, is paid a fixed amount based on the last salary drawn by the employee till the notional date of superannuation of the employee upon depositing the final provident fund and gratuity amount which will be interest free.

2.13.4 Short-term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.14 Financial instruments

Financial Assets

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

The Group 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 Group 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 Group 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 Group may transfer the cumulative gain or loss within equity.

De-recognition of financial assets

A financial asset is derecognized only when

- The rights to receive cash flows from the asset have expired, or
- 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 Group 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 Group.

The Group'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 When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. 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.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure

(a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance.

(b) Financial assets that are debt instruments and are measured as at FVTOCI.

(c) Lease receivables under IND AS 17.

(d) Trade receivables under IND AS 18.

(e) Loan commitments which are not measured as at Fair Value Through statement of Profit and Loss (FVTPL).

(f) Financial guarantee contracts which are not measured as at FVTPL.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 -month ECL.

2.15 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Group'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 Group 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 Group'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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

2.17 Regulatory Deferral Account Balances

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 Group 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.

Regulatory deferral accounts balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries

2.18 Revenue

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

2.18.1 Revenue from Operations

Transmission

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 on provisional basis 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 expenditure incurred on year to year basis as per CERC tariff regulations. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue. However in case of subsidiaries transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act 2003 for adoption of transmission charges.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the CERC tariff 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.

Telecom Services

Income from Telecom Services, net of downtime credit, is recognised on the basis of terms of agreements/purchase orders from the customers. Upfront fee received in advance under long term contracts providing Indefeasible Right to Use (IRU), is recognised as revenue over the related period of service on straight line basis.

Consultancy Services

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.

2.18.2 Other Income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

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.

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.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

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. Grants that compensate the Group for expenses incurred are recognized over the period in which the related costs are incurred and deducted from the related expenses.

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 Group 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 on the basis of judgment of the management/ independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

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 Group 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 and for taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers and equipment of AC substation. The Reserve created as above 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 Operating Segments

The Board of Directors is the Group'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 Group as a whole and not allocable to segments are included under un-allocable expenditure.
- Income which relates to the Group as a whole and not allocable to segments is included in un-allocable income.
- Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.
- Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets.

2.25 Earnings per Share

Basic earnings per share is computed using the net profit or loss 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 Judgments

The preparation of consolidated 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 group'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 judgments 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 expenditure incurred on year to year basis as per CERC tariff regulations.

Regulatory Deferral Balances:

Recognition of Regulatory Deferral Balances involves significant judgments 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 68.

Estimates and judgments 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.

Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The Group reviewes at the end of each reporting date the useful plant and equipment, other than the assets of transmission business which are governed by CERC Regulations, and are adjusted prospectively, if appropriate.

Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37- 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

Note 4/Property, Plant and Equipment

(₹ in crore)

Particulars	Cost					Accumulated depreciation					Net Book Value	
	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
Land												
a) Freehold	2,091.04	136.91	-	7.70	2,220.25	-	-	-	-	-	2,220.25	2,091.04
b) Leasehold	250.05	60.27	-	(9.07)	319.39	19.13	11.02	-	(1.10)	31.25	288.14	230.92
Buildings												
a) Sub-Stations & Office	869.91	434.32	-	7.84	1,296.39	57.98	46.01	-	0.18	103.81	1,192.58	811.93
b) Township	441.96	72.98	-	-	514.94	41.91	21.84	-	-	63.75	451.19	400.05
Temporary Erection	0.84	0.11	-	-	0.95	0.83	0.10	-	(0.01)	0.94	0.01	0.01
Roads & Bridges	154.50	9.40	-	-	163.90	15.12	6.87	-	-	21.99	141.91	139.38
Water Supply Drainage & Sewerage	92.91	4.51	-	-	97.42	8.65	4.22	-	-	12.87	84.55	84.26
Plant & Equipment												
a) Transmission	98,360.95	14,211.67	124.10	113.90	112,334.62	9,101.39	5,953.73	55.27	(22.80)	15,022.65	97,311.97	89,259.56
b) Sub-station	45,964.55	12,506.02	54.25	(111.64)	58,527.96	4,483.20	3,072.88	15.19	(7.82)	7,548.71	50,979.25	41,481.35
c) Unified Load Despatch & Communication	605.43	137.97	-	(16.60)	760.00	90.21	52.26	-	(7.88)	150.35	609.65	515.22
d) Telecom	918.87	153.39	-	15.11	1,057.15	193.00	104.60	-	7.73	289.87	767.28	725.87
Furniture Fixtures	98.31	12.27	0.44	0.05	110.09	12.54	8.11	0.27	(0.17)	20.55	89.54	85.77
Vehicles	2.74	0.59	-	-	3.33	0.66	0.45	-	-	1.11	2.22	2.08
Office equipment	132.64	96.53	0.43	38.48	190.26	15.34	11.60	0.25	(0.49)	27.18	163.08	117.30
Electronic Data Processing & Word Processing Machines	74.33	17.61	0.33	0.08	91.53	36.02	19.80	0.28	(0.75)	56.29	35.24	38.31
Construction and Workshop equipment	248.34	38.37	0.38	-	286.33	26.05	16.50	0.23	-	42.32	244.01	222.29
Electrical Installation	82.34	7.50	-	(3.22)	93.06	11.59	5.81	-	(0.19)	17.59	75.47	70.75
Laboratory Equipments	41.74	3.83	0.11	-	45.46	6.45	3.08	-	-	9.53	35.93	35.29
Workshop & Testing Equipments	120.31	35.67	0.20	0.01	155.77	7.56	7.54	0.17	(0.02)	14.95	140.82	112.75
Miscellaneous Assets/ Equipments	0.05	-	0.01	-	0.04	-	0.01	-	-	0.01	0.03	0.05
Total	**150,551.81**	**27,939.92**	**180.25**	**42.64**	**178,268.84**	**14,127.63**	**9,346.43**	**71.66**	**(33.32)**	**23,435.72**	**154,833.12**	**136,424.18**
Less: Provision for assets discarded	1.74	-	-	-	1.74	-		-	-	-	1.74	1.74
Grand Total	**150,550.07**	**27,939.92**	**180.25**	**42.64**	**178,267.10**	**14,127.63**	**9,346.43**	**71.66**	**(33.32)**	**23,435.72**	**154,831.38**	**136,422.44**

Note 4/Property, Plant and Equipment (Contd.)

(₹ in crore)

Particulars	Cost					Accumulated depreciation					Net Book Value	
	As at 1st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017	As at 1st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
Land												
a) Freehold	2,002.83	86.12	-	(2.09)	2,091.04	-	-	-	-	-	2,091.04	2,002.83
b) Leasehold	237.14	12.91	-	-	250.05	9.44	9.69	-	-	19.13	230.92	227.70
c) Others	-	-	-	-	-	-	-	-	-	-	-	-
Buildings												
a) Sub-Stations & Office	677.69	176.31	4.07	(19.98)	869.91	25.13	34.14	0.15	1.14	57.98	811.93	652.56
b) Township	409.79	32.67	0.50	-	441.96	20.70	21.23	0.02	-	41.91	400.05	389.09
Temporary Erection	0.40	0.44	-	-	0.84	0.39	0.44	-	-	0.83	0.01	0.01
Roads & Bridges	143.36	11.14	-	-	154.50	7.42	8.23	-	0.53	15.12	139.38	135.94
Water Supply Drainage & Sewerage	81.73	11.19	-	0.01	92.91	4.13	4.52	-	-	8.65	84.26	77.60
Plant & Equipment												
a) Transmission	79,262.98	19,463.79	27.77	338.05	98,360.95	4,053.86	5,009.46	29.09	(67.16)	9,101.39	89,259.56	75,209.12
b) Sub-station	35,721.54	10,529.89	3.85	283.03	45,964.55	2,015.64	2,508.97	5.18	36.23	4,483.20	41,481.35	33,705.90
c) Unified Load Despatch & Communication	485.44	122.33	-	2.34	605.43	39.83	50.38	-	-	90.21	515.22	445.61
d) Telecom	834.94	83.23	-	(0.70)	918.87	96.34	96.67	0.12	(0.11)	193.00	725.87	738.60
Furniture Fixtures	78.32	20.51	0.65	(0.13)	98.31	5.37	7.21	0.04	-	12.54	85.77	72.95
Vehicles	1.86	0.88	-	-	2.74	0.32	0.34	-	-	0.66	2.08	1.54
Office equipment	97.61	35.19	0.18	(0.02)	132.64	6.42	8.94	0.03	(0.01)	15.34	117.30	91.19
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	22.22
Construction and Workshop equipment	210.87	36.98	-	(0.49)	248.34	12.09	13.97	0.01	-	26.05	222.29	198.78
Electrical Installation	79.97	1.91	-	(0.46)	82.34	5.81	5.79	0.06	(0.05)	11.59	70.75	74.16
Laboratory Equipments	38.96	2.78	-	-	41.74	3.24	3.21	-	-	6.45	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)	7.56	112.75	63.81
Miscellaneous Assets/ Equipments	0.05	-	-	-	0.05	-	-	-	-	-	0.05	0.05
Total	**120,473.71**	**30,716.51**	**39.10**	**599.31**	**150,551.81**	**6,328.33**	**7,804.88**	**35.08**	**(29.50)**	**14,127.63**	**136,424.18**	**114,145.38**
Less: Provision for assets discarded	1.74	-	-	-	1.74	-	-	-	-	-	1.74	1.74
Grand Total	**120,471.97**	**30,716.51**	**39.10**	**599.31**	**150,550.07**	**6,328.33**	**7,804.88**	**35.08**	**(29.50)**	**14,127.63**	**136,422.44**	**114,143.64**

Note 4/Property, Plant and Equipment (Contd.)

Further Notes:

a) The Company owns 7371 hectare (Previous Year 7265 hectare) of land amounting to ₹ 2539.64 crore (Previous Year ₹ 2341.09 crore) which has been classified into freehold land 6303 hectare (Previous Year 6220 hectare) amounting to ₹ 2220.25 crore (Previous Year ₹ 2091.04 crore) and leasehold land 1068 hectare (Previous Year 1045 hectare) amounting to ₹ 319.39 crore (Previous Year ₹ 250.05 crore) based on available documentation.

b) i) The land classified as leasehold land held in the state of Jammu and Kashmir with area of 113.88 hectare (Previous Year 112.35 hectare) amounting to ₹ 96.60 crore (Previous Year ₹ 57.62 crore) 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 301.75 hectare (Previous Year 266.42 hectare) amounting to ₹ 251.32 crore (Previous Year ₹ 159.75 crore) in respect of which conveyance deed in favour of the company is pending and 289.81 hectare (Previous Year 297.73 hectare) amounting to ₹ 224.78 crore (Previous Year ₹ 148.41 crore) 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 (Previous Year 2.65 hectare) amounting to ₹ 13.97 crore (Previous Year ₹ 12.36 crore) 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 (Previous Year 0.41 hectare) amounting to ₹ 7.64 crore (Previous Year ₹ 7.64 crore) in respect of land acquired for office complex on perpetual lease basis and hence not amortised.

f) Township building includes ₹ 2.95 crore (Previous Year ₹ 2.95 crore) for 28 flats at Mumbai, for which registration in favour of the company is pending. Out of the above flats, 17 flats are occupied by employees of M/s. Power system Operation Corporation ltd.

g) 5.625 hectare of land (Previous Year 5.625 hectare) having value of ₹ 0.04 crore (Previous Year ₹ 0.04 crore) has been transferred to National High Power Test Laboratory Pvt. Ltd. on right to use without granting ownership.

h) Office space acquired by the Company of 389 Sq Mtr. (Previous Year Nil) at Mumbai ₹ 6.42 crore (Previous Year ₹ Nil crore)for which Lease Deed/agreement not yet executed in favour of the Company.

Note 5 / Capital work in progress

(₹ in crore)

Particulars	As at 1st April, 2017	Additions during the year	Adjustments	Capitalised during the year	As at 31st March, 2018
Land					
Development of land	25.19	60.84	0.01	75.24	10.78
Buildings					
a) Sub-Stations & Office	394.86	157.30	-	362.40	189.76
b) Township	67.59	64.83	-	35.42	97.00
Roads & Bridges	20.46	7.60	-	9.40	18.66
Water Supply Drainage and Sewerage	3.06	0.16	-	-	3.22
Plant & Equipments (including associated civil works)		-	-	-	
a) Transmission	16,608.47	13,109.54	0.73	12,967.32	16,749.96
b) Sub-Station	8,278.04	10,517.25	0.37	11,106.73	7,688.19
c) Unified Load Despatch & Communication	375.00	233.37	6.11	137.97	464.29
d) Telecom	66.99	69.86	-	89.95	46.90
Other office equipments	6.49	4.25	-	1.86	8.88
Electrical Installations	0.55	1.77	-	1.39	0.93
Construction Stores (Net of Provision)	8,589.34	695.45	563.24	-	8,721.55
Expenditure pending allocation					
i) Survey, investigation, consultancy & supervision Charges	23.53	14.40	-	4.63	33.30
ii) Difference in Exchange on foreign currency loans	69.49	170.00	-	51.60	187.89
iii) Expenditure during construction period(net) (Note 44)	3,661.58	2,662.40	131.38	2,807.75	3,384.85
	38,190.64	**27,769.02**	**701.84**	**27,651.66**	**37,606.16**
Less: Provision for unserviceable Assets	3.64	-	1.38	-	2.26
Grand Total	**38,187.00**	**27,769.02**	**700.46**	**27,651.66**	**37,603.90**

Note 5/Capital work in progress (Contd.)

(₹ in crore)

Particulars	As at 1st April, 2016	Additions during the year	Adjustments	Capitalised during the year	As at 31st 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
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	21,407.93	11,639.93	1.33	16,438.06	16,608.47
b) Sub-Station	7,610.84	11,956.81	2,060.85	9,228.76	8,278.04
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)	10,208.89	596.05	2,443.95	4.73	8,589.34
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 44)	4,766.42	2,500.37	(147.96)	3,753.17	3,661.58
	45,442.48	**27,066.31**	**4,442.15**	**30,109.08**	**38,190.64**
Less: Provision for unserviceable Assets	3.64	-	-	-	3.64
	45,438.84	**27,066.31**	**4,442.15**	**30,109.08**	**38,187.00**

Note 5 / Capital work in progress (Contd.)

(Details of Construction stores) (At cost)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Construction Stores		
Towers	**1781.73**	1891.39
Conductors	**2999.57**	2585.46
Other Line Materials	**655.26**	913.86
Sub-Station Equipments	**2015.15**	2048.04
High Voltage Direct Current (HVDC) Equipments	**704.51**	708.37
Unified Load Despatch & Communication(ULDC) Materials	**401.21**	260.37
Telecom Materials	**37.54**	27.32
Others	**126.58**	154.54
	8721.55	8589.35
Less: Provision for shortages and obsolete material	**-**	0.01
TOTAL	**8721.55**	8589.34
Construction Stores include:		
i) Material in transit		
Towers	**3.84**	1.67
Conductors	**-**	4.42
Other Line Materials	**12.48**	18.63
Sub-Station Equipments	**158.41**	345.57
High Voltage Direct Current (HVDC) Equipments	**45.22**	-
Unified Load Despatch & Communication(ULDC) Materials	**-**	8.65
Others	**2.35**	63.09
Total	**222.30**	442.03
ii) Material with Contractors		
Towers	**1775.76**	1848.76
Conductors	**2999.46**	2551.44
Other Line Materials	**642.45**	888.22
Sub-Station Equipments	**1856.73**	1664.50
High Voltage Direct Current (HVDC) Equipments	**659.29**	708.37
Unified Load Despatch & Communication (ULDC) Materials	**401.22**	251.71
Telecom Materials	**37.54**	27.32
Others	**124.24**	90.10
Total	**8496.69**	8030.42
Grand total	**8718.99**	8472.45

Further Notes:

Materials with Contractors amounting to ₹488.14 crore (Previous Year ₹385.80 crore) 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 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	**As at 31st March, 2018**	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	**As at 31st March, 2018**	**As at 31st March, 2018**	As at 31st March, 2017
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 1st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017	As at 1st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017	As at 31st March, 2017	As at 31st 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**

6. Investment Property (Contd.)

(i) Amount recognised in profit and loss for investment property

(₹ in crore)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Rental income	**0.80**	0.64
Direct operating expenses from property that generated rental income	**-**	-
Direct operating expenses from property that did not generate rental income	**-**	-
Profit from investment property before depreciation	**0.80**	0.64
Depreciation	**-**	-
Profit from investment property	**0.80**	0.64

(ii) Contractual obligations

(₹ in crore)

	31st March, 2018	31st March, 2017
Contractual obligation for future repairs and maintenance- not recognised as a liability	**NIL**	NIL

(iii) Leasing arrangements

Minimum lease payments receivable under non-cancellable operating leases of investment property are as follows:-

(₹ in crore)

	31st March, 2018*	31st March, 2017
Within one year	**-**	0.83
Later than one year but not later than 5 years	**-**	0.91
Later than 5 years		-

* Lease agreement ended with mutual consent during the year w.e.f 15th March 2018 and no new lease agreement has been entered.

(iv) Fair value

(₹ in crore)

	31st March, 2018	31st March, 2017
Investment property	**2.98**	2.87

Estimation of fair value

The fair values of investment property has 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 property are included in level 2.

Note 7/Other Intangible assets

(₹ in crore)

Particulars	Cost					Accumulated Amortisation					Net Book Value	
	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
Electronic Data Processing Software	42.21	4.68	-	(0.09)	46.98	30.21	11.96	-	-	42.17	4.81	12.00
Right of Way-Afforestation Expenses	1,297.34	211.73	-	5.85	1,503.22	118.44	81.96	-	-	200.40	1,302.82	1,178.90
Telecom Licenses	2.50	2.80	2.50	-	2.80	1.37	0.13	1.37	-	0.13	2.67	1.13
Development of 1200 KV TS*	69.41	-	-	(0.16)	69.57	6.05	6.96	-	-	13.01	56.56	63.36
Total	**1,411.46**	**219.21**	**2.50**	**5.60**	**1,622.57**	**156.07**	**101.01**	**1.37**	**-**	**255.71**	**1,366.86**	**1,255.39**

*Internally generated intangible asset

(₹ in crore)

Particulars	Cost					Accumulated Amortisation					Net Book Value	
	As at 1st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017	As at 1st April, 2016	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
Electronic Data Processing Software	36.97	5.24	-	-	42.21	14.67	15.54	-	-	30.21	12.00	22.30
Right of Way-Afforestation Expenses	981.78	315.63	-	0.07	1,297.34	53.54	64.97	-	0.07	118.44	1,178.90	928.24
NLD Licence	-	-	-	(2.50)	2.50	-	0.12	-	(1.25)	1.37	1.13	-
Development of 1200 KV TS*	-	69.41	-	-	69.41	-	6.05	-	-	6.05	63.36	-
Total	**1,018.75**	**390.28**	**-**	**(2.43)**	**1,411.46**	**68.21**	**86.68**	**-**	**(1.18)**	**156.07**	**1,255.39**	**950.54**

*Internally generated intangible asset

Note 8 / Intangible assets under development

(₹ in crore)

Particulars	As at 1st April, 2017	Additions	Adjustments	Capitalised during the year	As at 31st March, 2018
Electronic Data Processing Software	0.07	1.77		1.84	-
Right of Way-Afforestation expenses	61.39	90.70		87.42	**64.67**
Development of 1200 KV TS	15.88	-	15.88	-	-
Total	**77.34**	**92.47**	**15.88**	**89.26**	**64.67**

(₹ in crore)

Particulars	As at 1st April, 2016	Additions	Adjustments	Capitalised during the year	As at 31st 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**

Note 9A / Investment in Joint Ventures accounted for using the equity method

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Investments in Equity Instruments (fully paid up)		
Unquoted		
Joint Venture Companies		
Torrent Power Grid Limited		
23400000 (Previous Year 23400000) Equity Shares of ₹10/- each.	**34.00**	26.48
Jaypee Powergrid Limited		
78000000 (Previous Year 78000000) Equity Shares of ₹10/- each.	**103.64**	94.43
Parbati Koldam Transmission Company Limited		
70937620 (Previous Year 70937620) Equity Shares of ₹10/- each.	**96.32**	92.70
Teestavalley Power Transmission Limited		
94277820 (Previous Year 94277820) Equity Shares of ₹10/- each.	**93.82**	93.65
Powerlinks Transmission Limited		
229320000 (Previous Year 229320000) Equity Shares of ₹10/- each.	**422.86**	408.69
North East Transmission Company Limited		
106964000 (Previous Year 106964000) Equity Shares of ₹10/- each.	**115.10**	98.45
National High Power Test Laboratory Private Limited		
304000000 (Previous Year 304000000) Equity Shares of ₹10/- each.	**27.83**	29.97
Cross Border Power Transmission Company Limited		
12612473 (Previous Year 12612473) Equity Shares of ₹10/- each.	**20.57**	18.19
Kalinga Bidyut Prasaran Nigam Private Limited		
5000 (Previous Year 5000) Equity Shares of ₹10/- each. (Refer further note 2 below)	**0.01**	0.01
Less: Provision for diminution in the value of Investment	**0.01**	0.01
	-	-

Note 9A / Investment in Joint Ventures accounted for using the equity method (Contd.)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Bihar Grid Company Limited		
156240000 (Previous Year 148500000) Equity Shares of ₹10/- each.	**168.16**	147.46
Power Transmission Company Nepal Limited (Refer further note 3 below)		
1040000 (Previous Year 780000) Equity Shares of Nepali Rupee 100/- each. (Refer further note 6 below)	**9.50**	7.34
RINL POWERGRID TLT Private Limited		
3400000 (Previous Year 3400000) Equity Shares of ₹10/- each.	**3.39**	3.40
TOTAL	**1095.19**	1020.76

Further notes:

1) 229319997 Equity Shares (Previous Year 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) POWERGRID's Board of Directors in its meeting held on 16th august 2017 accorded approval for initiating procedure for winding up/ removal of the name of Kalinga Bidyut Prasaran Nigam Private Ltd under fast track Exit mode of Registrar of Companies (ROC). Provision for diminution in the value of Investment of ₹ 0.01 crore had been made in the previous year.

3) Number of shares as at 31st March 2018 of Power Transmission Company Nepal Limited does not include 130000 bonus shares declared in the Annual General Meeting held on 10th January 2018 and allotted after 31st March 2018

Note 9 / Investment

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Investments in Equity Instruments (fully paid up)		
Quoted		
Investments at Fair Value through Other Comprehensive Income (OCI)		
PTC India Limited		
12000006 (Previous Year 12000006) Equity Shares of ₹10/- each	**104.88**	112.08
Unquoted		
Investments at Fair Value through Other Comprehensive Income (OCI)		
Energy Efficiency Services Limited		
22500000 (Previous Year 22500000) Equity Shares of ₹10/- each	**23.90**	29.62
Unquoted		
Investments at Cost (fully Paidup)		
Others		
500 (Previous Year 500) Equity Shares of ₹10/- each in Employees Co-op Society Limited Rourkela (₹ 5000/-)		
1 (Previous Year 1) share of ₹10/- each in Bharat Broadband Network Limited (₹ 10/-)		
TOTAL	**128.78**	141.70

Note 9 / Investment (Contd.)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Further notes:		
1) a) Aggregate amount of Quoted Investments		
At Cost	**12.00**	12.00
Market Value	**104.88**	112.08
b) Aggregate amount of Unquoted Investments	**23.90**	29.62
c) Aggregate amount of impairment in value of Investment		
2) Investments have been valued as per accounting policy no. 2.14		

Note 10 / Loans (considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Loans to Related Parties*		
Loan to Directors & Key Managerial Personnel (KMP)		
Secured	**-**	0.08
Unsecured	**0.07**	-
	0.07	0.08
Loans to Employees (including interest accrued)		
Secured	**111.02**	114.09
Unsecured	**28.90**	18.19
	139.92	132.28
Total	**139.99**	132.36

Further notes:

*Details of loans to related parties are provided in Note 60

Note 11 / Other Non-current Financial Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Lease receivables	**602.88**	635.24
Unbilled Revenue	**77.62**	15.40
Bank deposits with more than 12 months maturity#	**185.85**	158.23
Advances to related parties*		
i) Considered good	**-**	0.08
Total	**866.35**	808.95

Further notes:

Bank deposit is against designated accounts for consultancy work

* Details of advances to related parties are provided in note 60.

Note 12 / Other non-current Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advances for Capital Expenditure		
Unsecured		
a. Against bank guarantees	**2726.25**	3095.99
b. Others	**36.96**	138.89
Unsecured considered doubtful	**1.67**	2.95
	2764.88	3237.83
Less: Provision for bad & doubtful Advances	**1.67**	2.95
	2763.21	3234.88
Security Deposits	**8.92**	5.13
Advances to Related Parties (Unsecured) *	**0.43**	17.07
Deferred Employee Cost	**50.59**	56.30
Deferred Foreign currency Fluctuation Asset	**2734.16**	2974.91
Advances recoverable in kind or for value to be received		
Contractors & Suppliers	**129.10**	120.71
Balance with Customs Port Trust and other authorities	**23.16**	77.00
Advance tax and Tax deducted at source	**5409.13**	4436.84
Less: Provision for taxation	**5401.95**	4428.74
	7.18	8.10
Others**	**30.93**	22.48
	190.37	228.29
Considered doubtful	**2.90**	3.09
	193.27	231.38
Less: Provision for doubtful Advances	**2.90**	3.09
	190.37	**228.29**
TOTAL	**5747.68**	**6516.58**

Further notes:

*Details of advances to related parties are provided in Note 60.

**Others include amount recoverable from State Governments, insurance claims, prepaid expenses etc.

Note 13 / Inventories

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
(For mode of valuation refer Note 2.11)		
Components,Spares & other spare parts	**1057.90**	902.26
Loose tools	**21.61**	12.23
Consumable stores	**8.15**	9.71
	1087.66	924.20
Less Provision for Shortages/damages etc	**38.31**	17.25
TOTAL	**1049.35**	906.95
Inventories includes material in transit		
Components, Spares & other spare parts	**3.75**	19.93

Note 14 / Investments

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
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
TOTAL	-	2.50
Further notes:		
a) Aggregate amount of unquoted Investments		
Book value	-	2.50

Note 15 / Trade receivables

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Trade receivables		
Unsecured Considered good	**3626.13**	3131.93
Considered doubtful	**48.15**	32.41
	3674.28	3164.34
Receivable from related parties *		
Unsecured Considered good	**13.89**	-
	3688.17	3164.34
Less: Provision for doubtful trade receivables	**48.15**	32.41
TOTAL	**3640.02**	3131.93

Further notes:
*Details of trade receivables from related parties are provided in Note 60

Note 16 / Cash and Cash Equivalents

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance with banks-		
- In Current accounts	**137.58**	625.18
- In designated Current accounts (For Consultancy clients and others)	**360.19**	752.88
In term deposits (with maturity less than 3 months)*	**1013.73**	1826.86
Drafts/Cheques in hand/Remittances in transit	**23.30**	36.51
Others (Stamps and Imprest)	-	0.02
Total	**1534.80**	3241.45

Further notes:
*Term deposit includes ₹ 1013.73 crore (Previous Year ₹ 1326.86 crore) for Consultancy clients and others.

Note 17/ Bank Balances other than Cash & cash equivalents

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Earmarked balance with banks*	**12.61**	11.18
In Term Deposits having maturity over 3 months but upto 12 months (For Consultancy clients and others)	**641.61**	101.00
Total	**654.22**	112.18

Further notes:
*Earmarked balance with Bank includes unpaid dividend and refund of FPO proceeds

Note 18/Loans

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Loans to Related Parties**		
Loans to Joint Venture - Unsecured	**6.00**	-
Loan to Directors & Key Managerial Personnel (KMP)		
Secured	**-**	0.06
Unsecured Considered good	**0.04**	0.01
	6.04	0.07
Loans to Employees (including interest accrued)		
Secured	**21.63**	22.28
Unsecured Considered good	**19.21**	12.79
	40.84	35.07
Others	**-**	4.68
TOTAL	**46.88**	39.82

Further notes:
** Details of loans to related parties are provided in Note No 60.

Note19/Other Current Financial Assets

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Lease Receivables	**43.48**	70.94
Unbilled Revenue*	**4064.42**	2526.89
Less: Provision for Unbilled revenue **	**18.92**	-
	4045.50	2526.89
Interest accrued but not due		
Interest accrued on Investments (Bonds)	**0.42**	0.46
Interest accrued on Term/Fixed Deposits	**2.23**	0.40
Interest accrued on Others ***	**4.05**	1.20
Interest accrued on loan to Joint Ventures	**0.01**	-
	6.71	2.06
Advances to Related Parties #	**5.64**	-
Others (Unsecured) ##		
Considered Good	**635.90**	639.28
Considered Doubtful	**-**	0.86
Total	**635.90**	640.14
Less: Provision for doubtful Advances	**-**	0.86
	635.90	639.28
Total	**4737.23**	3239.17

Note19 / Other Current Financial Assets (Contd.)

Further notes:

* Unbilled revenue includes transmission charges for the month of March in the financial year amounting to ₹ 2277.02 crore (Previous Year ₹1968.66 crore) billed to beneficiaries in the month of April of subsequent financial year.

** Against the unbilled revenue accounted during the FY 2016-17 towards revenue recognised against the commissioning of 765 KV D/C Nagapattinam-Salem transmission line, provision for unbilled revenue has been created for the same amount during the current FY 2017-18 in line with the CERC order dt. 26-Mar-2018. The order provides that the PNMTL is entitled for tariff for the entire transmission system after the 765 kV S/C Salem-Madhugiri Transmission Line is put under commercial operation. However, PNMTL has filed a review petition for modification of the above order of CERC.

*** Interest accrued on Others includes accrued interest on advance to contractors.

Details of advances to related parties are provided in Note 60.

Others include amount recoverable from Customers, Advance rent for Residential and Office accommodation, Advance to PF Trust and Gratuity Trust, Other advance etc.

Note 20 / Other current Assets

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advances recoverable in kind or for value to be received (considered good unless otherwise stated)		
Contractors & Suppliers	**153.94**	206.41
Employees	**6.20**	6.78
Balance with Customs Port Trust and other authorities	**221.19**	51.36
Claims recoverable	**0.54**	1.12
	381.87	265.67
Advances to related parties #		
Joint Ventures	**0.77**	-
Others*		
Considered Good	**121.86**	35.18
Considered Doubtful	**0.03**	0.03
	121.89	35.21
Less:Provision for Doubtful Advances	**0.03**	0.03
	121.86	35.18
Total	**504.50**	**300.85**

Further notes:
Details of advances to related parties are provided in Note 60.
*Others include advance given for CSR activities and prepaid expenses.

Note 21 / Regulatory Deferral Account Balances

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Assets		
For Foreign Currency Fluctuation	**200.34**	4.42
For Employee Benefits Expense	**114.49**	103.18
Total	**314.83**	**107.60**

Further Note:

Refer to note no 55 for detailed disclosure on Regulatory Deferral Account Balances.

Note 22 / Equity Share capital

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Equity Share Capital		
Authorised		
10,00,00,00,000 (Previous Year 10,00,00,00,000) equity shares of ₹10/- each at par	**10000.00**	10000.00
Issued, subscribed and paid up		
5,23,15,89,648 (Previous Year 5,23,15,89,648) equity shares of ₹10/-each at par fully paid up	**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 31st March, 2018		For the year ended 31st March, 2017	
	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	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	No.of Shares	% of Holding	No.of Shares	% of Holding
Government of India	**2977314759**	**56.91**	3028835198	57.90

Note 23 / Other Equity

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Reserves and Surplus		
Securities Premium Account	**9578.29**	9578.29
Bonds Redemption Reserve	**9187.58**	8095.83
Self Insurance Reserve	**737.60**	677.79
Corporate Social Responsibility (CSR) Activity Reserve	**123.33**	123.38
General Reserve	**26988.99**	23312.01
Retained Earnings	**2487.77**	2742.85
Other Reserves		
Other Comprehensive Income Reserve	**90.84**	103.76
Total	**49194.40**	**44633.91**

Note 23 / Other Equity (Contd.)

23.1 Securities Premium Account

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	**9578.29**	9578.29
Balance at the end of the year	**9578.29**	9578.29

23.2 Bonds Redemption Reserve

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	**8095.83**	6893.16
Addition during the year	**2104.08**	2004.95
Deduction during the year	**1012.33**	802.28
Balance at the end of the year	**9187.58**	8095.83

Bonds Redemption Reserve is created for the purpose of redemption of debentures in term of the Companies Act, 2013.

23.3 Self Insurance Reserve

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	**677.79**	484.47
Addition during the year	**228.63**	194.17
Deduction during the year	**168.82**	0.85
Balance at the end of the year	**737.60**	**677.79**

Self-Insurance Reserve is created @ 0.12% p.a.(0.12% p.a. in previous year) on the Gross Block 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 and for procurement of towers and other transmission line materials including strengthening of towers and equipments of AC sub-station to take care of future contingencies.

23.4 Corporate Social Responsibility (CSR) Activity Reserve

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	**123.38**	135.53
Addition during the year	**-**	-
Deduction during the year	**0.05**	12.15
Balance at the end of the year	**123.33**	**123.38**

Corporate Social Responsibility Reserve is 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.

23.5 General Reserve

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	**23312.01**	21312.00
Addition during the year	**3667.91**	2000.00
Deduction during the year	**-**	12.99
Add/(Less): Adjustments	**9.07**	13.00
Balance at the end of the year	**26988.99**	**23312.01**

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.

Note 23 / Other Equity (Contd.)

23.6 Retained Earnings

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	**2742.85**	270.09
Add: Additions		
Net Profit for the period	**8198.31**	7450.73
Items of other comprehensive income recognised directly in surplus balance		
- Remeasurements of post employment benefit obligations	**26.54**	10.88
Transfer from Bond Redemption Reserve	**1012.33**	802.28
Other Adjustments	**0.23**	0.09
Less: Appropriations		
General Reserve	**3500.00**	2,000.00
Bonds Redemption Reserve	**2104.08**	2,004.95
Self Insurance Reserve	**228.63**	194.17
Interim dividend paid	**1281.74**	523.15
Tax on Interim dividend	**259.87**	105.40
Final Dividend (refer note 64(b))	**1752.59**	789.97
Tax on Final Dividend	**365.58**	173.58
Balance at the end of the year	**2487.77**	**2742.85**

23.7 Other Comprehensive Income Reserve

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	**103.76**	64.80
Addition during the year	**(12.92)**	38.96
Balance at the end of the year	**90.84**	**103.76**

Note 24 / Borrowings

(₹ in crore)

Particulars			As at 31st March, 2018	As at 31st March, 2017
A) BONDS				
A1) Secured (Taxable, Redeemable, Non-Cumulative, Non-Convertible)				
A1.1	i)	Bonds of ₹ 10 Lakhs each		
		LV Issue-7.55% Redeemable at par on 21.09.2031	**1238.91**	1238.62
		LX Issue-7.20% Redeemable at par on 09.08.2027	**3059.76**	-
		LIX Issue-7.30% Redeemable at par on 19.06.2027	**3069.76**	-
		XXXIX Issue- 9.40% redeemable at par on 29.03.2027	**1799.86**	1799.36
		LVIII Issue- 7.89% redeemable at par on 09.03.2027	**2059.41**	2058.95
		XXXVIII Issue- 9.25% redeemable at par on 09.03.2027	**854.72**	854.48
		LVI Issue- 7.36% redeemable at par on 18.10.2026	**1064.08**	1063.83
		XLII Issue-8.80% redeemable at par on 13.03.2023	**1989.49**	1,989.07
		LVII Issue- 7.20% redeemable at par on 21.12.2021	**2118.75**	2118.27
	ii)	Bonds of ₹ 30 Lakhs each consisting of 3 STRPPs of ₹ 10 Lakhs each redeemable at par in 3 (Three) equal instalments on 15.07.2021, 15.07.2026 and 15.07.2031		
		LIV Issue-7.97% Redeemable w.e.f 15.07.2021	**2997.89**	2,997.11

Note 24/ Borrowings (Contd.)

(₹ in crore)

Particulars			As at 31st March, 2018	As at 31st March, 2017
	iii)	Bonds of ₹ 30 Lakhs each consisting of 3 STRPPs of ₹ 10 Lakhs each redeemable at par in 3(Three) equal instalments on 23.12.2020, 23.12.2025 and 23.12.2030		
		LII Issue-8.32% redeemable w.e.f. 23.12.2020	**1396.94**	1396.75
	iv)	Bonds of ₹ 1.20 crore each consisting of 12 STRPPs of ₹ 10 Lakhs each redeemable at par in 12(twelve) equal instalments		
		LIII Issue-8.13% Redeemable w.e.f 25.04.2020	**3995.46**	3993.89
	v)	Bonds of ₹ 30 Lakhs each consisting of 3 STRPPs of ₹ 10 Lakhs each redeemable at par in 3 (Three) equal instalments on 09.03.2020, 09.03.2025 and 09.03.2030		
		XLIX Issue-8.15% redeemable w.e.f. 09.03.2020	**1304.60**	1304.38
	vi)	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
	vii)	Bonds of ₹40 Lakhs each consisting of 4 STRPPs of ₹ 10 Lakhs each redeemable at par in 4(Four) equal instalments on 23.01.2020, 23.01.2022, 23.01.2025 and 23.01.2030		
		XLVIII Issue-8.20% redeemable w.e.f. 23.01.2020	**2578.64**	2578.29
	viii)	Bonds of ₹ 1.20 crore each consisting of 12 STRPPs of ₹ 10 Lakhs each redeemable at par in 12(Twelve) equal instalments		
		LI Issue-8.40% redeemable w.e.f. 14.09.2019	**2997.62**	2996.74
	ix)	Bonds of ₹ 30 Lakhs each consisting of 3 STRPPs of ₹ 10 Lakhs each redeemable at par in 3 (Three) equal instalments on 04.09.2019, 04.09.2024 and 04.09.2029		
		XLVI Issue-9.30% redeemable w.e.f. 04.09.2019	**4357.52**	4357.74
	x)	Bonds of ₹ 1.20 crore each consisting of 12 STRPPs of ₹ 10 Lakhs each redeemable at par in 12(Twelve) equal installments		
		L Issue-8.40% redeemable w.e.f. 27.05.2019	**2926.70**	2926.13
	xi)	Bonds of ₹ 1.20 crore each consisting of 12 STRPPs of ₹10 Lakhs each redeemable at par in 12(Twelve) equal installments		
		XLVII Issue-8.93% redeemable w.e.f 20.10.2018	**2417.64**	2636.90
	xii)	Bonds of ₹ 30 Lakhs each redeemable at par in 3 equal instalments on 15.07.2018, 15.07.2023 and 15.07.2028		
		XLIV Issue-8.70% redeemable w.e.f. 15.07.2018	**2640.88**	3962.03
	xiii)	Bonds of ₹ 1.2 crore each consisting of 12 STRPPs of ₹ 10 lakhs each redeemable at par in 12 (Twelve) equal annual instalments		
		XLV Issue-9.65% redeemable w.e.f. 28.02.2018	**1665.55**	1831.36
		XLIII Issue-7.93% redeemable w.e.f. 20.05.2017	**2603.84**	2863.58
	xiv)	Bonds of ₹ 1.2 crore each consisting of 12 STRPPs of ₹ 10.00 Lakhs each redeemable at par in 12 (Twelve) equal annual instalments.		
		XLI Issue-8.85% redeemable w.e.f. 19.10.2016	**2129.59**	2365.63
	xv)	Bonds of ₹ 1.50 crore each, consisting of 15 STRPPs of ₹ 10.00 Lakhs each redeemable at par in 15 (Fifteen) equal annual instalments		

Note 24/ Borrowings (Contd.)

(₹ in crore)

Particulars			As at 31st March, 2018	As at 31st March, 2017
		XXXVI Issue- 9.35% redeemable w.e.f. 29.08.2016	**2469.27**	2674.67
	xvi)	Bonds of ₹ 1.2 crore each consisting of 12 STRPPs of ₹ 10.00 Lakhs each redeemable at par in 12 (Twelve) equal annual instalments.		
		XL Issue-9.30% redeemable w.e.f. 28.06.2016	**2995.53**	3327.43
		XXXVII Issue- 9.25% redeemable w.e.f 26.12.2015	**1328.77**	1494.70
	xvii)	Bonds of ₹ 1.5 crore 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	**1304.05**	1466.80
		XXXIV Issue- 8.84% redeemable w.e.f 21.10.2014	**2032.19**	2322.11
		XXXIII Issue- 8.64% redeemable w.e.f 08.07.2014	**1678.61**	1918.04
		XXXII Issue- 8.84% redeemable w.e.f 29.03.2014	**517.45**	603.56
		XXXI Issue- 8.90% redeemable w.e.f 25.02.2014	**1023.33**	1193.66
		XXX Issue- 8.80% redeemable w.e.f 29.09.2013	**1164.96**	1358.84
		XXIX Issue- 9.20% redeemable w.e.f 12.03.2013	**540.47**	648.39
		XXVIII Issue- 9.33% redeemable w.e.f 15.12.2012	**998.95**	1198.48
		XXVII Issue- 9.47% redeemable w.e.f 31.03.2012	**234.92**	293.65
		XXVI Issue- 9.30% redeemable w.e.f 07.03.2012	**332.88**	415.99
		XXV Issue- 10.10% redeemable w.e.f 12.06.2011	**354.65**	443.23
		XXIV Issue- 9.95% redeemable w.e.f 26.03.2011	**199.85**	266.41
		XXIII Issue- 9.25% redeemable w.e.f 09.02.2011	**76.82**	102.41
		XXII Issue- 8.68% redeemable w.e.f 07.12.2010	**172.32**	229.73
		XXI Issue- 8.73% redeemable w.e.f 11.10.2010	**127.34**	169.77
		XX Issue- 8.93% redeemable w.e.f 07.09.2010	**374.53**	499.29
		XIX Issue- 9.25% redeemable w.e.f 24.07.2010	**123.60**	164.77
		XVIII Issue- 8.15% redeemable w.e.f 09.03.2010	**166.45**	249.63
	xviii)	Bonds of ₹ 1.00 crore 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
	xix)	Bonds of ₹ 1.5 crore each consisting of 12 STRPPs of ₹ 12.50 Lakhs each redeemable at par in 12 (Twelve) equal annual instalments.		
		XV Issue-6.68% redeemable w.e.f. 23.02.2008	**-**	74.95
			69774.55	68839.46
A2)	**Unsecured**			
	A2.1	**Redeemable Domestic Bonds**		
		Bonds of ₹ 50 Lakhs each consisting of 05 STRPPs of ₹ 10.00 Lakhs each redeemable at par in 05 (Five) equal annual instalments.		
		LXI Issue-7.74% redeemable w.e.f. 12.12.2028	**2999.75**	-
	A2.2	**Redeemable Foreign Currency Bonds**		
		3.875% Foreign Currency Bonds to be redeemed at par on 17.01.2023	**3253.88**	3262.79
			6253.63	3262.79
		Total (A)	**76028.18**	72102.25

Note 24/ Borrowings (Contd.)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
B) Term loans		
from Banks		
Secured		
Foreign Currency Loans (Guaranteed by Government of India (GOI))	**21294.39**	20213.43
Other Foreign Currency Loans	**2548.77**	2672.65
Rupee Loans	**13638.00**	12752.00
	37481.16	35638.08
Unsecured		
Foreign Currency Loans (Guaranteed by GOI)	**3738.32**	1445.26
Other Foreign Currency Loans	**2022.66**	1917.58
Rupee Loans	**3440.00**	150.00
	9200.98	3512.84
Total (B)	**46682.14**	39150.92
TOTAL (A TO B)	**122710.32**	111253.17

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 instalment, as per terms of the respective loan agreement, commencing after moratorium period of 3 to 5 years except for one loan of ₹ 199.69 crore (Previous year Nil) which carries fixed rate of interest of 0.25% p.a.

2 Secured other Foreign Currency Loans carry floating rate of interest linked to 6M LIBOR /EURIBOR/STIBOR. These loans are repayable in semi annual instalments, as per terms of the respective loan agreements, commencing after moratorium period of 3 to 5 years.

3 Secured Rupee loans from banks carry floating rate of interest linked to 3M MCLR . These loans are repayable in semi annual instalments, as per terms of the respective loan agreements, 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 instalments as per terms of the respective loan agreements.

5 Unsecured Foreign Currency Loans carry floating rate of interest linked to 6M STIBOR/EURIBOR. These loans are repayable in semi annual instalments as per terms of the respective loan agreements, commencing after moratorium period as per terms of the respective loan agreements.

6 Unsecured Rupee loans from banks carry floating rate of interest linked to 3 months MCLR & 6 months MCLR. These loans are repayable in semi annual instalments, commencing after moratorium period as per terms of the respective loan agreements.

7 There has been no default in repayment of loans or payment of interest thereon as at the end of the year.

Details of Securities

1 Domestic Bonds 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 ,movable property pertaining to Khammam-Nagarjunasagar 400 KV D/C Line and Srikakulam-Vemagiri 765 KV D/C and floating charge on the assets of the group.

2 Secured Foreign Currency Loans (Guaranteed by GoI) are secured by pari passu interest in the lien created on the assets as security for the debts.

3 Secured Other Foreign Currency Loans and Rupee Loans are secured by the way of

(i) 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 or ;

(ii) pari passu charge on the assets of the company except investments and current assets or ;

(iii) floating charge on the immovable properties of the group

as per the terms of respective loan agreements.

Note 25/Other Non-current financial liabilities

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Deposits/Retention money from contractors and others.	**456.95**	284.34
Dues for Capital Expenditure	**2.65**	190.26
Total	**459.60**	474.60

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 26/ Provisions

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Employee Benefits		
As per last balance sheet	**789.56**	650.45
Additions/(adjustments) during the year	**(72.69)**	139.11
Closing Balance	**716.87**	789.56

Further Notes:
Provision is created for the purpose of leave encashment, Settlement Allowance, Long Service Award and other benefits. Detailed disclosure related to Employee Benefit Obligations is given in Note No 68.

Note 27/ Deferred tax liabilities (Net)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
A. Deferred Tax Liability		
Difference in book depreciation and tax depreciation	**14398.61**	11257.94
Finance lease assets	**88.37**	90.83
Others	**48.27**	66.30
Share of undistributed dividends in Joint Ventures	**58.82**	46.55
Deferred Tax Liability (A)	**14594.07**	11461.62
B. Deferred Tax Assets		
Income during Construction Period	**16.78**	18.69
Self Insurance Reserve	**8.11**	11.26
Provisions allowable on payment basis	**215.92**	236.77
Advance Against Depreciation	**525.59**	562.31
MAT Credit Entitlement	**30.15**	-
Others	**324.67**	228.41
Deferred Tax Assets (B)	**1121.22**	1057.44
Deferred Tax Liability (Net) (A-B)	**13472.85**	10404.18
Less: Deferred assets for deferred tax liability	**10989.39**	7868.20
Net Deferred Tax Liability	**2483.46**	2535.98

Note 27/ Deferred tax liabilities (Net) (Contd.)

Movement in Deferred Tax Liabilities

(₹ in crore)

Particulars	Difference in book depreciation and tax depreciation	Finance Leased Assets	Others	Undistributed Dividend in JVs	Undistributed Dividend in Subsidiary	Asset Held For Sale	Total
At 1st April, 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
At 31st March, 2017	**11257.94**	**90.83**	**66.30**	**46.55**	**-**	**-**	**11461.62**
Charged/(credited)							
- to profit or loss	3140.67	(2.46)	(18.03)	12.27	-	-	3132.45
At 31st March, 2018	**14398.61**	**88.37**	**48.27**	**58.82**	**-**	**-**	**14594.07**

a) Charge of ₹ (52.42) crore (Previous year ₹ 17.20 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, 2018 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.

c) Matter regarding presentation of 'Deferred Assets against Deferred Tax Liability' in Balance Sheet and Statement of Profit and loss has been referred to Expert Advisory Committee (EAC) of Institute of Chartered Accountant of India, opinion of which is still awaited.

Movement in Deferred Tax Assets

(₹ in crore)

Particulars	Income during construction period	Self-insurance reserve	Provisions allowable on payment basis	Advance against depreciation	MAT Credit Entitlement	Others	Total
At 1st April, 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 31st March, 2017	**18.69**	**11.26**	**236.77**	**562.31**	**-**	**228.41**	**1057.44**
Charged/(credited)							
- to profit or loss	(1.91)	(3.15)	(20.85)	(36.72)	30.15	96.26	63.78
At 31st March, 2018	**16.78**	**8.11**	**215.92**	**525.59**	**30.15**	**324.67**	**1121.22**

Amount taken to Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Increase in Deferred Tax Liabilities	**3132.45**	2695.61
Decrease/(Increase) in Deferred Tax Assets	**(63.78)**	(59.34)
Add: Adjustment of PY deferred tax Liability	**0.10**	-
Total	**3068.77**	2636.27
Less: Deferred Assets for deferred tax liability	**3121.19**	2619.07
Net Amount taken to Statement of Profit and Loss	**(52.42)**	17.20

Note 28 / Other non-current liabilities

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advance from customers (Consultancy/Telecom services)	**328.84**	448.16
Others*	**128.32**	127.04
Total	**457.16**	575.20

Further Notes:
*Others includes amount payable to Customers upon recovery.

Note 29 / Borrowings

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Short Term - Unsecured		
From Others		
Commercial Paper	**1000.00**	1500.00
Total	**1000.00**	1500.00

Note 30 / Trade payables

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
For goods and services	**240.44**	413.98
Total	**240.44**	413.98

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 31 / Other Current Financial Liabilities

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current maturities of long term borrowings		
Secured		
Bonds	**5211.89**	3812.37
Rupee Term Loans	**454.00**	454.00
Foreign Currency Loans	**1849.71**	1715.36
	7515.60	5981.73
Un-secured		
Foreign Currency Loans	**277.04**	253.01
	7792.64	6234.74
Interest accrued but not due on borrowings from		
Foreign Banks & Financial Institutions	**144.90**	124.76
Secured/Unsecured redeemable Bonds	**3323.48**	3067.45
	3468.38	3192.21

Note 31 / Other Current Financial Liabilities (Contd.)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Others		
Dues for capital expenditure	**4618.88**	3793.43
Employee related liabilities	**170.31**	135.88
Unclaimed dividends & FPO*	**12.61**	11.18
Deposits/Retention money from contractors and others.	**5355.24**	5648.99
Related parties**	**51.91**	40.31
Others#	**1210.03**	753.20
	11418.98	10382.99
Total	**22680.00**	19809.94

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.

**Details of amount payable to related parties are provided in Note 60.

#Others include liability for Long Term Access (LTA), Short Term Open Access (STOA), dead cheques, Price variation etc.

Note 32 / Other current liabilities

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advances from customers	**2569.87**	2495.83
Statutory dues	**148.68**	93.25
Total	**2718.55**	2589.08

Note 33 / Provisions

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
A) Employee Benefits		
i) Performance related pay / special incentive		
As per last balance sheet	**109.83**	182.52
Addition during the year	**163.46**	168.04
Amount paid/adjusted during the year	**109.96**	240.73
Closing Balance	**163.33**	109.83
ii) Wage revision		
As per last balance sheet	**265.43**	-
Additions during the year	**459.93**	265.43
Closing Balance	**725.36**	265.43
iii) Other Employee Benefits		
(Leave Encashment, Settlement Allowance and Long Service Award etc.)		
As per last balance sheet	**73.86**	46.56
Additions/(adjustments) during the year	**(7.34)**	27.30
Closing Balance	**66.52**	73.86
Total (A)	**955.21**	449.12

33. Provisions (Contd.)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
B) Others		
i) Downtime Service Credit-Telecom		
As per last balance sheet	**14.86**	10.10
Additions during the year	**8.26**	9.11
Amounts adjusted during the year	**4.92**	4.36
Closing Balance	**18.20**	14.85
ii) Provision Others		
As per last balance sheet	**73.24**	58.97
Additions/(adjustments) during the year	**12.95**	14.27
Closing Balance	**86.19**	73.24
Total (B)	**104.39**	88.09
Total (A+B)	**1059.60**	537.21

Further 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. Provision has been made in line with circular of Department of Public Enterprises, Government of India 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 pending approval of Board of Directors for implementation of pay revision in terms of presidential directives dated 10th May 2018.

Other Employee Benefits

Provision is created for the purpose of meeting out leave encashment, settlement allowance, long service award and POWERGRID Employee Family Rehabilitation Scheme.

Others

Downtime 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 34/Current Tax Liabilities (Net)

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Taxation (Including interest on tax)		
As per last balance sheet	**4847.15**	4134.05
Additions during the year	**2247.90**	1989.07
Amount adjusted during the year	**1285.84**	1275.97
Total	**5809.21**	4847.15
Net off against Advance tax and TDS	**5401.95**	4428.74
Closing Balance	**407.26**	418.41

Note 35 / Deferred Revenue

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advance against depreciation	**1504.09**	1624.81
Grants in aid (Refer further notes)		
As per last Balance Sheet	**150.30**	109.17
Received during the year	**421.39**	63.02
Adjustments during the year	**12.13**	21.89
Closing balance	**559.56**	150.30
Deferred income from foreign currency fluctuation (Net)	**2903.76**	3107.26
TOTAL	**4967.41**	4882.37

Further Notes:

1. Grant in Aid of ₹ 141.27 crore (Previous Year NIL) was received from Power System Development Fund (PSDF) for installation of STATCOM in ER (ERSS-XI) and SR (System Strengthening in SR-XXI).
2. Grant in Aid of ₹ 115.99 crore (Previous Year 63.02 crore) was received from Power System Development Fund (PSDF) for Unified Real Time Dynamic State Measurement (URTDSM).
3. Grant in Aid of ₹ 164.13 crore (Previous Year NIL) was received from Ministry of Natural Resources & Environment (MNRE) for establishment of transmission system associated with Ultra Mega Solar Parks in Andhra Pradesh, Karnataka, Madhya Pradesh, Rajasthan and Gujarat.

Note 36 / Revenue from operations

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Sales of services		
Transmission Business		
Transmission Charges	**28686.36**	24360.05
Add: Revenue recognised out of Advance Against Depreciation	**120.72**	145.85
	28807.08	24505.90
Other Operating Revenue	**36.53**	218.62
	28843.61	24724.52
Telecom Business	**606.59**	497.36
Consultancy Project Management and Supervision	**491.29**	475.56
Total	**29941.49**	25697.44

Further 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.

b) The company has recognised transmission income during the year as per the following:-

   i) ₹ 24572.91 crore (previous year ₹ 22160.14 crore) as per final tariff orders issued by CERC.

   ii) ₹ 4234.17 crore (previous year ₹ 2345.76 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) Consequent to the final order issued by CERC, transmission income includes ₹ 79.33 crore (decrease) (Previous Year ₹ 125.08 crore (increase) pertaining to earlier years.

d) Other operating income includes interest on differential between provisional & final tariff and income from finance lease.

e) The CERC order dated 26 March 2018 provides that PNMTL is entitled for tariff for the entire transmission system after the 765 KV Salem-Madhugiri Transmission line is put under commercial operation. Accordingly Revenue from operation is not recognised. However, PNMTL has filed a review petition for modification of the above order of CERC.

Note37/Other income

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest income from financial assets at amortised cost		
Interest on Govt. securities	**0.07**	0.79
Indian Banks	**110.72**	121.94
Others*	**14.62**	16.16
	125.41	138.89
Interest from advances to contractors	**66.32**	70.41
	191.73	209.30
Dividend income from investment in		
Equity investments designated at fair value through other comprehensive income	**5.58**	3.51
Equity Investments in Assets held for Sale	**-**	3.56
	5.58	7.07
Others		
Profit on sale of Property, Plant and Equipment	**0.45**	0.03
Profit on reclassification of Investment	**-**	3.44
Transfer from Grants-in-aid	**12.13**	21.89
Finance Income from finance lease	**73.64**	75.99
Surcharge	**156.61**	188.50
FERV gain	**0.33**	27.34
Provisions written back	**8.36**	5.69
Fair Value gain on initial recognition of Financial liability/investment	**50.95**	57.44
Miscellaneous income	**111.62**	128.32
	414.09	508.64
	611.40	725.01
Less: Transferred to expenditure during construction(Net)-Note 44	**122.35**	139.49
TOTAL	**489.05**	585.52

Further Notes:

* Others include interest on employee loans & unwinding of finance cost on employee loans.

Note 38/Employee benefits expense

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salaries, wages, allowances & benefits	**1844.95**	1393.10
Contribution to provident and other funds	**112.24**	357.03
Staff Welfare expenses (Including Deferred Employee cost)	**193.10**	161.47
	2150.29	1911.60
Less: Transferred to Expenditure during Construction(Net)-Note 44	**544.40**	534.47
Total	**1605.89**	1377.13

Note 38/Employee benefits expense (Contd.)

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 31st March, 2018	For the year ended 31st March, 2017
Salaries and Allowances	**2.38**	2.05
Contribution to Provident Fund and other Funds, Gratuity and Group Insurance	**0.17**	0.30
Other benefits	**0.94**	1.26

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 benefit expense (net of amount transferred to Expenditure during construction) includes ₹ 348.52 crore (Previous Year ₹ 204.51 crore) towards Pay Revision of employees of the Company due w.e.f 1st January, 2017.

c) Pending approval of Ministry of Power and Department of Public Enterprises, special allowance upto 10% of basic pay amounting to ₹ 12.88 crore for the Financial Year 2017-18 (₹ 12.34 crore for F.Y. 2016-17) (Cumulative amounting to ₹ 139.23 crore upto 31st March, 2018) 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 39/Finance costs

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest and finance charges on financial liabilities at amortised cost		
Indian Banks & Financial Institutions	**1367.84**	1311.61
Foreign Banks and Financial Institutions	**558.71**	397.31
Secured/Unsecured redeemable Bonds	**6560.03**	5927.22
Foreign Currency Bonds	**134.89**	121.62
Unwinding of discount on financial liabilities	**63.11**	60.82
Interest - Others	**15.45**	75.80
	8700.03	7894.38
Other Finance charges		
Commitment charges	**10.13**	9.56
Guarantee Fee	**296.95**	263.30
Others*	**62.06**	35.66
	369.14	308.52
Exchange differences regarded as adjustment to Borrowing Cost	**205.10**	(46.23)
	574.24	262.29
Total	**9274.27**	8156.67
Less: Transferred to Expenditure during Construction(Net)-Note 44	**1950.13**	1953.12
Total	**7324.14**	6203.55

Further Notes:

*Others includes agency fees, trustee fees, front-end fees etc.

Note 40 / Depreciation and amortization expense

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Depreciation of Property,Plant and Equipment	**9346.43**	7804.88
Amortization of Intangible assets	**101.01**	86.68
	9447.44	7891.56
Less: Transferred to Expenditure During Construction(Net)-Note 44	**12.81**	16.18
	9434.63	7875.38
Less: Depreciation amortised due to FERV adjustment	**203.64**	153.13
Charged to Statement of Profit & Loss	**9230.99**	7722.25

Note 41 / Other expenses

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Repair & Maintenance		
Buildings	**64.69**	54.98
Plant & Machinery		
Sub-Stations	**333.00**	270.55
Transmission lines	**149.89**	174.91
Telecom equipments	**37.25**	42.60
Others	**38.69**	28.98
	558.83	517.04
System and Market Operation Charges	**8.42**	9.37
Power charges	**242.56**	226.01
Less: Recovery from contractors	**1.14**	2.11
	241.42	223.90
Expenses of Diesel Generating sets	**5.04**	4.55
Stores consumed	**8.67**	3.92
Water charges	**2.70**	4.12
Right of Way charges-Telecom	**7.57**	5.20
Patrolling Expenses-Telecom	**2.95**	2.62
Last Mile connectivity-Telecom	**9.83**	9.51
Training & Recruitment Expenses	**30.82**	28.95
Less:Fees for training and application	**2.00**	1.46
	28.82	27.49
Legal expenses	**21.30**	19.04
Professional charges	**75.52**	15.76
Consultancy expenses	**108.95**	33.02
Communication expenses	**16.03**	21.58
Inland Travelling Expenses	**104.67**	99.62
Foreign travel	**11.11**	8.30
	115.78	107.92
Tender expenses	**12.11**	28.71
Less: Sale of tenders	**1.89**	3.15
	10.22	25.56

Note 41/Other expenses (Contd.)

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Payments to Statutory Auditors		
Audit Fees	**1.20**	0.94
Tax Audit Fees	**0.26**	0.26
In Other Capacity	**1.21**	1.03
Arrears	**0.36**	0.66
Out of pocket Expenses	**1.00**	1.05
	4.03	3.94
Advertisement and publicity	**14.07**	15.67
Printing and stationery	**5.73**	7.41
Books Periodicals and Journals	**1.48**	1.27
EDP hire and other charges	**10.71**	10.81
Entertainment expenses	**3.17**	2.06
Brokerage & Commission	**1.12**	0.64
Research & Development expenses	**1.33**	2.63
Cost Audit and Physical verification Fees	**1.27**	1.15
Rent	**14.60**	12.44
CERC petition & Other charges	**63.40**	59.15
Miscellaneous expenses	**96.21**	76.60
Horticulture Expenses	**27.11**	16.96
Security Expenses	**243.42**	140.11
Hiring of Vehicle	**143.66**	111.75
Insurance	**79.31**	88.50
Rates and taxes	**35.28**	6.43
License Fees to DOT	**60.38**	44.20
Bandwidth charges dark fibre lease charges (Telecom)	**30.70**	23.66
Corporate Social Responsibility (CSR) & Sustainable development	**151.19**	142.63
Transit Accomodation Expenses	**22.28**	14.58
Less : Income from Transit Accomodation	**1.36**	1.10
	20.92	13.48
Foreign Exchange Rate Variation	**162.08**	-
Provisions	**50.59**	4.29
	2508.50	1871.36
Less:Transferred to Expenditure during Construction(Net)-Note 44	**288.35**	140.50
	2220.15	1730.86
Loss on Disposal/Write off of Property, Plant & Equipment	**10.75**	3.85
Total	**2230.90**	1734.71

Note 42 / Net Movement in Regulatory Deferral Account Balances-Incomes / (expenses)

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
For Foreign Currency Fluctuation	**195.92**	(33.25)
For Employee Benefits Expense	**11.31**	103.18
TOTAL	**207.23**	69.93

Refer to note no 55 for detailed disclosure on Regulatory Deferral Account Balances.

Note 43 / Other Comprehensive Income

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Items that will not be reclassified to Profit or Loss		
Gain/(Loss) on valuation of Investment in Equity	**(12.92)**	38.96
Provisions for actuarial valuation	**37.58**	15.28
	24.66	54.24
Less: Transferred to Expenditure during Construction(Net)-Note 44	**10.94**	4.41
TOTAL	**13.72**	49.83

Note 44 / Expenditure during Construction (Net)

(₹ in crore)

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A.	**Employees Remuneration & Benefits**		
	Salaries wages allowances and benefits	**486.71**	409.73
	Contribution to provident and other funds	**29.97**	105.14
	Welfare expenses	**27.72**	19.60
	Total (A)	**544.40**	534.47
B.	**Other Expenses**		
	Repair and maintenance	**5.67**	3.51
	Power charges	**2.65**	10.21
	Less: Recovery from contractors	**0.75**	1.72
		1.90	8.49
	Expenses on Diesel Generating sets	**0.45**	0.37
	Training & Recruitment Expenses	**0.98**	1.44
	Legal expenses	**3.23**	0.94
	Professional charges	**58.51**	17.20
	Consultancy expenses	**108.76**	20.36
	Communication expenses	**2.13**	2.32
	Travelling & Conv.exp. (Including Foreign Travel)	**27.16**	26.54
	Tender expenses	**10.32**	5.63
	Less: Sale of tenders	**1.64**	2.88
		8.68	2.75

Note 44/ Expenditure during Construction (Net) (Contd.)

(₹ in crore)

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
	Payment to Auditors	**0.13**	0.05
	Advertisement and Publicity	**1.03**	1.60
	Printing and stationery	**0.71**	0.66
	Books, Periodicals and Journals	**0.01**	0.02
	EDP hire and other charges	**0.23**	0.27
	Entertainment expenses	**0.40**	0.25
	Brokerage and commission	**0.03**	0.06
	Rent	**3.27**	3.70
	Miscellaneous expenses	**13.78**	11.62
	Horticulture Expenses	**0.64**	0.90
	Security Expenses	**19.28**	14.58
	Hiring of Vehicles	**24.03**	20.75
	Insurance	**0.03**	0.03
	Rates and taxes	**6.25**	0.80
	Bandwidth charges, dark fibre lease charges(Telecom)	**0.13**	0.24
	Transit Accomodation Expenses	**0.93**	1.06
	Less : Income from Transit Accomodation	**-**	0.01
		0.93	1.05
	Total (B)	**288.35**	140.50
C.	**Depreciation/Amortisation**	**12.81**	16.18
	Total (C)	**12.81**	16.18
D.	**Finance Costs**		
	a) Interest and finance charges on financial liabilities at amortised cost		
	Government of India		
	Indian Banks and Financial Institutions	**301.55**	455.19
	Foreign Banks and Financial Institutions	**131.59**	100.14
	Secured/Unsecured Redeemable Bonds	**1176.21**	1253.48
	Foreign Currency Bonds	**5.17**	26.36
	Others	**44.74**	92.73
	b) Other finance charges	**1659.26**	1927.90
	Commitment charges	**8.33**	9.44
	Guarantee fee	**71.61**	43.63
	Others	**37.93**	14.67
		117.87	67.74
	c) FERV adjustment to borrowing cost	**173.00**	(42.52)
	Total (D)	**1950.13**	1953.12

Note 44/ Expenditure during Construction (Net) (Contd.)

(₹ in crore)

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
E.	**Less: Other Income**		
	Interest from		
	Indian banks	**11.82**	36.94
	Contractors	**60.12**	72.05
		71.94	108.99
	Miscellaneous income	**50.41**	30.50
	Total (E)	**122.35**	139.49
F.	**Less: Other Comprehensive Income**		
	Other Comprehensive Income	**10.94**	4.41
	Total (F)	**10.94**	4.41
	GRAND TOTAL (A+B+C+D-E-F)	**2662.40**	2500.37

45. Interest in Other Entities

45.1 Subsidiaries:

The Group's subsidiaries at 31st March, 2018 are set out below. Unless otherwise stated, they have share capital consists solely of equity share that are held directly by the Group, and the proportion of ownership interest held equals the voting rights held by the Group:

	Name of the Entity	Place of business	Proportion (%) of Shareholding as on		Principle activities
			31st March, 2018	31st March, 2017	
1	Powergrid Jabalpur Transmission Limited	India	**100%**	100%	Transmission
2	Powergrid Kala Amb Transmission Limited	India	**100%**	100%	Transmission
3	Powergrid NM transmission Limited	India	**100%**	100%	Transmission
4	Powergrid Parli Transmission Limited	India	**100%**	100%	Transmission
5	Powergrid Southern Interconnector Transmission System Limited	India	**100%**	100%	Transmission
6	Powergrid Unchahar Transmission Limited	India	**100%**	100%	Transmission
7	Powergrid Vemagiri transmission Limited *	India	**100%**	100%	Transmission
8	Powergrid Vizag Transmission Limited	India	**100%**	100%	Transmission
9	Powergrid Warora Transmission Limited	India	**100%**	100%	Transmission
10	Powergrid Medinipur Jeerat Transmission Limited (erstwhile Medinipur Jeerat Transmission Limited)	India	**100%**	100%	Transmission
11	Powergrid Mithilanchal Transmission Limited (erstwhile ERSS XXI Transmission Limited)**	India	**100%**	NA	Transmission
12	WR NR Power Transmission Limited***	India	**100%**	NA	Transmission
13	Grid Conductor Limited****	India	**-**	100%	Manufacturing of Conductor

(i) All Subsidiary companies are unlisted entities.

(ii) Financial statements used for consolidation are audited except Powergrid Mithilanchal Transmission Limited and WR NR Power Transmission Limited.

45. Interest in Other Entities (Contd.)

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

**100% equity in Powergrid Mithilanchal Transmission Limited acquired from REC Transmission Projects Limited on 12th January, 2018.The company has made accounts for a period of 15 months.

***100% equity in WR NR Power Transmission Limited acquired from REC Transmission Projects Limited on 27th March, 2018. The company has made accounts for a period of 15 months.

****Pursuant to application dated 13th June 2017 submitted to Ministry of Corporate Affairs for striking off the name of Grid Conductors Limited, the company is not deemed to be a subsidiary.

45.1.1 The group has made further Investment of ₹ Nil crore (Previous Year ₹ 0.10 crore) in Powergrid Jabalpur Transmission Limited which is wholly owned subsidiary company of the group.

45.1.2 The group has made further Investment of ₹ 54.95 crore (Previous Year ₹ 1.00 crore) in Powergrid Kala Amb Transmission Limited which is wholly owned subsidiary company of the group.

45.1.3 The group has made further Investment of ₹ 50.00 crore (Previous Year ₹ 138.00 crore) in Powergrid NM Transmission Limited which is wholly owned subsidiary company of the group. The above investment includes share application money amounting to ₹ Nil crore (Previous Year ₹ 28.00 crore).

45.1.4 The group has made further Investment of ₹ Nil crore (Previous Year ₹ 0.05 crore) in Powergrid Parli Transmission Limited which is wholly owned subsidiary company of the group.

45.1.5 The group has made further Investment of ₹ Nil crore (Previous Year ₹ 12.91 crore) in Powergrid Unchahar Transmission Limited which is wholly owned subsidiary company of the group.

45.1.6 The group has made further Investment of ₹ Nil crore (Previous Year ₹ 155.00 crore) in Powergrid Vizag Transmission Limited which is wholly owned subsidiary company of the group.

45.1.7 The group has made further Investment of ₹ 151.20 crore (Previous Year ₹ 25.05 crore) in Powergrid Warora Transmission Limited which is wholly owned subsidiary company of the group.

45.1.8 The group has made further investment of ₹ Nil crore (Previous Year ₹ 0.01 crore) in Powergrid Medinipur Jeerat Transmission Limited (erstwhile Medinipur Jeerat Transmission Limited), a wholly owned subsidiary company.

45.1.9 During the year group has made investment of ₹ 0.05 crore in Powergrid Mithilanchal Transmission Limited (erstwhile ERSS XXI Transmission Limited), a wholly owned subsidiary company. The Company was taken over from REC Transmission Projects Company Limited vide share purchase agreement dated 12th January 2018 to carry over the business awarded under tariff based competitive bidding, after transfer Powergrid Mithilanchal Transmission Limited become wholly owned subsidiary of the Group.

45.1.10 During the year group has made investment of ₹ 0.05 crore in WR NR Power Transmission Limited, a wholly owned subsidiary company. The Company was taken over from REC Transmission Projects Limited vide share purchase agreement dated 27th March 2018 to carry over the business awarded under tariff based competitive bidding, after transfer WR NR Power Transmission Limited become wholly owned subsidiary of the Group

45.1.11 The group has made further Investment of ₹ Nil crore (Previous Year ₹ 0.05 crore) in Grid Conductors Limited which was wholly owned subsidiary company of the group. Pursuant to application dated 13th June 2017 submitted to ministry of corporate affairs for striking off the name of Grid Conductors limited, the company is not deemed to be a subsidiary.

45.2 Joint Ventures:

Set out below are joint ventures of the Group as at 31st March 2018, which in the opinion of the management, are material to the Group. 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:

45. Interest in Other Entities (Contd.)

(₹ in crore)

	Name of the Entity	Place of business	Proportion (%) of Shareholding as at 31st March		Carrying amount as at 31st March		Nature of activity
			2018	2017	2018	2017	
1	Powerlinks Transmission Limited	India	**49**	49	**422.86**	408.69	Transmission system associated with Tala HEP in Bhutan – under successful operation since Aug' 06
2	Torrent Powergrid Limited	India	**26**	26	**34.00**	26.48	Transmission System associated with 1100 MW Sugen generating project at Surat - progressively commissioned in Mar'11
3	Jaypee Powergrid Limited	India	**26**	26	**103.64**	94.43	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	**96.32**	92.70	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	**93.82**	93.65	Transmission System associated with 1200 MW Teesta – III HEP in Sikkim
6	North East Transmission Company Limited	India	**26**	26	**115.10**	98.45	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**	20	**27.83**	29.97	To create high power short circuit test facility
8	Bihar Grid Company Limited	India	**50**	50	**168.16**	147.46	Establishment of Intra-State Transmission system in the State of Bihar
9	Kalinga Bidyut Prasaran Nigam Pvt Limited#	India	**50**	50	**0.01**	0.01	Establishment of Intra-State Transmission system in the State of Odisha
10	Cross Border Transmission Limited	India	**26**	26	**20.57**	18.19	Establishment of Indian Portion of Indo-Nepal Cross Boarder Transmission Line from Muzaffarpur to Sursand
11	RINL POWERGRID TLT Pvt. Limited	India	**50**	50	**3.39**	3.40	Establishment of manufacturing of Transmission Line Tower parts plant
12	Power Transmission Company Nepal Ltd	Nepal	**26**	26	**9.50**	7.34	Establishment of Nepal Portion of Indo-Nepal Cross Boarder Transmission Line from Dhalkebar to Bittamod

(iii) All joint venture companies are unlisted entities.

(iv) Financial statements used for consolidation are unaudited except for Powerlinks Transmission Limited, Jaypee Powergid Limited, Cross Border Transmission Limited and North East Transmission Company Limited.

POWERGRID's Board of Directors in its meeting held on 16th august 2017 accorded approval for initiating procedure for winding up/ removal of the name of Kalinga Bidyut Prasaran Nigam Private Ltd under fast track Exit mode of Registrar of Companies (ROC).

45.2.1 The Group has made further investment of ₹ Nil crore (Previous year ₹ 27.17 crore) in Teestavalley Power Transmission Limited, a joint venture company in which 26% share are held by the Group and balance 74% share are held by Teesta Urja Limited.

45.2.2 The Group has made further investment of ₹ Nil crore (Previous year ₹ 6.50 crore) in National High Power Test Laboratory Pvt Ltd, a joint venture company in which 20% share are held by the Group and balance 20% share are held by NTPC Limited, 20% share

45. Interest in Other Entities (Contd.)

are held by NHPC Limited, 20% share are held by Damodar Valley Corporation and 20% share are held by Central Power Research Institute.

45.2.3 The Group has made further investment of ₹ 7.74 crore (Previous year ₹ 108.19 crore) in Bihar Grid Company Limited, a joint venture company in which 50% share are held by the Group and balance 50% share are held by Bihar State Power Holding Company.

45.2.4 The Group has made further investment of ₹ Nil crore (Previous year ₹ 2.30 crore) in Cross Border Power Transmission Company Limited, a joint venture company in which 26% share are held by the Group and balance 74% share are held by IL&FS Energy Development Company Limited, SJVN Limited & Nepal Electricity Authority.

45.2.5 The Group has made further investment of ₹ Nil crore (Previous year ₹ 3.30 crore) in RINL Power Grid TNT Pvt Limited, a joint venture company in which 50% share are held by the Group and balance 50% are held by Rashtriya Ispat Nigam Limited.

45.2.6 The Group has made further investment of ₹ 1.62 crore (Previous year ₹ Nil crore) in Power Transmission Company Limited Nepal Ltd, a joint venture company in which 26% share are held by the Group , 50% shares are held by Nepal Electricity Authority, 10% shares are held by IL&FS Energy Development Company Limited and 14% shares are held by Hydroelectricity Investment & development company Ltd.

45.2.7 Commitments and contingent liabilities in respect of joint venture:

(₹ in crore)

Particulars	31st March, 2018	31st March, 2017
Share of Group		
Commitment	**519.40**	220.21
Contingent Liabilities	**53.12**	55.18
Total commitments and contingent liabilities	**572.52**	**275.39**

45.2.8 Summarised financial information for joint ventures

Table below provide summarised financial information for these joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture.

Summarised Balance Sheet

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Powergrid Limited		Jaypee Powergrid Limited		Parbati Koldam Transmission Company Limited	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Current Assets								
Cash & Cash Equivalent	**15.66**	0.08	**1.87**	0.41	**30.95**	2.99	**28.00**	43.99
Other Assets	**274.50**	265.65	**40.62**	37.42	**57.88**	58.88	**104.65**	93.84
Total Current Assets	**290.16**	265.73	**42.49**	37.83	**88.83**	61.87	**132.65**	137.83
Total Non-Current Assets	**848.20**	914.53	**188.78**	205.00	**757.72**	847.08	**796.32**	844.26
Current Liabilities								
Financial Liabilities	**172.35**	118.68	**21.12**	30.45	**62.16**	67.85	**60.08**	74.40
Other Liabilities	**97.94**	38.61	**0.73**	0.56	**42.30**	19.09	**2.06**	1.88
Total Current Liabilities	**270.29**	157.29	**21.85**	31.01	**104.46**	86.94	**62.14**	76.28
Non- Current Liabilities								
Financial Liabilities	**-**	156.64	**61.30**	81.66	**301.92**	363.24	**495.30**	542.09
Other Liabilities	**5.10**	32.26	**17.36**	28.30	**41.57**	95.59	**1.07**	7.17
Total Non-Current Liabilities	**5.10**	188.90	**78.66**	109.96	**343.49**	458.83	**496.37**	549.26
Net Assets	**862.97**	834.07	**130.76**	101.86	**398.60**	363.18	**370.46**	356.55

45. Interest in Other Entities (Contd.)

(₹ in crore)

Particulars	North East Transmission Company Limited		National High Power Test Lab Pvt Limited		Bihar Grid Company Limited		Cross Border Transmission Limited	
	31st March, 2018	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017
Current Assets								
Cash & Cash Equivalent	**76.49**	55.28	**6.05**	0.57	**33.74**	16.44	**10.32**	22.56
Other Assets	**182.22**	182.40	**4.44**	43.27	**108.85**	2.66	**57.17**	53.23
Total Current Assets	**258.71**	237.68	**10.49**	43.84	**142.59**	19.10	**67.49**	75.79
Total Non-Current Assets	**1725.21**	1,803.70	**341.17**	326.98	**1565.18**	1362.49	**200.25**	210.01
Current Liabilities								
Financial Liabilities	**185.30**	195.29	**24.00**	-	**103.76**	-	**16.46**	28.85
Other Liabilities	**39.42**	0.33	**55.57**	47.57	**58.61**	257.60	**7.81**	9.88
Total Current Liabilities	**224.72**	195.62	**79.57**	47.57	**162.37**	257.60	**24.27**	38.73
Non-Current Liabilities								
Financial Liabilities	**1300.93**	1,414.05	**132.81**	173.30	**1144.34**	826.70	**159.95**	172.74
Other Liabilities	**15.57**	53.02	**0.13**	0.12	**64.74**	2.38	**4.40**	4.36
Total Non -Current Liabilities	**1316.50**	1,467.07	**132.94**	173.42	**1209.08**	829.08	**164.35**	177.10
Net Assets	**442.70**	378.69	**139.15**	149.83	**336.32**	294.91	**79.12**	69.97

(₹ in crore)

Particulars	Power Transmission Company Nepal Ltd		Teestavalley Power Transmission Limited		Kalinga Bidyut Prasaran Nigam Pvt Limited		RINL POWERGRID TLT Private Limited	
	31st March, 2018	**31st March, 2017**	**31st March, 2018**	**31st March, 2017**	**31st March, 2018**	**31st March, 2017**	**31st March, 2018**	**31st March, 2017**
Current Assets								
Cash & Cash Equivalent	**16.06**	11.21	**66.49**	46.67	**0.01**	0.01	**0.18**	0.16
Other Assets	**5.58**	2.81	**10.39**	6.82	**-**	-	**-**	-
Total Current Assets	**21.64**	14.02	**76.88**	53.49	**0.01**	0.01	**0.18**	0.16
Total Non-Current Assets	**80.56**	82.39	**1528.45**	1308.04	**-**	1.17	**8.30**	7.69
Current Liabilities								
Financial Liabilities	**3.71**	7.44	**121.91**	43.29	**-**	-	**1.10**	-
Other Liabilities	**2.82**	2.17	**40.43**	88.29	**-**	1.17	**0.01**	1.05
Total Current Liabilities	**6.53**	9.61	**162.34**	131.58	**-**	1.17	**1.11**	1.05
Non-Current Liabilities								
Financial Liabilities	**59.14**	54.58	**1081.64**	869.40	**-**	-	**-**	-
Other Liabilities	**-**	-	**0.51**	0.36	**-**	-	**-**	-
Total Non-Current Liabilities	**59.14**	54.58	**1082.15**	869.76	**-**	-	**-**	-
Net Assets	**36.53**	32.22	**360.84**	360.19	**0.01**	0.01	**7.37**	6.80

45. Interest in Other Entities (Contd.)

Reconciliation to carrying amounts

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Powergrid Limited		Jaypee Powergrid Limited		Parbati Koldam Transmission Company Limited	
	31st March, 2018	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017
Opening net assets	**834.07**	733.91	**101.86**	106.01	**363.18**	374.34	**356.55**	293.04
Investment by JV Partners	**-**	-	**-**	-	**-**	-	**-**	-
Profit for the year	**124.84**	195.78	**39.73**	3.45	**67.17**	50.24	**50.13**	71.79
Other Comprehensive income	**(0.18)**	0.14	**0.01**	(0.02)	**0.04**	(0.02)	**(0.12)**	(0.07)
Dividend Paid	**95.76**	95.76	**10.84**	7.58	**30.69**	61.38	**36.12**	8.21
Other Adjustments	**-**	-	**-**	-	**(1.10)**	-	**0.02**	-
Closing net assets	**862.97**	834.07	**130.76**	101.86	**398.60**	363.18	**370.46**	356.55
Group's share in %	**49%**	49%	**26%**	26%	**26%**	26%	**26%**	26%
Group's share in INR	**422.86**	408.69	**34.00**	26.48	**103.64**	94.43	**96.32**	92.70
Carrying Amount	**422.86**	408.69	**34.00**	26.48	**103.64**	94.43	**96.32**	92.70

(₹ in crore)

Particulars	Bihar Grid Company Limited		Kalinga Bidyut Prasaran Nigam Pvt Limited		Cross Border Transmission Limited		RINL POWERGRID TLT Pvt. Limited	
	31st March, 2018	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017
Opening net assets	**294.91**	80.61	**0.01**	0.01	**69.97**	58.45	**6.80**	0.20
Investment by JV Partner	**15.48**	216.39	**-**	-	**0**	8.81	**0.60**	6.6
Profit for the year	**25.93**	(2.09)	**-**	-	**12.95**	13.86	**(0.03)**	-
Other Comprehensive income	**-**	-	**-**	-	**-**	-	**-**	-
Dividend Paid	**-**	-	**-**	-	**7.59**	11.15	**-**	-
Other Adjustments	**-**	-	**-**	-	**3.79**	-	**-**	-
Closing net assets	**336.32**	294.91	**0.01**	0.01	**79.12**	69.97	**7.37**	6.80
Group's share in %	**50%**	50%	**50%**	50%	**26%**	26%	**50%**	50%
Group's share in INR	**168.16**	147.46	**0.01**	0.01	**20.57**	18.19	**3.39**	3.40
Carrying Amount	**168.16**	147.46	**0.01**	0.01	**20.57**	18.19	**3.39**	3.40

45. Interest in Other Entities (Contd.)

(₹ in crore)

Particulars	North East Transmission Company Limited		National High Power Test Lab Pvt Limited		Teestavalley Power Transmission Limited		Power Transmission Company Nepal Ltd	
	31st March, 2018	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017
Opening net assets	**378.69**	347.38	**149.83**	108.31	**360.19**	254.43	**32.22**	20.17
Investment by JV Partners	**-**	-	**-**	41.52	**-**	104.47	**2.25**	4.00
Profit for the year	**83.84**	31.56	**(10.72)**	-	**4.95**	1.29	**8.31**	8.05
Other Comprehensive income	**(0.02)**	(0.12)	**0.04**	-	**0.01**	-	**-**	-
Dividend Paid	**19.81**	-	**-**	-	**-**	-	**5.63**	-
Other Adjustments	**-**	(0.13)	**-**	-	**(4.31)**	-	**(0.62)**	-
Closing net assets	**442.70**	378.69	**139.15**	149.83	**360.84**	360.19	**36.53**	32.22
Group's share in %	**26%**	26%	**20%**	20%	**26%**	26%	**26%**	26%
Group's share in INR	**115.10**	98.45	**27.83**	29.97	**93.82**	93.65	**9.50**	7.34
Carrying Amount	**115.10**	98.45	**27.83**	29.97	**93.82**	93.65	**9.50**	7.34

Summarised Statement of Profit and Loss

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Powergrid Limited		Jaypee Powergrid Limited		Parbati Koldam Transmission Company Limited	
	31st March, 2018	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017
Revenue From Operations	**161.23**	150.66	**63.22**	38.98	**165.05**	171.41	**167.02**	160.28
Other Income	**12.68**	12.12	**3.52**	2.26	**3.68**	3.81	**7.76**	70.16
Total Income	**173.91**	162.78	**66.74**	41.24	**168.73**	175.22	**174.78**	230.44
Employee benefits expense	**7.55**	7.07	**1.33**	1.19	**2.44**	3.26	**3.58**	3.70
Finance costs	**16.92**	20.96	**8.50**	11.41	**46.66**	54.03	**53.07**	103.14
Depreciation and amortization expense	**-**	-	**16.44**	16.45	**52.94**	53.04	**49.30**	28.02
Other expenses	**10.67**	7.93	**3.35**	3.14	**4.95**	4.21	**3.02**	3.86
Total Expenses	**35.14**	35.96	**29.62**	32.19	**106.99**	114.54	**108.97**	138.72
Tax Expenses	**13.93**	(68.96)	**(2.61)**	5.60	**(5.43)**	10.44	**15.68**	19.93
Profit for the year	**124.84**	195.78	**39.73**	3.45	**67.17**	50.24	**50.13**	71.79
Other Comprehensive income	**(0.18)**	0.14	**0.01**	(0.02)	**0.04**	(0.02)	**(0.12)**	(0.07)
Total Comprehensive income	**124.66**	195.92	**39.74**	3.43	**67.21**	50.22	**50.01**	71.72
Dividend Received	**38.99**	38.99	**2.34**	1.64	**6.63**	13.26	**7.80**	1.77

45. Interest in Other Entities (Contd.)

(₹ in crore)

Particulars	Cross Border Transmission Limited		RINL POWERGRID TLT Pvt. Limited		Power Transmission Company Nepal Ltd		Teestavalley Power Transmission Limited	
	31st March, 2018	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017
Revenue From Operations	**4.47**	5.60	**-**	-	**16.34**	16.14	**30.98**	5.87
Other Income	**31.49**	35.58	**-**	-	**1.26**	0.10	**0.01**	0.05
Total Income	**35.96**	41.18	**-**	-	**17.60**	16.24	**30.99**	5.92
Employee benefits expense	**1.05**	1.20	**-**	-	**0.54**	0.37	**0.47**	-
Finance costs	**17.71**	18.35	**-**	-	**2.91**	2.75	**21.56**	-
Depreciation and amortization expense	**0.02**	0.01	**0.01**	-	**4.07**	1.31	**10.89**	-
Other expenses	**4.23**	4.00	**0.02**	-	**1.77**	0.38	**0.88**	4.31
Total Expenses	**23.01**	23.56	**0.03**	-	**9.29**	4.81	**33.80**	4.31
Tax Expenses	**-**	3.76	**-**	-	**-**	3.38	**(7.76)**	0.32
Profit for the year	**12.95**	13.86	**(0.03)**	-	**8.31**	8.05	**4.95**	1.29
Other Comprehensive income	**-**	-	**-**	-	**-**	-	**0.01**	-
Total Comprehensive income	**12.95**	13.86	**(0.03)**	-	**8.31**	8.05	**4.96**	1.29
Dividend Received	**4.05**	-	**-**	-	**1.46**	-	**-**	-

(₹ in crore)

Particulars	**North East Transmission Company Limited**		**National High Power Test Lab Pvt Limited**		**Bihar Grid Company Limited**		**Kalinga Bidyut Prasaran Nigam Pvt Limited**	
	31st March, 2018	**31st March, 2017**	**31st March, 2018**	**31st March, 2017**	**31st March, 2018**	**31st March, 2017**	**31st March, 2018**	**31st March, 2017**
Revenue From Operations	**342.63**	384.71	**20.83**	-	**204.36**	0.76	**-**	-
Other Income	**10.57**	9.80	**1.27**	-	**6.37**	0.01	**1.17**	-
Total Income	**353.20**	394.51	**22.10**	-	**210.73**	0.77	**1.17**	-
Employee benefits expense	**2.88**	2.86	**1.81**	-	**5.08**	0.02	**-**	-
Finance costs	**165.30**	229.13	**14.80**	-	**62.96**	0.16	**-**	-
Depreciation and amortization expense	**116.20**	114.31	**6.28**	-	**26.73**	0.23	**-**	-
Other expenses	**10.02**	9.62	**9.93**	-	**3.70**	0.01	**1.17**	-
Total Expenses	**294.40**	355.92	**32.82**	-	**98.47**	0.42	**1.17**	-
Tax Expenses	**(25.04)**	7.03	**-**	-	**86.33**	2.44	**-**	-
Profit for the year	**83.84**	31.56	**(10.72)**	-	**25.93**	(2.09)	**-**	-
Other Comprehensive income	**(0.02)**	(0.12)	**0.04**	-	**-**	-	**-**	-
Total Comprehensive income	**83.82**	31.44	**(10.68)**	-	**25.93**	(2.09)	**-**	-
Dividend Received	**4.28**	-	**-**	-	**-**	-	**-**	-

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 group has lodged claims with the Customs and Excise Authorities.

In this regard the Cumulative amount received and de-capitalized upto 31st March, 2018 is ₹ 12.12 crore (Previous Year ₹ 12.12 crore). The group continued to show the balance of ₹ 197.87 crore as at 31st March, 2018 (Previous Year ₹ 197.87 crore) 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 31st March,2018	For the Year ended 31st March,2017
i)	The amount of revenue recognised on cost plus consultancy contract works	**474.08**	494.82
ii)	**The methods used to determine the contract revenue recognised**	**Accounting Policy -2.18**	Accounting Policy -2.18
	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).		
iii)	Cumulative amount of costs incurred on construction contracts	**20072.26**	18426.50
iv)	Cumulative amount of advance received from customers as at the year end	**22554.85**	20715.04
v)	Amount of retention money with customers as at the year end	**17.54**	16.01
vi)	Gross amount due from customers for contract works as an asset as at the year end	**125.90**	162.29
vii)	Gross amount due to customers for contract works as a liability as at the year end	**2818.74**	2274.79

49. The group 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 group 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 group and group has also requested for directing agitating states to pay full transmission charges as per new methodology pending settlement of the matter. Honourable 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 Loss of ₹ 146.36 crore (Previous Year Gain of ₹ 810.37 crore) has been adjusted in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP)/Lease Receivables

(ii) FERV Loss of ₹ 161.75 crore (Previous Year Gain of ₹ 31.05 crore) has been recognised in the Statement of Profit and Loss.

51. Borrowing cost capitalised during the year is ₹ 1950.13 crore (previous year ₹ 1953.12 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 group, 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	31st March, 2018	31st March, 2017
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:		
	Principal	**15.21**	0.50
	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 group with the constituents in respect of State Sector ULDC and Bilateral Line Assets. 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	31st March, 2018	31st March, 2017
	Gross value of assets acquired and leased at the beginning of the year	**1581.71**	1493.26
Add	Adjustment for gross value of assets acquired prior to the beginning of the year	**(23.84)**	1.26
	Revised Gross value of the assets at the beginning of the year	**1557.87**	1494.52
Less	Capital recovery provided up to the beginning of the year	**970.59**	869.44
Add	Capital recovery for assets acquired prior to the beginning of the year	**19.50**	1.51
	Revised Capital recovery provided up to the beginning of the year	**990.09**	870.95
	Capital recovery outstanding as on 31st March of last financial year	**567.78**	623.57
Add	Gross value of assets acquired and leased during current financial year	**69.32**	87.19
Less	Capital recovery for the current year	**60.08**	99.64
	Lease receivables at end of the year	**577.02**	611.12

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	31st March, 2018	31st March, 2017
Gross investment in Lease	**1742.24**	1982.50
Un-earned Finance Income	**1165.22**	1371.38
Present value of Minimum Lease Payment (MLP)	**577.02**	611.12

(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 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Not later than one year	**130.31**	143.99	**46.45**	70.94
Later than one year and not later than five years	**492.86**	468.22	**170.38**	177.27
Later than five years	**1119.07**	1370.29	**360.19**	362.91
Total	**1742.24**	1982.50	**577.02**	611.12

(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 ₹ 52.19 crore (Previous Year ₹ 66.41 crore). Such cost become part of project cost only on discharge of such liabilities.

(b) Unamortized FERV on loans included in lease receivable amounting to ₹ 17.15 crore (Previous Year ₹ 28.65 crore). Such FERV are allowed to be recovered as part of tariff on actual payment basis.

b) Operating leases:-

The group'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 ₹ 26.12 crore (previous year ₹ 40.59 crore) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments of ₹ 14.60 crore (previous year ₹ 12.44 crore) in respect of premises for offices and guest house/transit camps are shown under the head Rent in Note 41- Other expenses.

54. Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise

Particulars		Amount in Foreign Currency (in crore)		Amount (₹ in crore)	
		31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Borrowings	USD	**437.34**	418.09	**28632.86**	27481.07
	EURO	**49.44**	24.26	**4037.84**	1710.32
	SEK	**280.65**	300.85	**2245.21**	2220.25
	JPY	**163.59**	181.77	**101.95**	107.01
Interest accrued but not due thereon including Agency Fee, Commitment Fee & other Charges	USD	**2.36**	1.81	**154.69**	118.78
	EURO	**0.20**	0.10	**15.94**	7.03
	SEK	**1.12**	1.04	**8.97**	7.69
	JPY	**0.41**	0.46	**0.26**	0.27

54. Foreign Currency Exposure (Contd.)

Particulars		Amount in Foreign Currency (in crore)		Amount (₹ in crore)	
		31st March, 2018	31st March, 2017	**31st March, 2018**	31st March, 2017
Trade Payables/deposits and retention money	USD	**11.70**	13.70	**766.00**	900.53
	EURO	**1.53**	1.01	**124.96**	40.12
	SEK	**17.81**	23.42	**142.48**	172.14
	CHF	**0.04**	0.19	**2.78**	12.23
	GBP	**1.94**	-	**180.67**	-
	JPY	**1.04**	-	**0.65**	-
Trade receivables and Bank balances	USD	**0.04**	0.08	**2.62**	4.90
	NPR	**-**	0.05	**-**	0.03
	EURO	**-**	0.01	**-**	0.53
Amount of contracts remaining to be executed	USD	**14.25**	36.24	**932.95**	2376.17
	EURO	**27.82**	28.53	**2272.06**	1996.27
	SEK	**162.92**	165.46	**1303.36**	1174.80
	CHF	**-**	0.01	**-**	0.87
	GBP	**8.95**	12.47	**833.51**	993.76
	JPY	**744.28**	866.45	**463.84**	507.74

55. Disclosures relating to Regulatory Deferral Account Balances

The group 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/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 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 group 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 group has recognized an amount of ₹ 11.31 crore (Previous Year ₹ 103.18 crore) on account of pay revision 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 CERC.

The Regulatory Deferral Account Balances (assets) recognized in the books to be recovered from the beneficiaries in future periods are as follows:

(₹ in crore)

Particulars		**31st March, 2018**	31st March, 2017
A.	Opening Balance	**107.60**	37.67
B.	Addition/(deduction) during the year	**207.23**	69.93
C.	Amount collected/refunded during the year	**NIL**	NIL
D.	Regulated Income/(Expense) recognized in the statement of Profit and Loss	**207.23**	69.93
E.	Closing Balance	**314.83**	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 Obligation and Disclosure Requirements) Regulations, 2015:

A. Loans and Advances in nature of Loans:

1. To Joint Ventures

(₹ in crore)

Name of the Company	Outstanding balance as at		Maximum amount outstanding during	
	31st March, 2018	31st March, 2017	**31st March, 2018**	31st March, 2017
Joint Ventures				
National High Power Test Laboratory Private Limited	**6.00**	-	**6.00**	-
Total	**6.00**	-	**6.00**	-

2. To firms/companies in which directors are interested : NIL

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 Group is required to spend, in every financial year, at least two per cent of the average net profits of the Group made during the three immediately financial years in accordance with its CSR Policy. Accordingly, the Group has spent ₹ 157.99 crore (Previous Year ₹ 147.31 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			
	31st March, 2018		31st March, 2017		2017-18		2016-17		2017-18		2016-17		2017-18		2016-17	
	As % of consol. net assets	Amount	As % of consol. net assets	Amount	As % of consol. profit or loss	Amount	As % of consol. profit or loss	Amount	As % of consol. OCI	Amount	As % of consol. OCI	Amount	As % of consol. Total Comp. Income	Amount	As % of consol. Total Comp. Income	Amount
Parent																
Power Grid Corporation of India Limited	**96.84%**	**52707.02**	97.26%	48498.56	**97.79%**	**8016.86**	98.63%	7348.50	**100.80%**	**13.72**	99.98%	49.83	**97.79%**	**8030.58**	98.64%	7398.33
Subsidiaries																
Indian																
Grid Conductor Limited	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	(0.02)	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	(0.02)
Powergrid Jabalpur Transmission Limited	**0.00%**	**0.15**	0.00%	0.15	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-
Powergrid Kala Amb Transmission Ltd	**0.12%**	**63.52**	0.00%	1.05	**0.09%**	**7.52**	0.00%	-	**0.00%**	**-**	0.00%	-	**0.09%**	**7.52**	0.00%	-
Powergrid NM transmission Ltd	**0.20%**	**109.91**	0.28%	140.61	**(1.01)%**	**(83.14)**	(0.25%)	(18.94)	**0.00%**	**-**	0.00%	-	**(1.01%)**	**(83.14)**	(0.25%)	(18.94)
Powergrid Parli Transmission Limited	**0.00%**	**0.10**	0.00%	0.10	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-
Powergrid Southern Interconnector Transmission System Limited	**0.00%**	**0.03**	0.00%	0.03	**0.00%**	**-**	0.00%	(0.02)	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	(0.02)
Powergrid Unchahar Transmission Ltd	**0.04%**	**19.60**	0.03%	12.90	**0.11%**	**9.04**	0.00%	(0.05)	**0.00%**	**-**	0.00%	-	**0.11%**	**9.04**	0.00%	(0.05)
Powergrid Vemagiri transmission Ltd	**(0.04)%**	**(19.39)**	(0.04)%	(19.38)	**0.00%**	**(0.01)**	0.00%	-	**0.00%**	**-**	0.00%	-	**0.00%**	**(0.01)**	0.00%	-
Powergrid Vizag Transmission Ltd	**0.45%**	**243.17**	0.37%	184.27	**0.95%**	**77.67**	(0.29%)	(21.81)	**0.00%**	**-**	0.00%	-	**0.95%**	**77.67**	(0.29%)	(21.81)
Powergrid Warora Transmission Limited	**0.38%**	**206.57**	0.05%	26.42	**0.35%**	**28.95**	0.02%	1.32	**0.00%**	**-**	0.00%	-	**0.35%**	**28.95**	0.02%	1.32
Powergrid Medinipur Jeerat Transmission Limited	**0.00%**	**0.01**	0.00%	0.01	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-
Powergrid Mithilanchal Transmission Limited	**0.00%**	**0.05**	-	-	**0.00%**	**-**	-	-	**0.00%**	**-**	-	-	**0.00%**	**-**	-	-
WR NR Power Transmission Limited	**0.00%**	**0.05**	-	-	**0.00%**	**-**	-	-	**0.00%**	**-**	-	-	**0.00%**	**-**	-	-

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			
	31st March, 2018		31st March, 2017		2017-18		2016-17		2017-18		2016-17		2017-18		2016-17	
	As % of consol. net assets	Amount	As % of consol. net assets	Amount	As % of consol. profit or loss	Amount	As % of consol. profit or loss	Amount	As % of consol. OCI	Amount	As % of consol. OCI	Amount	As % of consol. Total Comp. Income	Amount	As % of consol. Total Comp. Income	Amount
Joint Ventures																
Indian																
Powerlinks Transmission Limited	**0.78%**	**422.86**	0.82%	408.69	**0.74%**	**61.17**	1.29%	95.93	**(0.65)%**	**(0.09)**	0.14%	0.07	**0.74%**	**61.08**	1.28%	96.00
Torrent Powergrid Limited	**0.06%**	**34.00**	0.05%	26.48	**0.13%**	**10.33**	0.01%	0.90	**0.00%**	**0.00**	(0.02%)	(0.01)	**0.13%**	**10.33**	0.01%	0.89
Jaypee Powergrid Limited	**0.19%**	**103.64**	0.19%	94.43	**0.21%**	**17.46**	0.18%	13.06	**0.08%**	**0.01**	6.02%	(0.01)	**0.21%**	**17.47**	0.17%	13.05
Parbati Koldam Transmission Company Limited	**0.18%**	**96.32**	0.19%	92.70	**0.16%**	**13.03**	0.25%	18.67	**(0.23%)**	**(0.02)**	(0.02%)	(0.01)	**0.16%**	**13.01**	0.25%	18.66
Teestavalley Power Transmission Limited	**0.17%**	**93.82**	0.19%	93.65	**0.02%**	**1.29**	0.00%	0.34	**0.00%**	**-**			**0.02%**	**1.29**	0.00%	0.34
North East Transmission Company Limited	**0.21%**	**115.10**	0.20%	98.45	**0.27%**	**21.80**	0.11%	8.21	**(0.04%)**	**(0.01)**	(0.08%)	(0.03)	**0.26%**	**21.79**	0.11%	8.17
National High Power Test Lab Pvt Limited	**0.05%**	**27.83**	0.06%	29.97	**(0.03%)**	**(2.14)**	0.00%	-	**0.04%**	**0.01**	0.00%	-	**(0.03)%**	**(2.13)**	0.00%	-
Bihar Grid Company Limited	**0.30%**	**168.16**	0.30%	147.46	**0.15%**	**12.97**	(0.01%)	(1.05)	**0.00%**	**-**	0.00%	-	**0.16%**	**12.97**	(0.01%)	(1.05)
Kalinga Bidyut Prasaran Nigam Pvt Limited	**0.00%**	**0.01**	0.00%	0.00	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-	**0.00%**	**-**	0.00%	-
Cross Border Transmission Limited	**0.04%**	**20.57**	0.04%	18.19	**0.04%**	**3.37**	0.05%	3.60	**0.00%**	**-**	0.00%	-	**0.04%**	**3.37**	0.05%	3.60
RINL POWERGRID TLT Pvt. Limited	**0.01%**	**3.39**	0.01%	3.40	**(0.00)%**	**(0.02)**	0.00%	-	**0.00%**	**-**	0.00%	-	**(0.00)%**	**(0.02)**	0.00%	-
Foreign																
Power Transmission Company Nepal Ltd	**0.02%**	**9.50**	0.01%	7.34	**0.03%**	**2.16**	0.03%	2.09	**0.00%**	**-**	0.00%	-	**0.03%**	**2.16**	0.03%	2.09
Total	**100.00%**	**54425.99**	**100.00%**	**49865.50**	**100.00%**	**8198.31**	**100.00%**	**7450.73**	**100.00%**	**13.62**	**100.00%**	**49.84**	**100.00%**	**8211.93**	**100.00%**	**7500.57**

59. Fair Value Measurements

(₹ in crore)

Financial Instruments by category	31st March, 2018		31st March, 2017	
	FVOCI	Amortised cost	FVOCI	Amortised cost
Financial Assets				
Investments				
Equity Instruments				
-PTC India Limited	104.88	-	112.08	-
(12000006 shares of ₹ 10 each)*				
-Energy Efficiency Services Limited (22500000 shares of ₹ 10 each)**	23.90	-	29.62	-
Government Securities				
-8.5% Bonds	-	-	-	2.50
Trade Receivables	-	3640.02	-	3131.93
Loans	-	186.87	-	172.18
Cash & cash Equivalents	-	1534.80	-	3241.45
Bank Balance	-	840.07	-	270.41
Other Financial Assets				
Current	-	4737.23	-	3239.17
Non-Current	-	680.50	-	650.72
Total Financial assets	**128.78**	**11619.49**	**141.70**	**10708.36**
Financial Liabilities				
Borrowings	-	134971.34	-	122180.12
Trade Payables	-	240.44	-	413.98
Other Financial Liabilities				
Current	-	11418.98	-	10382.99
Non-Current	-	459.60	-	474.60
Total financial liabilities	**-**	**147090.36**	**-**	**133451.69**

* 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 group 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, 2018				
Financial Assets				
Investments	-	-	-	-
8.5% Bonds				
Loans				
Loans to Joint Ventures	-	6.00	-	6.00
Loans to employees	-	183.76	-	183.76
Total Financial Assets	**-**	**189.76**	**-**	**189.76**
Financial Liabilities				
Borrowings	-	140219.77	-	140219.77
Deposits/retention money from contractors and others	-	419.04	-	419.04
Total financial liabilities	**-**	**140638.81**	**-**	**140638.81**

(₹ 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				
Investments				
8.5% Bonds	-	2.55	-	2.55
Loans				
Loans to Joint Ventures	-	-	-	-
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**

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 assets included in level 3.

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

59. Fair Value Measurements (Contd.)

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)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets				
Investments				
Government Securities				
8.5% Bonds	-	Nil	2.50	2.55
Loans				
Loans to Joint Ventures	6.00	6.00	-	-
Loans to employees	180.87	183.76	167.50	195.27
Total Financial Assets	**186.87**	**189.76**	**170.00**	**197.82**
Financial Liabilities				
Borrowings	134971.34	140219.77	122180.12	129289.13
Deposits/retention money from contractors and others	459.60	419.04	474.60	490.71
Total financial liabilities	**135430.94**	**140638.81**	**122654.72**	**129779.84**

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) Joint Ventures

Name of entity	Place of business/ country of incorporation	Proportion of Ownership Interest	
		31st March, 2018	31st March, 2017
Powerlinks Transmission Limited	India	**49%**	49%
Torrent Power Grid Limited	India	**26%**	26%
Jaypee Powergrid Limited	India	**26%**	26%
Parbati Koldam Transmission Company Limited	India	**26%**	26%
Teestavalley Power Transmission Limited	India	**26%**	26%
North East Transmission Company Limited	India	**26%**	26%
National High Power Test Laboratory Private Limited	India	**20%**	20%
Bihar Grid Company Limited	India	**50%**	50%
Kalinga Bidyut Prasaran Nigam Private Limited#	India	**50%**	50%
Cross Border Power Transmission Company Limited	India	**26%**	26%
RINL Powergrid TLT Private Limited	India	**50%**	50%
Power Transmission Company Nepal Ltd	Nepal	**26%**	26%

POWERGRID's Board of Directors in its meeting held on 16th august 2017 accorded approval for initiating procedure for winding up/ removal of the name of Kalinga Bidyut Prasaran Nigam Private Ltd under fast track Exit mode of Registrar of Companies (ROC).

60. Related party Transactions (Contd.)

(b) Key Managerial Personnel

Name	Designation
Shri I.S. Jha	Chairman and Managing Director
Shri Ravi P. Singh	Director (Personnel)
Shri K. Sreekant	Director (Finance)
Shri R.P. Sasmal	Director (Operations) retired on 28.02.2018
Sh. Prabhakar Singh	Director (Projects)
Ms. Seema Gupta	Director (Operations) w.e.f 01.03.2018
Dr. Pradeep Kumar	Government Nominee Director Ceased to be Director w.e.f 31.07.2017
Ms. Jyoti Arora	Government Nominee Director Ceased to be Director w.e.f 05.07.2017
Shri Jagdish Ishwar Bhai Patel	Independent Director
Shri Tse Ten Dorji	Independent Director
Ms. Shalini Prasad	Government Nominee Director w.e.f 14.08.2017 to 30.08.2017
Ms. Bharati	Government Nominee Director w.e.f 31.08.2017
Ms. Jyotika Kalra	Independent Director Ceased to be Director w.e.f 06.04.2017
Shri. Manoj Kumar Mittal	Independent Director w.e.f 12.09.2017
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 group is controlled by the Government of India (GOI), being a Central Public Sector Enterprise (CPSE) under the Ministry of Power, with GOI holding 56.91% of equity shares capital issued and paid up (previous year 57.90%).

The Group 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. Related party Transactions (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	31st March, 2018	31st March, 2017
Amount Payables		
Joint Ventures		
Cross Border Power Transmission Company Limited	**11.12**	9.53
Teestavalley Power Transmission Limited	**30.92**	30.78
North East Transmission Company Limited	**7.86**	-
Powerlinks Transmission Limited	**2.01**	-
Total payables to related parties	**51.91**	40.31

(₹ in crore)

Particulars	31st March, 2018	31st March, 2017
Amount Receivables		
Joint Ventures		
Parbati Koldam Transmission Company Limited	**0.38**	0.36
North East Transmission Company Limited	**-**	5.22
National High Power Test Laboratory Private Limited	**10.99**	4.67
Bihar Grid Company Limited	**7.50**	4.92
Kalinga Bidyut Prasaran Nigam Private Limited	**-**	0.85
Power Transmission Company Nepal Limited	**1.43**	-
RINL Powergrid TLT Pvt. Ltd	**-**	0.08
Powerlinks Transmission Limited	**-**	0.97
Jaypee Powergrid Limited	**0.02**	-
Torrent Powergrid Limited	**0.41**	-
Total	**20.73**	17.07
Loans to Joint Ventures		
National High Power Test Laboratory Private Limited	**6.00**	-
Total	**6.00**	-
Interest Accrued on loan to Joint Ventures		
National High Power Test Laboratory Private Limited	**0.01**	-
Total	**0.01**	-
Loans to Key Managerial Personnel	**0.11**	0.15

(₹ in crore)

Other Related Parties	31st March, 2018	31st March, 2017
Outstanding balances with Employees Benefit Trust		
Powergrid Employees Gratuity Fund Trust	**109.59**	56.67
Total	**109.59**	56.67

60. Related party Transactions (Contd.)

(f) Transactions with related parties

The following transactions occurred with related parties:

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Services received by the Company		
Joint Ventures		
Energy Efficiency Services Limited*	-	0.49
Total	-	0.49
Services provided by the Company		
Joint Ventures		
National High Power Test Laboratory Private Limited	-	0.13
Powerlinks Transmission Limited	-	0.28
Power Transmission Company Nepal Limited	-	3.10
Jaypee Powergrid Limited	**1.01**	0.28
Cross Border Power Transmission Company Limited	**1.60**	2.96
Bihar Grid Company Limited	**13.84**	0.12
Parbati Koldam Transmission Company Limited	**0.05**	0.37
Teestavalley Power Transmission Limited	**0.17**	0.58
North East Transmission Company Limited	**6.53**	8.12
Torrent Powergrid Ltd	**2.85**	1.29
Total	**26.05**	17.23
Investments made during the year (Equity)		
Joint Ventures		
Teestavalley Power Transmission Limited	-	27.17
National High Power Test Laboratory Private Limited	-	6.50
Bihar Grid Company Limited	**7.74**	108.19
Cross Border Power Transmission Company Limited	-	2.30
RINL Powergrid TLT Pvt. Ltd	-	3.30
Power Transmission Company Nepal Limited	**1.62**	-
Total	**9.36**	147.46
Other Related Parties		
Contribution made during the year		
Powergrid Employees P.F. Trust	**93.07**	89.47
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	**108.67**	109.83
Powergrid Employees Gratuity Fund Trust	**4.05**	26.85
Total	**205.79**	226.15
Recovery for Deputation of Employees		
Joint Ventures		
Jaypee Powergrid Limited	**0.17**	0.11
Cross Border Power Transmission Company Limited	**0.82**	-
North East Transmission Company Limited	**0.11**	-
Total	**1.10**	0.11

* ceased to be a Joint Venture w.e.f. 25th April, 2016

60. Related party Transactions (Contd.)

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.

Loans to Joint Ventures are given on cost to cost basis.

(g) Transaction in the capacity of Central Transmission Utility (CTU) with the related parties

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Joint Ventures		
Parbati Koldam Transmission Company Limited	**178.83**	162.46
Torrent Power Grid Limited	**46.46**	52.71
Powerlinks Transmission Limited	**172.79**	262.14
Jaypee Powergrid Limited	**192.86**	195.56
North East Transmission Company Limited	**357.06**	321.43
Teestavalley Power Transmission Limited	**30.27**	-
Total	**978.27**	994.30

Remuneration to Key Managerial Personnel is ₹ 3.49 crore (previous year ₹ 3.61 crore) and amount of dues outstanding to the group as on 31st March, 2018 are ₹ 0.11 crore (Previous Year ₹ 0.15 crore)

61. Operating Segments

a) Business Segment

The Board of Directors is the group'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 services provided.

- Transmission Services- Group's principal business is transmission of bulk power across different states of India.
- Telecom Services- The company Utilizes the spare Optical fibres available in the Optical Ground Wire (OPGW) laid on the transmission network for providing telecom services. It operates as a neutral carrier in the point to point bandwidth leasing business.
- Consultancy Services- provides Consultancy Services 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 group are mainly carried out within the country and therefore there is no reportable geographical segment

c) Information about major customer: Revenue from any single customer is not equal to or exceeds 10% of the group's total revenue.

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.

Operating Segments (Contd.)

(₹ in crore)

	Transmission Services		Consultancy Services		Telecom Services		Elemination		Total	
	As at 31st March, 2018	As at 31st March, 2017	**As at 31st March, 2018**	As at 31st March, 2017	**As at 31st March, 2018**	As at 31st March, 2017	**As at 31st March, 2018**	As at 31st March, 2017	**As at 31st March, 2018**	As at 31st March, 2017
Revenue:										
Revenue from Operations (including allocable other income)	**29,197.02**	25,216.52	**497.49**	483.69	**610.21**	497.36	**-**	-	**30,304.72**	26,197.57
Inter Segment Revenue			**170.89**	106.87	**68.20**	55.53	**(239.09)**	(162.40)	**-**	-
Net Revenue from Operations	**29,197.02**	25,216.52	**668.38**	590.56	**678.41**	552.89	**(239.09)**	(162.40)	**30,304.72**	26,197.57
Segment results	**16,846.02**	14,911.95	**431.68**	408.70	**314.41**	254.51			**17,592.11**	15,575.16
Unallocated Interest and Other Income									**125.82**	85.39
Unallocated Finance Costs									**7,324.14**	6,203.55
Profit before Tax (Including movement in Regulatory Deferral Account Balances)									**10,393.79**	9,457.00
Provision for Taxes									**2,195.48**	2,006.27
Profit after Tax									**8,198.31**	7,450.73
Other information:										
Segment Assets	**167,897.47**	148,357.28	**1,993.02**	2,128.67	**919.34**	861.20			**170,809.83**	151,347.15
Unallocated Assets									**43,516.83**	44,297.85
Total Assets									**214,326.66**	**195,645.00**
Segment Liabilities:	**8,668.68**	7,763.37	**2,395.04**	2,361.41	**541.17**	654.16			**11,604.89**	10,778.94
Unallocated Other Liabilities (including loans)									**148,295.78**	135,000.56
Total liabilities									**159,900.67**	**145,779.50**
Depreciation and Amortisation	**9,131.41**	7,629.84	**1.11**	1.20	**98.47**	91.21			**9,230.99**	7,722.25
Non-cash expenditure other than Depreciation	**44.96**	7.22	**0.23**	1.55	**16.15**	4.16			**61.34**	12.93
Capital Expenditure	**27,226.51**	22,980.66	**1.16**	2.00	**104.70**	141.51			**27,332.37**	23,124.17

62. Capital and other Commitments

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**29372.73**	36911.35
Group's commitment towards further investment joint venture entities	**231.72**	39.24

63. Contingent Liabilities and contingent assets

Contingent Liabilities

Claims against the Group 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 group 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 Group as being not admissible in terms of the provisions of the respective contracts.

The group is pursuing various options under the dispute resolution mechanism available in the contract for settlement of these claims. In such cases, contingent liability of ₹ 1440.68 crore (Previous Year ₹ 1381.17 crore) 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 ₹ 2491.49 crore (Previous Year ₹ 2671.53 crore) 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 ₹ 4.12 crore (Previous Year ₹ 4.00 crore) has been estimated.

(iv) Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to ₹ 442.27 crore (Previous Year ₹ 388.38 crore) are being contested before various Appellate Authorities. Many of these matters have been disposed of in favour of the group but are disputed before higher authorities by the concerned departments.

(v) Others

a) Other contingent liabilities amounts to ₹ 405.16 crore (Previous Year ₹ 201.80 crore)

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 group 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.

64. Capital management

a) Risk Management

The group'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 group's capital management, equity capital includes issued equity capital, securities premium Account and all other equity reserves attributable to the equity holders of the group. The group 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 group may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares. The group 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 group includes within long term debt, interest bearing loans and borrowings and current maturities of long term debt.

The debt –equity ratio of the Group was as follows :-

Particulars	**31st March, 2018**	31st March, 2017
Long term debt (₹ in crore)	**130502.96**	117487.91
Equity (₹ in crore)	**54425.99**	49865.50
Long term debt to Equity ratio	**71:29**	70:30

Under the terms of the major borrowing facilities, the group 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, 2018 and 31st March, 2017.

b) Dividends

(₹ in crore)

Particulars	**31st March, 2018**	31st March, 2017
(i) Equity shares		
Final dividend for the year ended 31st March, 2017 of ₹ 3.35 (31st March, 2016 – ₹ 1.51) per fully paid share	**1752.59**	789.97
Interim dividend for the year ended 31st March, 2018 of ₹ 2.45 (31st March, 2017 – ₹ 1.00) per fully paid share	**1281.74**	523.15

Dividend not recognized at the end of the reporting period

In addition to above dividend, the Board of Directors on 29th May, 2018 recommended the payment of a final dividend of ₹ 2.80 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 group	31st March, 2018	31st March, 2017
	Including movement in Regulatory deferral balances	**15.67**	14.24
	Excluding movement in Regulatory deferral balances	**15.27**	14.11
	Total basic and diluted earnings per share attributable to the equity holders of the group	**15.67**	14.24

(₹ in crore)

b)	Reconciliation of earnings used as numerator in calculating earnings per share	31st March, 2018	31st March, 2017
	Earnings attributable to the equity holders of the group including movement in Regulatory deferral balances	**8198.31**	7450.73
	Earnings attributable to the equity holders of the group excluding movement in Regulatory deferral balances	**7991.08**	7380.80
	Total Earnings attributable to the equity holders of the group	**8198.31**	7450.73

c)	Weighted average number of shares used as the denominator	31st March, 2018 No. of shares	31st March, 2017 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 Group's principal financial liabilities comprise loans and borrowings denominated in Indian rupees or foreign currencies, trade payables and other payables. The Group 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 Group's capital investments and operations.

The Group's principal financial assets include loans and advances, trade and other receivables, and cash and cash equivalents that are generated from its operations.

The Group's activities expose it to the following financial risks, namely,

a) Credit risk,
b) Liquidity risk,
c) Market risk.

This note presents information regarding the group's exposure, objectives, policies and processes for measuring and managing these risks.

Risk management framework

The Group has a duly constituted Risk Management Committee headed by Director (Projects) 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 Group. 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 Group 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 Group 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

66. 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 Group 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 Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where such recoveries are made, these are recognized in the statement of profit and loss.

(i) Trade Receivables

The Group primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments. The Group 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 Group 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 Group 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 Group for payments made within 60 days.

Trade receivables consist of receivables relating to transmission services of ₹ 3309.41 crore(Previous Year ₹ 2857.00 crore), receivables relating to consultancy services of ₹ 202.81 crore(Previous Year ₹ 204.92 crore) and receivables relating to telecom business of ₹ 175.95 crore(Previous Year ₹ 102.42 crore)

(i) Other Financial Assets (excluding trade receivables)

- **Cash and cash equivalents**

  The Group held cash and cash equivalents of ₹ 521.07 crore (Previous Year ₹ 1414.59 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 Group held deposits with banks and financial institutions of ₹ 1853.80 crore (Previous Year ₹ 2097.27 crore). Term deposits are placed with public sector banks and have negligible credit risk.

- **Investments**

  The Group holds investment of ₹ Nil (Previous Year ₹ 2.50 crore) in 8.5% tax free State government bonds issued under the One Time Settlement Scheme The Group 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 Group 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 Group. 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.

66. Financial Risk Management (Contd.)

o Exposure to credit risk

(₹ in crore)

Particulars	31st March, 2018	31st March, 2017
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-Current Investments	**-**	-
Non-Current Loans	**139.99**	132.36
Other non-current financial assets	**680.50**	650.72
Current Investments	**-**	2.50
Cash and cash equivalents	**521.07**	1414.59
Deposits with banks and financial institutions	**1853.80**	2097.27
Current loans	**46.88**	39.82
Other current financial assets	**4737.23**	3239.17
Total	**7979.47**	7576.43
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	**3688.17**	3164.34

o Provision for expected credit losses

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

The Group 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 Group 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 31st March, 2018	**6.56**	**1468.86**	**834.14**	**278.94**	**173.46**	**926.21**	**3688.17**
Gross carrying amount as on 31st March, 2017	28.58	1572.40	808.28	145.53	257.70	351.85	**3164.34**

66. 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	Unbilled Debtors	Total
Balance as at 1st April, 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**
Impairment loss recognized	15.74	-	-	-	18.92	34.66
Amounts written off	-	-	-	0.86	-	0.86
Balance as at 31st March, 2018	**48.15**	**-**	**-**	**-**	**18.92**	**67.07**

Based on historic default rates, the Group 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 Group monitors its risk of a shortage of funds using a liquidity planning tool. The Group 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 Group's liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

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

i) Financial Arrangement

The Group had access to the following undrawn borrowing facilities at the end of the reporting period.

(₹ in crore)

Particulars	31st March, 2018	31st March, 2017
Expiring within 1 year (bank overdraft and other facilities)	**1676.50**	5134.38
Expiring beyond one year (bank loans)	**15002.74**	7730.51

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 (Previous Year 1 to 5 years).

66. Financial Risk Management (Contd.)

b) Maturities of financial liabilities

The table below analyses the Groups'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, 2018				
Borrowings (including interest outflows)	17598.89	73984.51	99822.32	**191405.72**
Trade payables	240.44	-	-	**240.44**
Other financial liabilities	11418.98	459.60	-	**11878.58**
Total	**29258.31**	**74444.11**	**99822.32**	**203524.74**
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**

C) Market risk

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

i. Currency risk

ii. Interest rate risk

iii. Other price risk, such as equity price risk and commodity risk.

i) Currency risk

The Group 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 Group 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 Group or the transmission licensee or its suppliers or contractors. During the financial year 2017-18, no hedging for foreign exchange exposure has been undertaken by the Group. 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 Group'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 Group is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Group manages the interest rate risks by maintaining a debt portfolio comprising a mix of fixed and floating rate borrowings in domestic and foreign currencies.

66. Financial Risk Management (Contd.)

At the reporting date, the interest rate profile of the Group's variable interest rate-bearing financial instruments is as follows:

(₹ in crore)

Particulars	31st March, 2018	31st March, 2017
Long Term Debt with floating rate of interest		
-Domestic	**17532.00**	13356.00
-Foreign	**27771.63**	26752.78
Sub Total	**45303.63**	40108.78
Long Term Debt with fixed rate of interest		
-Domestic	**77986.21**	72651.84
-Foreign	**7213.12**	4727.29
Sub Total	**85199.33**	77379.13
Total Long Term Debt	**130502.96**	117487.91
% of Floating Interest Rate Debt to Total Long Term Debt	**34.71%**	34.14%

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 Group's interest rate risk is not considered significant; hence sensitivity analysis for the risk is not disclosed.

iii) Other price risk

The Group's exposure to equity securities price risk arises from investments held by the Group 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 group'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 Group's tax position.

(a) Income tax expense

(₹ in crore)

Particulars	31st March, 2018	31st March, 2017
Current Tax		
Current tax on profits for the year	**2232.56**	1989.07
Adjustments for current tax of prior periods	**15.34***	-
Total current tax expense	**2247.90**	1989.07
Deferred Tax		
Decrease (increase) in deferred tax assets	**(166.47)**	(21.88)
(Decrease) increase in deferred tax liabilities	**114.05**	39.08
Total deferred tax expense /benefit	**(52.42)**	17.20
Income tax expense	**2195.48**	2006.27

*This includes tax on Regulatory Deferral Balance Account for the last year.

67. Income Tax expense (Contd.)

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

(₹ in crore)

Particulars	31st March, 2018	31st March, 2017
Profit before income tax expense	**10393.79**	9387.07
Tax at the Indian tax rate of 21.3416% (Previous Year – 21.3416 %)	**2218.20**	2003.35
Tax effect of amounts which are not deductible (non- taxable) in calculating taxable income		
Provisions made	**6.76**	1.93
Advance against depreciation	**(25.76)**	(31.13)
Provision written back	**(1.78)**	(0.85)
Bond Interest & Dividend income exempted	**(20.07)**	(13.27)
Adjustments due to Ind AS Adoption/ reclassification	**8.32**	4.95
Revaluation of EESL Shares	**-**	(0.73)
Others	**62.23**	24.82
Deferred Tax	**(52.42)**	17.20
Income Tax expenses	**2195.48**	2006.27

(c) Unrecognised Temporary Differences

(₹ in crore)

Particulars	31st March, 2018	31st March, 2017
Temporary differences relating to investments in subsidiaries for which deferred tax liabilities have not been recognised:		
Undistributed earnings	**77.88**	1.32
Unrecognised deferred tax liabilities relating to the above temporary differences	**16.01**	0.27

68. Employee Benefit Obligations

(₹ in crore)

Particulars	31st March, 2018			31st March, 2017		
	Current	Non-current	Total	Current	Non-current	Total
Leave Obligations	**42.04**	**312.90**	**354.94**	59.60	430.37	489.97
Post-Retirement Medical Facility(PRMF)	**12.30**	**374.36**	**386.66**	9.28	331.00	340.28
Other Employee benefits /Long Service Award	**1.14**	**13.26**	**14.40**	0.97	12.36	13.33
Gratuity	**82.72**	**548.76**	**631.48**	76.07	549.48	625.55
Other Defined retirement benefits (ODRB)/ Baggage Allowance	**2.08**	**16.35**	**18.43**	1.81	15.83	17.64
Total employee benefit obligations	**140.28**	**1265.63**	**1405.91**	147.73	1339.04	1486.77

(i) Long Term Employee Benefits

A. Leave Obligations

The Group provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the group which accrue annually at 30 days and 20 days respectively. Earned leave is encashable while in service. Half pay leaves (HPL) are en-cashable 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.

68. Employee Benefit Obligations (Contd.)

B. Other employee benefits – POWERGRID Employee family rehabilitation scheme

The group has introduced POWERGRID Employees Family Economic Rehabilitation Scheme during the year. The Objective of the scheme is to provide monetary assistance and support to an employee in case of his/her permanent total disablement and to his/her family in case of death while in service. The beneficiary would be entitled to monthly payment equivalent to the employee's 50% of one month pay last drawn provided the beneficiary deposits with the group an amount equal to PF (excluding VPF) balance, Gratuity amount and Group Insurance (EDLI) amount, Such monthly payment would continue till the normal notional date on which the employee concerned would have attained the age of superannuation had the employee continued in the service of the group. The scheme is optional. Provision for POWERGRID Employees Family Economic Rehabilitation Scheme amounting to ₹ 6.62 crore (Previous Year ₹ Nil crore) for the year has been made during the year based on actuarial valuation.

(ii) Post-employment obligations(Defined Employee Benefit/Contribution Schemes)

A. Post-Retirement Medical Facility (PRMF)

The Group 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 group. 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 group (except for Directors and CMD) who have superannuated after completing at least 10 years of service.

C. Gratuity

The group 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 lacs. The scheme is funded by the group 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. Group has carried out the actuarial valuation of Gratuity benefit considering enhanced ceiling of ₹ 20 Lakhs as notified vide order No. W-02/0020/2018-DPE(WC)-GL-XII/18 dated 11th April 2018.

D. Other Defined Retirement Benefits (ODRB)/Baggage Allowance

The Group 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

Group 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 ₹ 93.07 crore (previous year ₹ 89.47 crore) has been recognized as expense and is charged to Statement of Profit and Loss. The obligation of the group 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 group does not have unconditional right over the PF corpus, the surplus has not been recognized in the Balance Sheet.

(₹ In crore)

Particulars	31st March, 2018			31st March, 2017		
	Current	Non-current	Total	Current	Non-current	Total
Provident Fund (PF)	427.96	2196.21	2624.17	429.30	1,892.65	2,321.95

68. Employee Benefit Obligations (Contd.)

(₹ In crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2017	**2321.95**	**2363.30**	**(41.35)**
Service cost	71.41	-	71.41
Interest expense (income)	174.15	217.78	(43.63)
Total	**245.56**	**217.78**	**27.78**
Remeasurements			
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	(0.06)	-	(0.06)
Experience (Gain)/ Losses	60.21		60.21
Total	**60.15**		**60.15**
Employee contributions	134.22	205.63	(71.41)
Benefits payments	(137.71)	(137.71)	-
31st March, 2018	**2624.17**	**2649.00**	**(24.83)**

(₹ 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**
Remeasurements	**-**	**-**	**-**
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)**

68. Employee Benefit Obligations (Contd.)

The net liability disclosed above relates to Provident Fund is as follows:

(₹ In crore)

Particulars	PF	
	31st March, 2018	31st March, 2017
Present value of funded obligations	**2624.17**	2,321.95
Fair value of plan assets	**2649.00**	2,363.30
Deficit/(Surplus) of funded plan	**(24.83)**	(41.35)

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	2624.17
- Impact due to increase of 0.5%	(0.27)
- Impact due to decrease of 0.5%	0.28

The major categories of plan assets (PF) are as follows

(₹ In crore)

Particulars	**31st March, 2018**				31st March, 2017			
	Quoted	**Unquoted**	**Total**	**In %**	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	**14.84**	**-**	**14.84**	**1%**	34.49	-	34.49	2%
Debt instruments								
Govt/State Bonds	**1395.64**	**-**	**1395.64**	**53%**	1261.14	-	1261.14	53%
PSU and Private Bonds	**1056.47**	**-**	**1056.47**	**40%**	997.75	-	997.75	42%
Bank Balance	**12.11**	**-**	**12.11**	**0%**	9.65	-	9.65	0%
Other Receivables	**169.94**	**-**	**169.94**	**6%**	60.27	-	60.27	3%
Total	**2649.00**		**2649.00**		2363.30	-	2363.30	

Fair value of group's own transferable financial instruments held as plan assets is ₹ 94.81 crore as on 31st March, 2018 (₹ 113.27 crore as on 31st March, 2017).

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, 2018	427.96	185.44	584.58	1426.19	**2624.17**
31st March, 2017	429.31	160.06	457.77	1,274.81	**2,321.95**

F. Pension

The Group has scheme of employees defined Pension Contribution. Group contribution is paid to separate trust. Amount of contribution paid/payable for the year is ₹ 108.67 crore (previous year ₹ 109.83 crore) has been recognized as expense and is charged to Statement of Profit & Loss.

68. Employee Benefit Obligations (Contd.)

The summarized position of various employee benefit obligations is as follows:

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	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, 2017	**625.54**	**551.83**	**73.71**	**17.64**	**-**	**17.64**	**489.97**	**-**	**489.97**	**340.28**	**-**	**340.28**
Service cost	32.32	-	32.32	0.94	-	0.94	33.78	-	33.78	11.16	-	11.16
Interest expense (income)	46.92	41.39	5.53	1.32	-	1.32	36.75	-	36.75	25.52	-	25.52
Total amount recognized in profit or loss	**79.24**	**41.39**	**37.85**	**2.26**	**-**	**2.26**	**70.53**	**-**	**70.53**	**36.68**	**-**	**36.68**
Remeasurements												
Return on plan assets, excluding amount included in interest expense/(income)	-	10.95	(10.95)	-	-	-	-	-	-	-		-
(Gain)/Loss from change in demographic assumptions	-	-	-	-	-	-	-		-	-	-	-
(Gain)/Loss from change in financial assumptions	(3.97)	-	(3.97)	(0.13)	-	(0.13)	(2.69)	-	(2.69)	(5.07)	-	(5.07)
Experience (Gain)/ Losses	(40.62)		(40.62)	(1.24)	-	(1.24)	6.95	-	6.95	25.30	-	25.30
Total amount recognized in other comprehensive income	**(44.59)**	**-**	**(44.59)**	**(1.37)**	**-**	**(1.37)**	**4.26**	**-**	**4.26**	**20.23**	**-**	**20.23**
Employer contributions	-	4.05	(4.05)	-	-	-	-	-	-	-	-	-
Benefits payments	(28.71)	(28.71)	-	(0.10)	-	(0.10)	(209.82)	-	(209.82)	(10.53)	-	(10.53)
31st March, 2018	**631.48**	**579.51**	**51.97**	**18.43**	**-**	**18.43**	**354.94**	**-**	**354.94**	**386.66**	**-**	**386.66**

68. Employee Benefit Obligations (Contd.)

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	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**
Remeasurements												
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
Employer 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		PRMF	
	31st March, 2018	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017	**31st March, 2018**	31st March, 2017
Present value of funded obligations	631.48	625.54	-	-	-	-	-	-
Fair value of plan assets	579.51	551.83	-	-	-	-	-	-
Deficit/(Surplus) of funded plan	51.97	73.71	-	-	-	-	-	-
Unfunded plans	-	-	18.43	17.64	354.94	489.97	386.66	340.28

The group expects to contribute ₹ 34.82 crore to the gratuity trust during the FY 2018-19.

68. Employee Benefit Obligations (Contd.)

(iii) Significant actuarial assumptions for Post-Employment Benefits :

Economic Assumptions

	Gratuity, ODRB, Pension, PRMF,PF	
Particulars	**31st March, 2018**	31st March, 2017
Discount rate	**7.60%**	7.50%
Salary growth rate(except for PF)	**6.50%**	6.50%

Demographic Assumptions

Particulars		**31st March, 2018**	31st March, 2017
i)	tirement 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	PRMF
a)	**Impact of change in discount rate**				
	Present value of Obligation at the end of period	631.48	18.43	354.94	386.66
	- Impact due to increase of 0.5%	(19.07)	(0.66)	(12.84)	(22.91)
	- Impact due to decrease of 0.5%	20.49	0.67	13.85	23.34
b)	**Impact of change in salary increase**				
	Present value of Obligation at the end of period	631.48	-	354.94	-
-	Impact due to increase of 0.5%	7.22	-	13.93	-
-	Impact due to decrease of 0.5%	(7.51)	-	(13.02)	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated

68. Employee Benefit Obligations (Contd.)

(v) The major categories of plan assets (Gratuity) are as follows:

(₹ In crore)

Particulars	31st March, 2018				31st March, 2017			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	**3.20**	**-**	**3.20**	**1%**	5.94	-	5.94	1%
Debt instruments								
Govt/State Bonds	**291.91**	**-**	**291.91**	**49%**	269.34	-	269.34	48%
PSU and Private Bonds	**296.26**	**-**	**296.26**	**50%**	289.76	-	289.76	51%
Total	**591.37**	**-**	**591.37**		565.04	-	565.04	
Less: Plan Assets related to POSOCO	**-**	**-**	**-**		13.21	-	13.21	
Total	**591.37***	**-**	**591.37**		551.83	-	551.83	

*Fair valuation as per actuarial valuation is ₹ 579.51 crore.

Fair value of group's own transferable financial instruments held as plan assets is ₹ 87.53 crore (Previous Year ₹ 103.38 crore).

(vi) Description of Risk exposures

Valuation is based on certain assumptions which are dynamic in nature and vary over time. As such group is exposed to various risks as follows:

A) 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.

B) 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

C) Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality & disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) 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 41.89 years (Previous Year 43.08 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, 2018					
Defined benefit obligation (Gratuity)	82.71	153.47	153.16	242.14	631.48
Post-employment medical benefits	12.31	12.95	43.26	318.14	386.66
ODRB	2.08	1.72	4.82	9.81	18.43
Other employee benefits(LSA)	1.14	0.97	2.83	9.46	14.40
Total	**98.24**	**169.11**	**204.07**	**579.55**	**1050.97**
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**

69. Recent Accounting Pronouncements:

Standard issued but not yet effective

In March 2018, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying Ind AS 115, 'Revenue from Contracts with Customers'. This Ind AS is applicable to the group from 1st April, 2018.

Introduction to Ind AS 115 'Revenue from Contracts with Customers ':

With the introduction to Ind AS 115 'Revenue from Contracts with Customers' , Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue' will ceases to be applicable to the entities . There is a shift from the present' transfer of risk and rewards model to transfer of control of goods and services by the entity. The group is evaluating the requirements of the amendment and the effect on the financial statements.

70. a) Figures have been rounded off to nearest rupees in crore up to two decimal.

b) Previous year figures have been regrouped / rearranged wherever considered necessary.

For and on behalf of the Board of Directors

Divya Tandon	**K. Sreekant**	**I. S. Jha**
Company Secretary	Director (Finance)	Chairman & Managing Director

As per our report of even date

For S.K. Mittal & Co.	**For R.G.N. Price & Co.**	**For Kothari & Co.**	**For Parakh & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn No. 001135N	Firm Regn No. 002785S	Firm Regn No. 301178E	Firm Regn No. 001475C
(CA Gaurav Mittal)	**(CA R. Rangarajan)**	**(CA Manaswy Kothari)**	**(CA Indra Pal Singh)**
Partner	Partner	Partner	Partner
Membership No. 099387	Membership No. 041883	Membership No. 064601	Membership No. 410433

Place: New Delhi
Date: 29th May, 2018

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, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, 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 changes in equity, consolidated statement of cash flows 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 consolidated 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 thereunder.

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, 2018, and their consolidated profit (financial performance including other comprehensive income), their consolidated statement of changes in equity and consolidated statement of cash flows 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) in respect of recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Note No. 36 (b) (ii)]; and

(a) in respect of Balance confirmation, reconciliation and consequential adjustments, if any, of Trade Receivable and Recoverable and Trade and Other Payables which is carried out on an ongoing basis [Note No. 47(a)].

Our opinion is not modified in respect of these matters.

Other Matters

(a) We did not audit the financial statements/ financial information of the following subsidiaries whose financial statements reflect the details given below for total assets and net assets as at 31st March 2018, 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)

S No.	Name of the Subsidiaries	Total Assets	Net Assets	Total Revenues	Net Cash Inflows/ (Outflows)
1	POWERGRID Parli Transmission Limited	1682.25	0.10	0.00	6.89
2	POWERGRID Warora Transmission Limited	2032.47	206.56	63.70	6.30
3	POWERGRID Vizag Transmision Limited	1288.66	243.17	244.14	0.20
4	POWERGRID Southern Interconnector Transmission System Limited	2488.51	0.03	0.00	(1.61)
5	POWERGRID Medinipur Jeerat Transmission Limited (Formerly Medinipur Jeerat Transmission Limited)	329.27	0.01	0.00	(0.29)
6	POWERGRID Jabalpur Transmission Limited	1179.67	0.15	0.00	(0.01)
7	POWERGRID Unchahar Transmission Limited	75.67	19.61	16.34	(5.86)
8	POWERGRID NM Transmission Limited	1185.45	109.91	0.38	(0.03)
9	POWERGRID Kala Amb Transmission Limited	334.47	63.52	37.77	(0.02)
10	Powergrid Vemagiri Transmission Limited	0.00	(19.39)	0.00	0.00
	Total	**10596.42**	**623.67**	**362.33**	**5.57**

The consolidated Ind AS financial statements also include the Group's share of net profit/loss (including Other Comprehensive Income) for the year ended 31st March 2018 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)

S No.	Name of Joint Ventures	Group's share net profit/(loss)
1	Powerlinks Transmission Limited	61.08
2	Jaypee Powergrid Limited	17.47
3	North East Transmission Company Limited	21.79
4	Cross Border Transmission Limited	3.37
	Total	**103.71**

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 25th May, 2018 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.

(b) 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 31st March 2018, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated financial statements:

(₹ in crore)

S No.	Name of the Subsidiary	Total Assets	Net Assets	Total Revenues	Net Cash Inflows / (Outflows)
1	Powergrid Mithilanchal Transmission Limited (erstwhile Medinipur Jeerat Transmission Limited)	25.67	0.05	0.00	0.00
2	WR-NR Power Transmission Limited	15.26	0.05	0.00	0.00
	Total	**40.93**	**0.10**	**0.00**	**0.00**

Note: Pursuant to application dated 13th June, 2017 submitted to the Ministry of Corporate Affairs for striking off the name of Grid Conductors Limited, the company is not deemed to be a subsidiary.

The consolidated financial statements include the Group's share of net profit/loss (including Other Comprehensive Income) for the year ended 31st March, 2018 as considered in the consolidated financial statements in respect of following joint ventures whose financial statements/ financial information have not been audited by us.

(₹ in crore)

S No.	Name of Joint Ventures	Group's share net profit/(loss)
1	Torrent Powergrid Limited	10.33
2	Parbati Koldam Transmission Company Limited	13.00
3	Teestavalley Power Transmission Limited	1.30
4	National High Power Test Laboratory Pvt. Limited	(2.12)
5	Bihar Grid Company Limited	12.97
6	Kalinga Bidyut Parsaran Nigam Pvt. Limited	0.00
7	RINL POWERGRID TLT Pvt. Limited	(0.01)
8	Power Transmission Company Nepal Ltd *	2.16
	Total	**37.63**

* Located Outside India

These financial statements/ financial information of subsidiaries and joint ventures 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 subsidiaries and 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 subsidiaries and 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 given 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

1. 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:

   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 of the aforesaid consolidated Ind AS financial statements.

   b) 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.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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.

d) 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.

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 Holding Company and its subsidiaries. Further, on the basis of the reports of the auditors of 4 (four) joint ventures incorporated in India, none of the directors of the joint ventures incorporated in India is disqualified as on 31 March, 2018 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the 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 49 and 63 to the consolidated Ind AS financial statements) and the joint venture companies (Refer Note 45.2.7 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, if any, 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 and the joint venture companies incorporated in India

For S. K. Mittal & Co.	**For R. G. N. Price & Co.**	**For Kothari & Co.**	**For Parakh & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN : 001135N	FRN : 002785S	FRN : 301178E	FRN : 001475C
(CA Gaurav Mittal)	**(CA R. Rangarajan)**	**(CA Manaswy Kothari)**	**(CA Indra Pal Singh)**
Partner	Partner	Partner	Partner
M. No. 099387	M. No. 041883	M. No. 064601	M. No. 410433

Place : New Delhi
Dated : 29th May, 2018

ANNEXURE 1

ATTACHED TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF POWER GRID CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31st MARCH, 2018.

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 31st March, 2018, we have audited the internal financial controls with reference to consolidated Ind AS financial statements 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 31st March, 2018.

Management's Responsibility for Internal Financial Controls

The respective Board of directors of the Holding company, its subsidiary companies and its joint venture companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal 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. 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 with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 with reference to consolidated Ind AS financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to Ind AS financial statements, 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 and the audit evidence obtained by the other auditors of the subsidiaries and joint venture companies incorporated in India, in terms of their reports referred to in the 'Other Matters' paragraph is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated Ind AS financial statements.

Meaning of Internal Financial Controls with reference to consolidated Ind AS financial statements

A company's internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated Ind AS financial statements 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 with reference to consolidated Ind AS financial statements

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

Opinion

In our opinion, the Holding Company, its subsidiaries, and joint ventures which are companies incorporated in India have, in all material respects, an adequate internal financial controls system with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Ind AS financial statements insofar as it related to 10 (ten) subsidiary companies and 4 (four) joint venture Companies incorporated in India, is based on the corresponding report of auditors of such companies.

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Ind AS financial statements of insofar as it related to 2 (two) subsidiary companies and 8 (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 with reference to Ind AS financial statements, however according to the information and explanations given to us by the Holding Company's Management, these financial statements / financial information are not material.

For S. K. Mittal & Co.	**For R. G. N. Price & Co.**	**For Kothari & Co.**	**For Parakh & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN : 001135N	FRN : 002785S	FRN : 301178E	FRN : 001475C
(CA Gaurav Mittal)	**(CA R. Rangarajan)**	**(CA Manaswy Kothari)**	**(CA Indra Pal Singh)**
Partner	Partner	Partner	Partner
M. No. 099387	M. No. 041883	M. No. 064601	M. No. 410433

Place : New Delhi
Dated : 29th May, 2018



NMR/Power Grid/AR/Prepaid/20.08.2018 to 24.08.2018



POWER GRID CORPORATION OF INDIA LTD.
(A Government of India Enterprise)
Registered Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016
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