

(भारत सरकार का वृद्धम)



(A Government of India Enterprise)

**पावरचित्र**

केन्द्रीय कार्यालय: "सौदामिनी" प्लॉट सं. 2, सेक्टर-29, गुडगाँव-122 001, (हरियाणा) दूरभाष: 0124-2571700-719, फैक्स: 0124-2571762, वेब: [www.powergridindia.co](http://www.powergridindia.co)  
 "Saudamini" Plot No. 2, Sector-29, Gurgaon-122 001, (Haryana) Tel.: 0124-2571700-719, Fax: 0124-2571762, Web.: [www.powergridindia.co](http://www.powergridindia.co)

**CIN : L40101DL1989GOI03812**

Dt: 19.09.2016

**The GM (Listing)  
BSE Ltd.,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400001.**

Ref:   Scrip ID: POWERGRID; Scrip Code: 532898; 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 27<sup>th</sup> Annual General Meeting is submitted please.

Thanking You,

Yours faithfully,

*Divya Tandon*  
(Divya Tandon)

Company Secretary &  
Compliance Officer

Encl: a/a



Growth trajectory continues...



## Vision

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

## 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

## 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"

## 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 Government;
  - 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 36,000 kms connecting over 595 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 in 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 National Long Distance (NLD), Internet Service Providers (ISP), Category - A and Infrastructure Provider Category - I (IP-I) Licenses to provide Telecom services in the country.
- 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 (VLAN), Multi Protocol Label Switching (MPLS) based Virtual Private Network (VPN).
- Introducing other Value Added Services: - Voice over Internet Protocol (VOIP) - Video Conferencing - Wi-fi 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- 110016.

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

Corp. Off.: "Saudamini", Plot No. 2, Sector-29, Gurgaon-122001 (Haryana)

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

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

### NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of Power Grid Corporation of India Limited will be held on **Friday, the 16<sup>th</sup> September, 2016 at 11.00 a.m. at "Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi - 110010"** 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 31<sup>st</sup> March, 2016, the Report of the Board of Directors and Auditors thereon.
2. To note the payment of interim dividend and declare final dividend for the Financial Year 2015-16.
3. To appoint a Director in place of Dr. Pradeep Kumar (DIN: 05125269), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Jyoti Arora (DIN: 00353071), who retires by rotation and being eligible, offers herself for re-appointment.
5. To fix the remuneration of the Statutory Auditors for the Financial Year 2016-17.

#### SPECIAL BUSINESS:

6. **To approve the appointment of Shri Jagdish Ishwarbhai Patel (DIN: 02291361) as an Independent Director.**

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

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, the appointment of Shri Jagdish Ishwarbhai Patel (DIN 02291361) as an Independent Director of the Company with effect from 17<sup>th</sup> November, 2015 for holding office up to and including 16<sup>th</sup> November, 2018, i.e. for a term not exceeding 3 consecutive years, be and is hereby approved."

7. **Ratification of remuneration of the Cost Auditors for the Financial Year 2016-17.**

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 of the Companies Act, 2013 the remuneration of M/s. K. G. Goyal & Associates, Cost Accountants and M/s. R. M. Bansal & Co., Cost Accountants as the joint Cost Auditors of the Company (for Transmission and Telecom business) as approved by the Board for the Financial Year 2016-17 at ₹ 2,00,000/- (Rupees Two Lakhs 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 at actuals as per policy of the Company and M/s. K. G. Goyal & Associates, the Lead Cost Auditor to be also paid for the work of consolidation and facilitation for filing of consolidated cost audit report for the Financial Year 2016-17 for the Company as a whole, an additional fee of ₹10,000/- (Rupees Ten Thousand only) being 10% of its Cost Audit Fee, be and is hereby ratified."

8. **To raise funds in INR or any other acceptable foreign currency as permitted by Reserve Bank of India (RBI) up to ₹ 14,000 Crore, from domestic / External / Overseas sources through issue of secured / unsecured, non-convertible, non-cumulative, redeemable, taxable / tax-free Rupee Linked Bonds/Bonds under Private Placement during the Financial year 2017-18 in up to eight tranches/offers with/without Green Shoe Option and each tranche/offer shall be of up to ₹ 2,000 Crore of Bonds, exclusive of Green Shoe Option.**



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, Foreign Exchange Management Act, 1999 as amended, Securities and Exchange Board of India, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, or provisions of any other applicable law, whether in India or abroad and the Memorandum and Articles of Association of the Company, approval be and is hereby granted to raise funds in INR or any other acceptable foreign currency as permitted by Reserve Bank of India (RBI) up to ₹ 14,000 Crore, from domestic / External / Overseas sources through issue of secured / unsecured, non-convertible, non-cumulative, redeemable, taxable / tax-free Rupee Linked Bonds / Bonds under Private Placement during Financial Year 2017-18 for financing of POWERGRID Capital expenditure requirement and further, in the event of requirement, providing Inter Corporate Loan(s) on cost to cost basis and back to back servicing, to wholly owned project SPV's acquired by POWERGRID under Tariff Based Competitive Bidding (TBCB) Projects from time to time, in up to eight tranches/offers with/without Green Shoe Option and each tranche/offer shall be of up to ₹ 2,000 Crore of Bonds, exclusive of Green Shoe Option."
- (ii) "Resolved further that the Board of Directors / Committee of Directors for Bonds be and is hereby authorized to finalize detailed terms and conditions of each issue / tranche of Bonds, Issue programme of Bonds, through Book-building Process or otherwise, etc."
- (iii) "Further resolved 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 authorised and it shall always be deemed to have been so authorised to finalize, execute and deliver / file such offer letter, document(s), deed(s) and writing(s), etc. as may be required and also to do all such other acts, deeds and things, deposit / pay fees, etc. to such Authority as may be necessary for raising funds in INR or any other acceptable foreign currency as permitted by RBI up to ₹ 14,000 Crore during the Financial Year 2017-18 from domestic / external/Overseas sources through Private Placement of secured / unsecured, non-convertible, non-cumulative, redeemable, taxable / tax-free Rupee Linked Bonds/ Bonds in up to eight tranches / offers with/without Green Shoe Option and each tranche/ offer shall be of up to ₹2,000 Crore of Bonds, exclusive of Green Shoe Option."

**Regd. Office:**

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

**(CIN: L40101DL1989GOI038121)**

**Date: 08.08.2016**

**By order of the Board of Directors**

**(Divya Tandon)**  
**Company Secretary**

**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 Wednesday, 14<sup>th</sup> September, 2016. 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 shall not act as a proxy for any other person or shareholder.

2. As required by Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), 2015, the relevant details of Dr. Pradeep Kumar (DIN:05125269) and Ms. Jyoti Arora ((DIN: 00353071), Directors retiring by rotation and seeking re-appointment under aforesaid Item No. 3 and 4, in accordance with applicable provisions of the Articles of Association of the Company and the details of those directors who are being appointed in this Annual General Meeting, are annexed.
  3. None of the Directors of the Company is in any way related with each other.
  4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
  5. Members are requested to:-
    - (i) note that copies of Annual Report will not be distributed at the Annual General Meeting.
    - (ii) bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
    - (iii) deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the Hall will be strictly on the basis of the entry slip available at the counter at the venue to be exchanged with the Attendance Slip. Photocopies of Attendance Slip will not be entertained for issuing entry slip for attending Annual General Meeting.
    - (iv) quote their Folio/Client ID & DP ID Nos. in all correspondence.
    - (v) note that due to strict security reasons mobile phones, brief cases, eatables and other belongings will not be allowed inside the Auditorium.
    - (vi) note that no gifts/coupons will be distributed at the Annual General Meeting.
  6. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting. Alternatively, such an authority duly certified should be brought by the representative attending on behalf of the corporate body, at the meeting.
  7. The Register of Members and Share Transfer Books of the Company will remain closed from 10<sup>th</sup> September, 2016 to 16<sup>th</sup> September, 2016 (both days inclusive). The final dividend on equity shares, as recommended by the Board of Directors, subject to the provisions of Section 126 of the Companies Act, 2013, if declared at the Annual General Meeting, will be paid on 6<sup>th</sup> October, 2016 to those members, whose name appears in the Register of Members on the 9<sup>th</sup> September, 2016.
  8. The Board of directors, in their meeting held on 27<sup>th</sup> January, 2016, had declared an interim dividend @ 8% on the paid-up equity share capital of the Company (i.e. ₹0.80 per share) which was paid on 16<sup>th</sup> February, 2016. Members who have not received or not encashed their dividend warrant may approach Karvy Computershare Private Limited, Registrar and Transfer Agent of the Company, for revalidating the warrant or for obtaining duplicate warrant. The Board had further recommended a Final Dividend @15.10% on the paid-up equity share capital of the Company (i.e. ₹1.51 per share) at its meeting held on 26<sup>th</sup> May, 2016. The dividend, if declared at the Annual General Meeting will be paid on 6<sup>th</sup> October, 2016 to those Members, whose names appear on the Register of Members of the Company as on 16<sup>th</sup> September, 2016 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 9<sup>th</sup> September, 2016 as per details to be furnished by the depositories.
  9. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amounts which remain unpaid/ unclaimed for a period of seven years, are required to be transferred to the Investor Education & Protection Fund of the Central Government. Members are advised to encash their Dividend warrants immediately on receipt. Unclaimed final dividend of ₹ 71,75,610 for the Financial Year 2007-08 and unclaimed interim dividend of ₹ 61,06,252 for the Financial Year 2008-09 have been transferred on 18<sup>th</sup> November, 2015 and 21<sup>st</sup> March, 2016, respectively, to the Investor Education and Protection Fund of the Central Government ('IEPF'), pursuant to the provisions of Section 205C of the Companies Act, 1956 (or Section 125 of the Companies Act, 2013, once notified).
  10. Members are advised to submit their Electronic Clearing System (ECS) mandate 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 & Transfer Agent with complete details need not send it again.
- The shareholders who hold shares in Physical form and who do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company to enable them to print these details on the dividend warrants.
11. Members holding shares in multiple folios in physical mode are requested to apply for consolidation of shares to the Company or its Registrar & Share Transfer Agent along with relevant Share Certificates.



12. Pursuant to Section 139 (5) of the Companies Act, 2013 the auditors of the Government company are appointed by the Comptroller & Auditor General of India (C&AG) and in terms of Section 142 of the Companies Act, 2013, the remuneration has to be fixed by the company in the Annual General Meeting or in such manner as the company in General Meeting may determine. The Members of the Company, in 26<sup>th</sup> Annual General Meeting held on 15<sup>th</sup> September, 2015, had authorized the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2015-16. Accordingly, the Board of Directors had fixed audit fee of ₹ 187.19 Lakh (₹ 89.31 Lakh towards audit fee; and ₹ 97.88 Lakh towards work done in other capacities) for the Statutory Auditors for the Financial Year 2015-16 in addition to reimbursement of actual travelling and out-of-pocket expenses for visit to accounting units. M/s. S. K. Mittal & Co., M/s. R. G. N. Price & Co., M/s. Kothari & Co. and M/s. Parakh & Co. have been appointed by the C&AG as Statutory Auditors of the Company for the financial year 2016-17. The Members may authorize the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the Financial Year 2016-17.
13. All the documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days (excluding Saturdays and Sundays), between 11.00 AM to 1.00 PM up to Thursday, the 15<sup>th</sup> September, 2016.
14. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the Registrar & Share Transfer Agents of the Company the prescribed Form (Form No. SH-13) of the Companies (Share Capital and Debentures) Rules, 2014. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
15. Annual Listing fee for the year 2016-17 has been paid to the Stock Exchanges wherein shares of the Company are listed.
16. Members are requested to send all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other shares related matter and bank account to Company's Registrars.
17. Members are requested to notify immediately any change in their address:
- to their Depository Participants (DP) in respect of shares held in dematerialized form, and
  - to the Company at its Registered Office or its Registrar & Share Transfer Agent, Karvy Computershare Private Limited in respect of their physical shares, if any, quoting their folio number.
18. Members desirous of getting any information on any items of business of this meeting are requested to address their queries to the Company Secretary at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.
19. Members are required to bring their Attendance slips to the AGM. Duplicate Attendance slips and / or copies of the Report and Accounts will not be provided at the AGM venue.
20. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and in compliance with the provisions of Regulation 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is offering remote e-voting facility to all the Shareholders of the Company in respect of items to be transacted at this Annual General Meeting and in this regard, the Company has engaged the services of Karvy Computershare Private Limited (KARVY) to provide the facility of electronic voting ('remote e-voting').
21. (I) **Instructions and other information relating to remote e-voting are as under:**
- 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 **13<sup>th</sup> September, 2016.**
    - **End of remote e-voting :** Up to 5:00 p.m. (IST) on **15<sup>th</sup> September, 2016.**
  - In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/ Depository Participant(s)]:
    - Launch internet browser by typing the URL: <https://evoting.karvy.com>
    - 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.

- After entering these details appropriately, click on "LOGIN".
- 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: pkmittal171@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."
- C.** (I) In case a Member receives physical copy of the Annual General Meeting Notice by Post [for Members whose email IDs are not registered with the Company / Depository Participant(s)]:
  - (i) Use 'user ID' and 'initial password' as provided at Attendance Slip.
  - (ii) Please follow all steps from Sr.No.(i) to (xii) as mentioned in (B) above, to cast your vote.
- (II) The remote e-voting period commences on 13th September, 2016 (09.00 AM IST) and ends on 15th September, 2016 (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. 9th September, 2016 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 9th September, 2016, 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 AGM of the Company.
- (V) Persons whose names are recorded in the register of members maintained by registrar as on cutoff date i.e. 9th September, 2016 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: Asstt. General Manager/Dy. 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 67161571  
 Toll Free No 18003454001 and Fax: 040 23420814
- (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 **Friday, 9<sup>th</sup> September, 2016**.
- (IX) The Board of Directors has appointed Shri Pradeep K. Mittal, Advocate, M/s. PKMG Law Chambers, as a Scrutinizer to scrutinize 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 three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.
- (XI) The Results on resolutions shall be declared at or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.
- (XII) The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company ([www.powergridindia.com](http://www.powergridindia.com)) and on Karvy's website (<https://evoting.karvy.com>) immediately after the result is declared by the Chairman and communication of the same to National Stock Exchange of India Limited and BSE Limited.

## **22. Important Communication to Members:-**

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



## EXPLANATORY STATEMENT

### ITEM NO. 6

#### **Appointment of Shri Jagdish Ishwarbhai Patel (DIN: 02291361) as an Independent Director.**

Shri Jagdish Ishwarbhai Patel (DIN: 02291361) was appointed as an Independent Director of the company with effect from 17<sup>th</sup> November, 2015 by Board Resolution dated 5<sup>th</sup> August, 2016. In the opinion of the Central Government in the Ministry of Power Shri Patel fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and that Shri Patel is independent of the Management.

The above appointment of Shri Jagdish Ishwarbhai Patel as an Independent Director on the Board of the Company, not being liable to retire by rotation in terms of Section 152 read with Section 149 of the Companies Act, 2013, requires approval of the Members in the General Meeting. Brief resume of Shri Jagdish Ishwarbhai Patel is annexed.

Shri Jagdish Ishwarbhai Patel 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 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 the passing of the resolution as set out at Item No. 6 as an Ordinary Resolution.

### ITEM NO. 7

#### **Ratification of remuneration of the Cost Auditors for the Financial Year 2016-17.**

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

Accordingly, it was proposed by the Audit Committee and approved by the Board (i) the appointment of M/s K. G. Goyal & Associates and M/s R. M. Bansal & Co. as joint Cost Auditors of the Company for the FY 2016-17 for a fee of ₹ 2,00,000/- plus applicable taxes. The fee shall be shared equally by the two joint Cost Auditors. The above fee is exclusive of Travelling and Out of pocket expenses, which shall be reimbursed by POWERGRID at actual on submission of claim along with documentary proofs and (ii) the appointment of M/s. K. G. Goyal & Associates, 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 2016-17 at an additional fee of ₹ 10,000/- (Rupees Ten Thousand only), being 10% of its Cost Audit Fee.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution 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 the passing of the resolution as set out at Item No. 7 as an Ordinary Resolution.

### ITEM NO. 8

#### **To raise funds in INR or any other acceptable foreign currency as permitted by Reserve Bank of India (RBI) up to ₹ 14,000 Crore, from domestic / External / Overseas sources through issue of secured / unsecured, non-convertible, non-cumulative, redeemable, taxable / tax-free Rupee Linked Bonds/Bonds under Private Placement during the Financial Year 2017-18 in up to eight tranches/offers with/without Green Shoe Option and each tranche/offer shall be of up to ₹ 2,000 Crore of Bonds, exclusive of Green Shoe Option.**

1. POWERGRID Board of Directors, in their 331<sup>st</sup> meeting held on 05.08.2016, approved raising of secured / unsecured, non-convertible, non-cumulative, redeemable, taxable/tax-free Rupee Linked Bonds/Bonds under private placement / Term Loans / Term loan in the form of Line of Credit / ECB / FCB / Multilateral funding / Suppliers credit up to ₹15,750 Crore (Approx) in one or more tranches depending upon the requirement of funds during the Financial Year 2017-18 for financing of POWERGRID Capital expenditure requirement and further in the event of requirement of inter-corporate loan(s) on cost to cost basis and back to back servicing, to wholly owned Project Special Purpose Vehicle(s) acquired by POWERGRID under Tariff Based Competitive Bidding.
2. The aforesaid amount of ₹15,750 Crore includes a proposed drawl of approximately ₹1,750 Crore from multilateral funding / External Commercial Borrowings (ECB) / Suppliers Credit as Foreign Currency Committed Loans (FCCL). POWERGRID has a term loan agreement with State Bank of India in the form of Line of Credit of ₹10,000 Crore spread over a period of five years and has undrawn balance of ₹2,215 Crore as at the end of June, 2016. However, the actual drawl from SBI and FCCL can be ascertained only in due course of time depending upon the requirement of funds during F.Y. 2017-18 and any shortfall in drawl from SBI and FCCL will be compensated through raising of additional debt fund from domestic / external sources through issue of Bonds on Private Placement basis in one or more tranches. Accordingly, it is proposed to raise funds in INR or any other acceptable foreign currency as permitted by RBI through issue of Rupee Linked Bonds/Bonds on Private Placement basis in one or more tranches / offers up to ₹14,000 crore (within the aforesaid limit of ₹15,750 Crore) from domestic/external sources under Section 179(3)(c)/179(3)(d) of the Companies Act, 2013, depending upon the requirement of funds during the Financial Year 2017-18.
3. The proposed borrowing for FY 2017-18 will be within the overall borrowing limits of ₹1,50,000 crore.
4. Pursuant to Sections 23(1)(b) and 42 of Companies Act, 2013 read with Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 Companies, for private placement of Securities are required to seek approval of Shareholders by way of Special Resolution.
5. POWERGRID domestic Bonds have been rated at highest credit rating (AAA) by various Rating Agencies i.e. CRISIL, ICRA & CARE. The rates of interest are a function of market conditions prevalent at the time of entering the market for a particular offer of Bonds on the



private placement (including offer to Qualified Institutional Buyer/s). Upto now, borrowing through domestic Bonds was being done by the Company at the interest (coupon) rate which was more or less equivalent to prevailing interest rates applicable to AAA rated corporate bonds. In line with the past practice, the proposed domestic borrowing is also envisaged at the interest rates based on the more or less equivalent to prevailing AAA rated corporate bonds interest rates.

6. None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution except to the extent that he or she is a Director and / or Shareholder of the Company.
7. The Board of Directors of your Company recommends the passing of the resolution as set out at Item No. 8 as a Special Resolution.

All the documents referred to in the accompanying Notice and explanatory Statement are open for inspection between 10.00 a.m. to 1.00 p.m. on all working days at the Corporate Office of the Company i.e. 'Saudamini', Plot No.2, Sector-29, Gurgaon-122 001 or at the Registered Office i.e. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016 up to Thursday, 15<sup>th</sup> September, 2016.

**Regd. Office:**

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

**(CIN: L40101DL1989GOI038121)**

**Date: 08.08.2016**

**By order of the Board of Directors**

**(Divya Tandon)**

**Company Secretary**



## BRIEF RESUME OF THE DIRECTORS SEEKING RE-ELECTION

### Directors seeking re-election at the 27<sup>th</sup> AGM:

1.

Name	<b>Dr. Pradeep Kumar</b>
DIN	05125269
Date of Birth and Age	1 <sup>st</sup> January, 1961 / 55 Years
Date of Appointment	10 <sup>th</sup> September, 2013
Qualification	B. Tech in Electronics, MBA, Master Diploma in Public Administration and Governance and Ph.D in the area of Integrated Freight Transport Planning.
Expertise in specific functional area	During illustrious career of 29 years as IAS officer, he has held various administrative positions in the areas of Revenue, Finance, Transport, Shipping, Inland Water Transportation, Water Resources, Power & Renewable Energy, Irrigation, Food & Civil Supplies, Consumer Affairs, Environment & Forests.
Directorship held in other Companies (Part-time)	NTPC Limited
Membership / Chairmanship of Committees in other Companies	NTPC Limited: 1. Audit Committee – Member 2. Stakeholders' Relationship Committee- Member
No. of Shares held	NIL

2.

Name	<b>Smt. Jyoti Arora</b>
DIN	00353071
Date of Birth and Age	15.10.1961/ 54 Years
Date of Appointment	20 <sup>th</sup> March, 2014
Qualification	Post Graduate (Economics)
Expertise in specific functional area	Ms. Jyoti Arora is an eminent energy professional in India, and is presently working as Joint Secretary in the Ministry of Power, looking after policy making in electricity sector concerning Regulatory Affairs, Transmission and Renewable Grid Integration. Her work also includes working closely with the States for planning and implementing the 24x7 Power For All, the flagship programme of Government of India. In her over 26 years of experience in the Indian Administrative Service, she has been closely associated at the grassroots level with the issues of energy access, its delivery and appropriate technology options. She has holistic experience in the power sector of policy making and also its implementation as she was Managing Director of electricity utilities dealing in Distribution, Transmission and Generation for more than a decade. As Chief of Bureau of Energy Efficiency (BEE) in India she was closely involved in implementation of Clean Energy initiatives. Has also represented the country in UNFCCC Climate Change negotiations.
Directorship held in other Companies (Part-time)	1. Power System Operation Corporation Limited 2. PTC India Limited
Membership / Chairmanship of Committees in other Companies	NIL
No. of Shares held	NIL

**Directors being appointed at this Annual General Meeting**

Name	<b>Shri Jagdish Ishwarbhai Patel</b>
DIN	02291361
Date of Birth and Age	15 <sup>th</sup> October, 1964 / 51 Years
Date of Appointment	17 <sup>th</sup> November, 2015
Qualification	B.Sc., ASTM-UT, MBA (Ind.)
Expertise in specific functional Area	Mr. Jagdish I Patel has an illustrious career spanning over 35 years contribution in the areas of Energy Generation, Mining and Space sectors as engineering solution providers and strategic planner over business auxiliary units. Having been a Director (Tech.) at Pushpak Trademach Limited, as well as KIA Infrastructure Development Limited and active member of Gujarat Chamber of Commerce and Industry (GCCCI), he has served as a member of several institutions such as District Implementation & Industrial Management Committee of ITI, Industrial Management Committee of IGTR and has also served as President as well as Treasurer at LUB-Gujarat and also member of Standing Committee/ Town Planning Committee/ Solid Waste Management Committee of AMC.
Directorship held in other Companies (Part-time)	1. Pushpak Trademach Limited 2. KIA Infrastructure Development Limited
Membership / Chairmanship of Committees in other Companies	NIL
No. of Shares held	NIL



**Power Grid Corporation of India Limited**

(A Government of India Enterprise)

CIN: L40101DL1989GOI038121

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

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

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

**PROXY FORM**

Name of the member (s):

Registered address:

E-mail Id:

Folio no/ Client Id:

DP 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 27<sup>th</sup> Annual General Meeting of the company, to be held on Friday, the 16<sup>th</sup> September, 2016 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:

Sl. No.	Resolutions	For	Against
<b>Ordinary Business</b>			
1.	To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) of the Company for the financial year ended 31 <sup>st</sup> March, 2016, the Report of the Board of Directors and Auditors thereon.		
2.	To note the payment of interim dividend and declare final dividend for the Financial Year 2015-16.		
3.	To appoint a Director in place of Dr. Pradeep Kumar (DIN : 05125269), who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To appoint a Director in place of Ms. Jyoti Arora (DIN : 00353071), who retires by rotation and being eligible, offers herself for re-appointment.		
5.	To fix the remuneration of the Statutory Auditors for the Financial Year 2016-17.		
<b>Special Business</b>			
6.	To approve the appointment of Shri Jagdish Ishwarbhai Patel (DIN: 02291361) as an Independent Director.		
7.	Ratification of remuneration of the Cost Auditors for the Financial Year 2016-17.		
8.	To raise funds in INR or any other acceptable foreign currency as permitted by Reserve Bank of India (RBI) up to ₹ 14,000 Crore, from domestic / External / Overseas sources through issue of secured / unsecured, non-convertible, non-cumulative, redeemable, taxable / tax-free Rupee Linked Bonds/ Bonds under Private Placement during the Financial year 2017-18 in up to eight tranches/offers with/without Green Shoe Option and each tranche/offer shall be of up to ₹ 2,000 Crore of Bonds, exclusive of Green Shoe Option.		

Signed this.....day of....., 2016.

Signature of shareholder

Signature of Proxy holder(s)

**Note:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- For the resolutions, explanatory statements and Notes, please refer to the Notice of 27<sup>th</sup> Annual General Meeting.
- Please complete all details including details of member(s) in the above box before submission.

Affix Revenue Stamp




**Power Grid Corporation of India Limited**

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CIN: L40101DL1989GOI038121

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

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

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

**E-COMMUNICATION REGISTRATION FORM**

Folio No. / DP ID & Client ID : .....  
 Name of 1<sup>st</sup> Registered Holder : .....  
 Name of Joint Holder(s) : .....  
 Registered Address : .....  
 E-mail ID (to be registered) : .....

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

Signature:.....

(First Holder)

Date: .....

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

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

**ECS MANDATE FORM**
**[APPLICABLE FOR SHARES HELD IN PHYSICAL FORM ONLY]**

To

**Karvy Computershare Private Limited**

Unit: Power Grid Corporation of India Limited,

Karvy Selenium Tower B, Plot 31-32,

Gachibowli Financial District,

Nanakramguda, Hyderabad – 500 032.

Name of the First/Sole Share holder	
Folio No.	

**PAN / Email information**

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

**ECS Mandate Form (for shares held in Physical mode)**

Bank Name					
Branch Name & Address					
Bank Account Type (tick)	SB		Current		Others
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)					

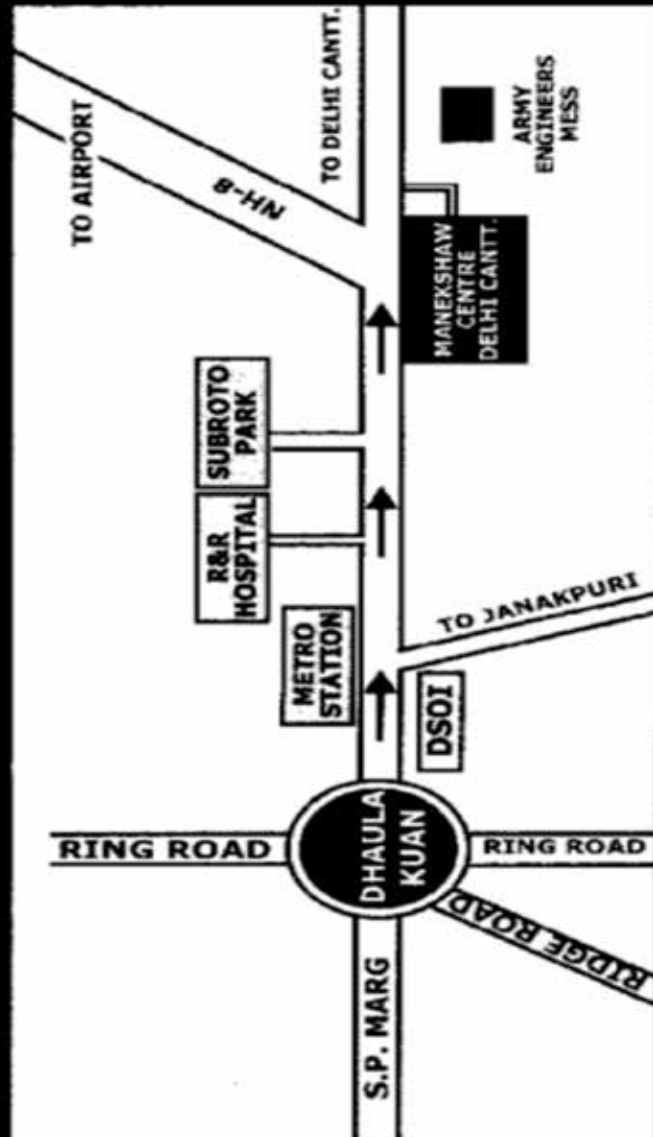
I hereby declare that the particulars given above are correct and complete and also express my concurrence to receive information through e-mail towards dividend paid by the Company under the ECS mode.

**Signature of the 1<sup>st</sup> Registered Holder/Sole Holder**



## Manekshaw Centre

Parade Road, Delhi Cantt., Delhi: 110010.









## Contents

Notice .....	01
Reference Information .....	18
Letter to Shareholders.....	19
Director's Profile .....	21
List of Senior Executives .....	24
POWERGRIDS'S Performance .....	25
Five Years's Summary .....	26
Director's Report .....	28
Annexure I - Management Discussions and Analysis .....	41
Annexure II - Business Responsibility Report .....	61
Annexure III - Particulars required Section 134 (3)(m) of the Companies Act, 2013.....	71
Annexure IV - Comments of C&AG u/s 143 (6)(B) of the Companies Act, 2013 .....	74
Annexure V - Secretariat Audit Report .....	76
Annexure VI - Form No. MGT 9 .....	79
Annexure VII - Report on Corporate Governance .....	100
Annexure VIII- Certificate on Corporate Governance.....	121
Annexure IX - Form No. AOC - 2 .....	122
Annexure X - Form No. AOC - 1 .....	126
Annexure XI - Annual Report on Corporate Social Responsibility.....	129
Balance Sheet .....	141
Statement of Profit and Loss.....	142
Cash Flow Statement .....	143
Notes .....	145
Independent Auditor's Report .....	188
Annexure Independent Auditor's Report .....	190
Consolidated Financial Statements .....	194



## Reference Information

POWER GRID CORPORATION OF INDIA LIMITED  
CIN: L40101DL1989GOI038121

<b>Registered Office</b> B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110 016 Phone No. - 011-26560112, Fax – 011-26601081	<b>Company Secretary &amp; Compliance Officer</b> Ms. Divya Tandon
<b>Corporate Office</b> "Saudamini", Plot No. 2, Sector 29, Gurgaon - 122 001 (Haryana) Phone No. – 0124-2571700-719, Fax – 0124-2571762	<b>Website: <a href="http://www.powergridindia.com">www.powergridindia.com</a></b> <b>E-mail ID: <a href="mailto:powergrid@powergrid.co.in">powergrid@powergrid.co.in</a></b>
<b>For the Financial year under review i.e. 2015-16</b>	
<b>Statutory Auditors</b>  <b>1. M/s. S. K. Mittal &amp; Co.,</b> Chartered Accountants Mittal House, E-29, South Extension Part-II, New Delhi – 110049. Email : skmittalca@yahoo.co.in  <b>2. M/s. R. G. N. Price &amp; Co.,</b> Chartered Accountants Simpson Buildings, 861, Anna Salai, Chennai - 600002. Email : rangarajan@rgnprice.com  <b>3. M/s. Kothari &amp; Co.,</b> Chartered Accountants 1E, Neelkanth, 26-B, Camac Street, Kolkata – 700016. Email : manaswykothari@yahoo.co.in  <b>4. M/s. Parakh &amp; Co.,</b> Chartered Accountants A-101 , Pratik Apartment, Ramachandra Nagar 3, Near Cadbury Signal, Thane West, Mumbai – 400604. Email : sharmapsd@yahoo.com	<b>Cost Auditors</b>  <b>1. M/s. K. G. Goyal and Associates,</b> Cost Accountants, 8, Chitragupta Nagar – I Jyoti Nagar Railway Crossing, Jaipur – 302005. Email : rajeshgoyaljaipur@yahoo.co.in  <b>2. M/s. R. M. Bansal &amp; Co.,</b> Cost Accountants, A-201, Twin Towers, Lakhampur, Kanpur – 208024. Email : cmarmbansal11@gmail.com
<b>Registrar &amp; Share Transfer Agent:</b> <b>Equity Shares:</b> Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District , Nanakramguda, Serillingampally, Hyderabad - 500 032 Tele: +91 40-67162222, Fax : +91 40 23420814 Toll free No. 1800 345 4001 Email : einward.ris@karvy.com Website: <a href="http://www.karvycomputershare.com">www.karvycomputershare.com</a> <b>Bonds:</b> 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	<b>Bankers</b> Indian Overseas Bank Bank of Baroda State Bank of Patiala Canara Bank State Bank of India Punjab National Bank Union Bank of India State Bank of Hyderabad HDFC Bank Ltd ICICI Bank Ltd IDBI Bank Andhra Bank Corporation Bank Axis Bank Ltd Kotak Mahindra Bank Dena Bank State Bank of Mysore
<b>Shares Listed at:</b> National Stock Exchange of India Limited BSE Limited	
<b>Depositories:</b> National Securities Depository Limited Central Depository Services (India) Limited	
<b>Debenture Trustees</b>	
<b>For Bond Series VIII to XV Issue</b> Indian Overseas Bank 10, Parliament Street, Jeevan Deep Building, New Delhi 110 001 Tel:011-23341421,23742559 Fax: 011-23348928 Email : Iob0762@iob.in	<b>For Bond Series XVI to LII Issue</b> IDBI Trusteeship Services Ltd. Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001 Ph : 022-40807000 Fax : 022-66311776 Email : itsl@idbitrustee.com

## LETTER TO SHAREHOLDERS

### Dear Shareholders,

It gives me great pleasure to share with you the performance of your Company during the Financial Year (FY) 2015-16. Your Company continued to deliver another year of consistent growth on various fronts despite the challenging environment.

Friends, Fiscal 2016 was another remarkable year for POWERGRID. I am glad to share with you that your Company has capitalized transmission projects worth ₹31,788 Crore during the year 2015-16, which is the highest ever capitalization in a single financial year of its history. A number of important projects were commissioned during the year including Pole-I (1500MW) of one of the World's first and longest ±800kV HVDC Multi Terminal transmission line from Biswanath Chariali (Assam) to Agra (U.P.) with route length of about 1750 km, 765kV Jabalpur-Dharamjaygarh I & II transmission lines, 765kV Meerut-Moga transmission line, 400kV D/C Barh II TPS-Gorakhpur (Quad) transmission line and 765kV Gwalior – Jaipur I & II transmission lines. Further, the 1200kV (the highest transmission voltage in the world) National Test Station Phase-II was successfully charged.



Your Company has achieved another milestone through establishment of the first high capacity synchronous link between India and Nepal with the commissioning of 400kV Muzaffarpur (India) - Dhalkebar (Nepal) double circuit transmission line. In addition, Grid inter-connection between India and Bangladesh was strengthened through commissioning of 400kV Surjyamaninagar (India) - Comilla (Bangladesh) double circuit transmission line.

In Fiscal 2016, your Company displayed an impressive financial performance. Your Company registered a Turnover of ₹21,281Crore and Profit after Tax (PAT) of ₹6,027Crore in Fiscal 2016, registering a growth of 19.7% and 21.04% respectively, to the corresponding Turnover and PAT in Fiscal 2015. Your Company's Gross Fixed Assets as on March 31, 2016 stands at ₹1,50,052Crore as against ₹1,18,264Crore in the last fiscal.

On the operational front, your Company continued to maintain the transmission system availability above 99%. The availability for the Fiscal 2016 was 99.72% with number of trippings per line limited at 0.66. As on March 31, 2016, your Company owns & operates a transmission network of about 1,29,354 ckm of Inter-state transmission lines, 207 nos. of EHVAC & HVDC sub-stations with transmission capacity of about 2,54,848 MVA.

During the Fiscal 2016, your Company continued to make significant progress in all its business areas including Telecom and Consultancy, enhancing value for the shareholders. A number of Consultancy assignments have been secured during the year. Also, on the Telecom front, total network coverage has been increased by 10% to about 36,500 km and Number of Points of Presence (PoPs) locations have been increased to 595 from the earlier coverage of 352 PoPs, and the customers base has increased by 45% from 187 in Fiscal 2015 to 270 in Fiscal 2016.

Under DDUGJY (Deendayal Upadhyaya Gram Jyoti Yojana) scheme (erstwhile RGGVY), infrastructure was created for 2960 nos. of electrified / un-electrified villages in Fiscal 2016. Cumulatively, till March, 2016, infrastructure has been created for electrification of 74,500 villages and service connection were provided to about 36.7 lakh BPL households.

Friends, Electricity is a very essential constituent of infrastructure affecting economic growth and welfare of the Country. Under the Twelfth Five Year Plan (FY 12-17) which has laid special emphasis on development of the infrastructure sector including energy, your Company has already made a Capital Expenditure of ₹88,235crore against the Capital Expenditure plan of ₹1,10,000 Crore.

Towards integration of Renewable Energy Resources with Grid, your Company is playing an important role including undertaking the development of Green Energy Corridors as well as transmission schemes for 7200 MW Ultra Mega Solar Parks in various states. Your Company is also taking up the challenging & flagship responsibility of setting up of a maiden Renewable Energy Management Centers (REMC) in seven renewable rich states. This would enable forecasting of renewable resources and efficient management of distributed & intermittent renewable generation ensuring efficient utilization of resources.

Your Company continues to take various initiatives for development of Smart Grid in India and is constantly enhancing its abilities through in-house research and demonstration projects in this direction. Your Company is extending consulting services for various projects covering distribution infrastructure, advanced metering infrastructure, electric vehicle charging stations, power quality management, net metering, etc. As part of GoI's endeavour towards Smart City Development, your Company is also closely associated with implementation of Smart Grid at Varanasi and Gurgaon.

Further, your Company has taken various initiatives realizing its obligations and commitment towards Sustainable Development such as special designed towers to conserve the precious Right of Way (RoW), installation of LED bulbs & Solar Street Lights in substation control rooms, fuel catalyst devices for DG sets, rain water harvesting, installation of solar photovoltaic in office buildings to meet the internal energy requirements / CO<sub>2</sub> reduction, etc.

As a part of Corporate Social Responsibility, your Company is making contribution to society at large with major focus on inclusive social-economic growth for development of marginalized & under-privileged sections of the society residing around its areas of operation. Various



community development activities have been carried out during the year in areas of Rural Development, Skill Development & Capacity Building, Health, Education, Environment, etc. Under the "Swachh Bharat Abhiyaan" of GoI, your Company has constructed about 9,500 toilets in about 4,250 Government schools in several states of the Country.

Under Tariff Based Competitive Bidding (TBCB), your Company has bagged one more project during the year. With this, your Company has secured 9 projects as on March 31, 2016. I am happy to share with you that the first Transmission Line under TBCB projects of your Company viz. 400kV D/C Khammam – Nagarjunasagar has been successfully charged during FY 2015-16.

Your Company was recognized for excellence along many dimensions and has received several prestigious awards and distinctions. Some of the significant & recent awards include- the "CBIP Award for Best Transmission Utility" by Central Board of Irrigation and Power (CBIP), "Dun & Bradstreet PSU Award 2015" under the Power Transmission & Distribution sector category, "Dun & Bradstreet Infra Award 2015" under Power Transmission category, "Most Valuable Company" and "Best Performing Company" award from India Today in Navratna (PSU) category, and 'Rajbhasha Navratna' award for the year 2015-16 by 'Bhartiya Bhasha Evam Sanskruti Kendra'. Further, your Company has been felicitated at 'The Economic Times Power Focus 3<sup>rd</sup> Annual Summit' for commendable initiatives and excellent contributions in Power Sector.

Friends, I am proud to share with you that your Company has been recognised as one of the "India's Best Companies to Work for 2016" by 'The Great Place to Work Institute', in partnership with 'The Economic Times'. Your Company was ranked no. 3 among a list of 49 companies selected under the category of "Asia's Best Analyst Days" in the Institutional Investor Survey of Asia. Further, your Company continued to be "Fastest Growing Electric Utility in Asia" for the second successive year and was the only Indian PSU in the "Platts Top 50 Fastest Growing Energy Companies in the World", 2015.

On behalf of the Company, I thank shareholders for their continued confidence and 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

Place: New Delhi

Date : 08.08.2016



## DIRECTOR'S PROFILE

### **Shri I. S. Jha** Chairman and Managing Director



Shri I. S. Jha (57 years), (DIN: 00015615) is Chairman & Managing Director of our Company. 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 35 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 departments such as Engineering, Distribution Management System (DMS), and Corporate Monitoring Group. He has worked as Executive Director of North Eastern Region, 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.

Apart from these, he has been a lead Member in Planning, Engineering and Execution of APDRP and RGGVY schemes in POWERGRID. He is member of Governing Body of CPRI, Bangalore and Empowered Committee of Government of India for promoting competition in Power Transmission Sector. He is also associated with professional bodies such as Institution of Engineers - India, Power Engineering Society of IEEE - USA, and International Council on Large Electric Systems (CIGRE) – France. He has published/ presented numerous articles, technical papers in the field of power system in various international and National Journal/Conferences. He has been appointed CMD of the company in November, 2015.



### **Shri R. T. Agarwal** Director (Finance)

Shri R. T. Agarwal (59 years), (DIN: 01937329) is Director (Finance) of our Company. Prior to taking up this assignment, he was working as Executive Director (Finance). A chartered accountant by profession, Shri Agarwal has more than 35 years of experience in multifarious Finance & Accounts functions like finalization of Accounts, coordination with Auditors, Taxation, Treasury Functions, Internal Audit, Budgeting, Pay Roll, Concurrence, MIS & Commercial aspects etc. both at the Corporate Centre and at Regional Headquarters of POWERGRID. He has played a pivotal role in the two successful Follow-on Public Offers of POWERGRID. Before joining POWERGRID in 1991, he had worked in power major NTPC Ltd. project sites for around 10 years. He was appointed as a Director on our Board in July, 2011 and superannuates on 31<sup>st</sup> August, 2016.

### **Shri R. P. Sasmal** Director (Operations)



Shri R. P. Sasmal (58 years), (DIN: 02319702), is Director (Operations) of our Company. Prior to taking up this assignment, he was Executive Director (Operation Services) in the company. A graduate Engineer from Sambalpur University, Odisha, Shri Sasmal has more than 34 years of experience in power sector. Shri Sasmal has handled multi-disciplinary functions such as planning, monitoring and implementation of HVDC projects, EHV transmission systems and Load Despatch and Communication Systems. He was instrumental in introducing the  $\pm 800$  kV multi-terminal HVDC transmission system which is first of its kind in the world. Under his guidance, the first unmanned operation of 400 kV sub-station at Bhiwadi was implemented as a pilot project. He has been bestowed upon with "Distinguished Member of CIGRE, 2012" and has published various technical papers on transmission systems especially on HVDC in various national and international professional forums/ societies like IEEE and CIGRE. He is currently the national representative for India at CIGRE for HVDC and Power Electronics. Before joining POWERGRID in 1993, he had worked in NTPC Ltd. for around 13 years. He was appointed as a Director on our Board in August, 2012.


**Shri Ravi. P. Singh**

Director (Personnel)

Shri Ravi P. Singh (56 years), (DIN: 05240974), is Director (Personnel) of our Company. He did his Mechanical Engineering 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 34 years of work experience in the power sector handling various multi-disciplinary functions like HR, Telecom, Contracts, Materials, Planning, Monitoring and Transmission System Construction/O&M. Prior to joining POWERGRID in 1991, Shri Singh has worked for 10 years in NTPC. He was appointed as a Director on our Board in April, 2012.

**Dr. Pradeep Kumar**

Government Nominee

Dr. Pradeep Kumar (55 years), (DIN: 05125269), an Indian Administrative Service Officer of Kerala Cadre, is B. Tech in Electronics, MBA, Master Diploma in Public Administration and Governance and Ph.D in the area of Integrated Freight Transport Planning. During his illustrious career of 29 years as IAS officer, he has held various administrative positions in the areas of Revenue, Finance, Transport, Shipping, Inland Water Transportation, Water Resources, Power & Renewable Energy, Irrigation, Food & Civil Supplies, Consumer Affairs, Environment & Forests. He was appointed as a Director on our Board in September, 2013.


**Smt Jyoti Arora**

Government Nominee

Ms. Jyoti Arora is an eminent energy professional in India, and is presently working as Joint Secretary in the Ministry of Power, looking after policy making in electricity sector concerning Regulatory Affairs, Transmission and Renewable Grid Integration. Her work also includes working closely with the States for planning and implementing the 24x7 Power For All, the flagship programme of Government of India.

In her over 26 years of experience in the Indian Administrative Service, she has been closely associated at the grassroots level with the issues of energy access, its delivery and appropriate technology options. She has holistic experience in the power sector of policy making and also its implementation as she was Managing Director of electricity utilities dealing in Distribution, Transmission and Generation for more than a decade. As chief of Bureau of Energy Efficiency (BEE) in India she was closely involved in implementation of Clean Energy initiatives. Has also represented the country in UNFCCC Climate Change negotiations.

She is a postgraduate in Economics and was selected for the Hubert Humphrey Fellowship in the year 2003.

She was appointed as a Director on our Board in March, 2014.

**Mr. Jagdish I. Patel**

Independent Director

Mr. Jagdish I Patel (51 years) [DIN:02291361] is a B.Sc., ASTM-UT, MBA (Ind.) has an illustrious career spanning over 35 years in the areas of Energy Generation, Mining and Space sectors as engineering solution providers and strategic planner over business auxiliary units. Having been Director (Tech.) at Pushpak Trademach Limited, as well as KIA Infrastructure Development Limited and active member of Gujarat Chamber of Commerce and Industry (GCCCI), he has served as a member of several institutions such as District Implementation & Industrial Management Committee of ITI, Industrial Management Committee of IGTR and has also served as President as well as Treasurer at LUB-Gujarat. He is also member of Standing Committee/ Town Planning Committee/ Solid Waste Management Committee of AMC. He was appointed as an Independent Director on our Board in November, 2015.

**Shri V.K. Saksena**

Chief Vigilance Officer



Shri V.K. Saksena (57 years), MA, LLB, is the Chief Vigilance Officer of POWERGRID. He belongs to the 1984 batch of Indian Revenue Service (Income Tax) and has over 32 years of experience in tax law enforcement and has also worked on deputation assignments. In the Income Tax Department, Govt. of India, he has served in various capacities including administrative, appellate and has also handled judicial and vigilance assignments. He has also worked in the Tax Policy and Legislation Division in the Central Board of Direct Taxes, Ministry of Finance. He has attended a UNDP training programme on Techniques of Tax Audit and Collection in Los Angeles, USA. He was appointed as Chief Vigilance Officer of POWERGRID in July, 2016.

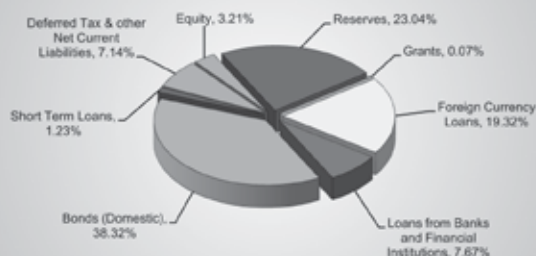


## List of Senior Executives as on 29-July-2016

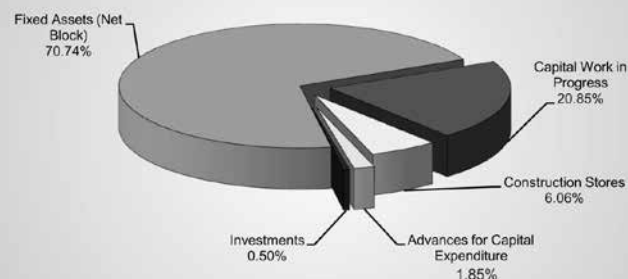
S.N	Name (S/Sh)	E.No	Desg	Level	Dept	Region	Location
1	Ashwani Jain	00095	COO	E9	Telecom	CC	New Delhi
2	Pankaj Kumar	00105	ED	E9	ERP Cell	CC	Gurgaon
3	Y.K.Sehgal	00122	ED	E9	Commercial & Regulatory Cell	CC	Gurgaon
4	Seema Gupta	00127	COO	E9	CTU Planning & Cost Engineering	CC	Gurgaon
5	M.Krishna Kumar	00129	ED	E9	Technology Development	CC	Gurgaon
6	Dr. Subir Sen	00158	ED	E9	Smart Grid ; Energy Efficiency Cell	CC	Gurgaon
7	B. Mishra	00189	ED	E9	Corporate Planning ; IT	CC	Gurgaon
8	Meenakshi Davar	00384	ED	E9	HR	CC	Gurgaon
9	Anil Mehra	00464	COO	E9	International Business	CC	Gurgaon
10	D.K.Valecha	10027	ED	E9	Engineering-(TL,S/s,Civil)	CC	Gurgaon
11	P.N. Dixit	10046	ED	E9	Asset Management	CC	Gurgaon
12	Ranjan Kr. Srivastava	10073	ED	E9	F&A	CC	Gurgaon
13	S.K.Mishra	10091	ED	E9	QA&I; CMD Coordination Cell	CC	Gurgaon
14	S Sen	10871	COO	E9	NTAMC	CC	Manesar
15	Oommen Chandy	10872	ED	E9	Engineering-HVDC	CC	Gurgaon
16	A.K. Arora	10907	ED	E9	Asset Management	CC	Gurgaon
17	S.K. Sharma	16257	ED	E9	CMG	CC	Gurgaon
18	T. C. Sarmah	20026	COO	E9	BDD	CC	Gurgaon
19	Sunil Agrawal	20497	ED	E9	LD&C	CC	Gurgaon
20	D.C.Joshi	40045	ED	E9	Contracts Services	CC	Gurgaon
21	S. Vaithilingam	40050	ED	E9	F&A	CC	Gurgaon
22	R.N. Singh	40054	ED	E9	TBCB Cell	CC	Gurgaon
23	B.P. Gantayet	40080	ED	E9	DMS	CC	Gurgaon
24	Atul Trivedi	40707	ED	E9	ESMD,CSR & LAC	CC	Gurgaon
25	Pankaj Kumar	00369	GM (I/C)	E8	Materials	CC	Gurgaon
<b>Regions/Projects</b>							
1	Prabhakar Singh	20003	ED	E9	Head of Region	NR-I	New Delhi
2	Anil Jain	10060	ED	E9	Head of Region	NR-II	Jammu
3	A.K. Sinha	40062	ED	E9	Head of Region	NR-III	Lucknow
4	Devendra Kumar	10765	ED	E9	Head of Region	ER-I	Patna
5	Bharat Bhushan	20006	ED	E9	Head of Region	ER-II	Kolkata
6	A. Chaudhary	40017	ED	E9	Head of Region	NER	Shillong
7	V. Sekhar	20107	ED	E9	Head of Region	SR-I	Secunderabad
8	R.K.Singh	11044	ED	E9	Head of Region	SR-II	Bangalore
9	S.K. Gupta	10034	ED	E9	Head of Region	WR-I	Nagpur
10	D.K. Singh	40065	ED	E9	Head of Region	WR-II	Baroda
11	Bhoj Paul	10947	ED	E9	North Eastern-Northern/Western IC-I Proj.	CC	Gurgaon
12	R.K.Chauhan	10951	ED	E9	Western/Northern IC Proj.	NR-II	Kurukshetra
13	S. Gupta	11045	GM (I/C)	E8	Odisha Proj.	ER-II	Bhubaneswar
<b>POSO</b>							
1	S.K. Soonee	45003	CEO	E9	I/c POSOCO	POSOCO-HQ	New Delhi
2	K.V.S.Baba	00126	ED	E9	Head of NLDC	NLDC	New Delhi
3	P.K. Agarwal	10963	GM	E8	Head of RLDC	NRLDC	New Delhi
4	U.K. Verma	16373	GM	E8	Head of RLDC	ERLDC	Kolkata
5	T.S. Singh	50022	GM	E8	Head of RLDC	NERLDC	Shillong
6	V.K. Srivastava	30041	GM	E8	Head of RLDC	SRLDC	Bangalore
7	P Mukhopadhyay	45007	GM	E8	Head of RLDC	WRLDC	Mumbai
<b>On Deputation to other organisation(s)</b>							
1	J.P. Singh	00195	ED	E9	On Dep-TPTL		Gurgaon
2	Sanjeev Singh	10040	ED	E9	On Dep-Delhi Transco Ltd.		New Delhi
3	Kanik Ram	20008	ED	E9	On Dep-Bihar Grid Co. Ltd.		Patna

## POWERGRID'S PERFORMANCE

Sources of Funds (%) - 2015-16



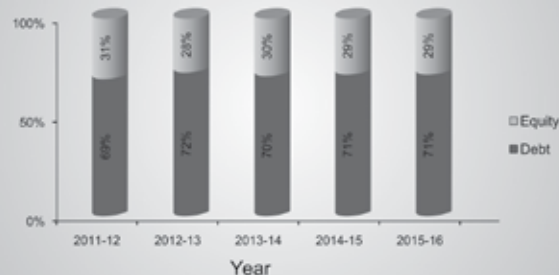
Application of Funds (%) - 2015-16



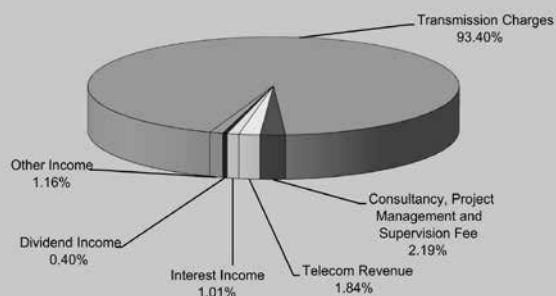
Equity and Reserves



Debt Equity Ratio (%)



Income Break-up (%) - 2015-16



Distribution of Revenue (%) - 2015-16





**FIVE YEARS' SUMMARY****OPERATING RESULTS**

(₹ in crore)

	2015-16	2014-15	2013-14	2012-13	2011-12
<b>(A) EARNED FROM:</b>					
Transmission Charges	19877.08	16450.86	14250.05	12162.66	9544.19
Consultancy Revenue					
Sales of Services	465.46	380.60	332.48	228.96	289.95
Sales of Products	-	-	294.07	86.44	-
Telecom Revenue	392.25	274.89	276.14	231.39	201.19
Other Operative Revenue	67.43	70.88	77.54	48.40	128.94
Other Income	478.96	602.81	491.13	570.89	620.74
<b>Total Earnings</b>	<b>21281.18</b>	<b>17780.04</b>	<b>15721.41</b>	<b>13328.74</b>	<b>10785.01</b>
<b>(B) PAID &amp; PROVIDED FOR :</b>					
Purchases of stock-in-trade	-	-	219.40	63.50	-
Employees Remuneration & Benefits	980.54	1023.65	941.68	886.40	842.97
Transmission Expenses	644.29	605.15	456.24	367.65	328.38
Administration Expenses	888.59	705.80	629.54	494.56	476.21
Other Expenses(Including Prior Period Adj.)	(64.25)	47.38	25.25	-18.12	19.96
Deferred Revenue Expenditure	-	-	-	-	1.79
Provisions	7.50	43.95	22.35	2.75	2.30
<b>Total Expenditure (Excluding Depreciation &amp; Interest)</b>	<b>2456.67</b>	<b>2425.93</b>	<b>2294.46</b>	<b>1796.74</b>	<b>1671.61</b>
Profit before Depreciation & Interest	18824.51	15354.11	13426.95	11532.00	9113.40
Depreciation	6182.76	5085.41	3995.68	3351.92	2572.54
Interest & Finance Charges	5022.97	3979.32	3167.52	2535.22	1943.26
Net Profit after Interest & Depreciation but before Tax	7618.78	6289.38	6263.75	5644.86	4597.60
Regulatory Income/(Expense)	(0.05)	-	-	-	-
Provision for tax (MAT)	1574.79	1280.99	1274.13	1052.08	888.51
Net Profit after MAT & FBT	6043.94	5008.39	4989.62	4592.78	3709.09
Deferred Tax	17.22	29.22	492.20	358.28	454.14
Profit after Deferred Tax	6026.72	4979.17	4497.42	4234.50	3254.95
Dividend	1208.50	1046.32	1349.76	1273.18	976.89



## FINANCIAL POSITION

(₹ in crore)

	2015-16	2014-15	2013-14	2012-13	2011-12
<b>(A) WHAT THE COMPANY OWNED:</b>					
<b>Gross Fixed Assets</b>	150051.92	118264.26	96503.66	80600.05	63387.34
Less: Depreciation	34894.02	28578.05	23349.59	19199.41	15725.04
<b>Net Fixed Assets</b>	115157.90	89686.21	73154.07	61400.64	47662.30
Capital Work in Progress	33950.69	39882.19	31851.41	19114.92	15573.50
Construction Stores	9859.27	13041.96	17625.30	15708.62	12610.04
Advances for Capital Expenditure	3020.20	3367.44	3853.61	5328.98	5091.23
Long term Investments	771.28	740.99	814.33	964.24	1101.19
Other Non-current Loans & Advances	5687.78	3651.99	3221.35	2517.07	1840.20
Current Assets, Loans & Advances	9981.80	7930.10	9069.00	6099.09	6329.89
<b>TOTAL (A)</b>	178428.92	158300.88	139589.07	111133.56	90208.35
<b>(B) WHAT THE COMPANY OWED:</b>					
<b>Long Term Loans:</b>					
- From Banks & Financial Institutions	12031.00	7600.22	5101.94	1705.31	1323.51
- Foreign Currency Loans	29266.81	26713.66	24721.62	21031.17	14352.17
- Domestic Bonds	58941.94	55061.96	46966.66	40339.79	33443.51
<b>Total Long-term Loans</b>	100239.75	89375.84	76790.22	63076.27	49119.19
Current maturities of Long Term Loans	6081.66	4468.71	3679.63	3111.60	2632.72
Working Capital Loan (short-term)	2000.00	1200.00	2700.00	2000.00	1650.00
Current Liabilities & Provisions	17171.91	16195.81	13137.50	9596.90	7088.29
Deferred Tax Liability(Net)	2489.37	2472.15	2442.96	1959.16	1600.88
Deferred Revenue-Advance against Depreciation	1795.57	1938.57	2018.07	2094.96	2143.78
Deferred Revenue-DFCFI/E Account	3819.12	2751.22	2404.32	1505.61	493.17
Grants in Aid	109.16	73.12	95.07	117.03	139.32
Long-term Provisions	650.45	580.23	524.37	442.63	421.49
Other Long-term Liabilities	1337.96	1078.64	1337.30	989.93	1431.73
<b>TOTAL (B)</b>	135694.95	120134.29	105129.44	84894.09	66720.57
<b>(C) NET WORTH OF THE COMPANY REPRESENTED BY :</b>					
Share Capital	5231.59	5231.59	5231.59	4629.73	4629.73
Reserves and Surplus	37366.85	32805.48	29181.30	21583.68	18858.05
<b>TOTAL (C)</b>	42598.44	38037.07	34412.89	26213.41	23487.78
<b>(D) COMMITTED RESERVES</b>					
CSR Activities Reserve	135.53	129.52	46.74	26.06	-
<b>TOTAL (D)</b>	135.53	129.52	46.74	26.06	-
<b>TOTAL (B+C+D)</b>	178428.92	158300.88	139589.07	111133.56	90208.35
<b>CAPITAL EMPLOYED</b> (Net Fixed Assets+Net Current Assets)	99886.13	75751.79	62705.94	52791.23	42621.18
<b>(E) RATIOS</b>					
Net Profit to Capital Employed(%)	6.03	6.57	7.17	8.02	7.64
Net Profit to Net Worth(%)	14.15	13.09	13.07	16.15	13.86
Net Worth per Rupee of Paid-up Capital (₹)	8.14	7.27	6.58	5.66	5.07
Debt/Equity Ratio (#)	71:29	71:29	70:30	72:28	69:31
Current Ratio	0.40:1	0.36:1	0.46:1	0.41:1	0.56:1
Earning per Share (Diluted EPS) (₹)	11.52	9.52	9.36	9.15	7.03
Book Value per share(₹)	81.43	72.71	65.78	56.62	50.73
Dividend Per Share (₹)	2.31	2.00	2.58	2.75	-
Capital Expenditure	22584	22456	23158	20037	17814
<b>(F) OTHER IMPORTANT INFORMATION</b>					
Length of Transmission Lines (ckm)	129354	115637	106804	100200	92981
No. of Substations	207	192	184	167	150
<b>Transformation Capacity (MVA)</b>	254848	231709	205923	164763	124525
No. of Employees (\$)	8606	8575	8694	8909	9221
Transmission Network availability (%)	99.72%	99.78%	99.92%	99.90%	99.94%

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

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



## POWER GRID CORPORATION OF INDIA LIMITED

### Directors' Report

To,

Dear Shareholders,

Ladies & Gentlemen,

Your Directors are pleased to present the 27<sup>th</sup> Annual Report on performance of your Company along with the audited financial statements during the financial year ending March 31, 2016.

FY 2015-16 is yet another year of achievements for your Company. In the area of project commissioning, your Company recorded a capitalization of **₹31,788 crore**, which is the highest ever in a single financial year of its history. With commissioning of new transmission assets comprising **13,717 circuit kilometre (ckm)** of Extra High Voltage (EHV) transmission lines, **15 new substations** and **23,139 Mega Volt Ampere (MVA)** transformation capacity, total transmission assets of your Company have increased to **129,354 ckm & 207 substations with transformation capacity of 254,848 MVA**.

Other major achievements of your Company during the year on various fronts are mentioned below:

- ❖ Capital investment of **₹22,584 crore**.
- ❖ "Excellent" MoU rating notified by Government of India for financial year 2014-15.
- ❖ Investment approval accorded for **23** new transmission projects worth more than **₹13,000 crore**.
- ❖ Maintained transmission system availability at **99.72%** with number of tripping per line limited at **0.66** for the year.
- ❖ Total Income from operations is about **₹21,281 crore** as compared to **₹17,780 crore** in FY 2014-15. This financial year your Company has recorded PAT of about **₹6,027 crore** as compared to **₹4,979 crore** in last fiscal.
- ❖ Interim dividend of **₹0.80** per share (face value ₹10/- each) has been paid and recommendation of **₹1.51** per share as final dividend for the FY 2015-16, subject to approval of shareholders.
- ❖ World's first & longest (~1750 km) ±800kV HVDC Multi terminal transmission line (Pole-I, 1500 MW) from Biswanath Chariali (Assam) to Agra (U.P.) commissioned in November, 2015.
- ❖ Inter-regional power transfer capacity of 13,200 MW added by the Company.
- ❖ The first high capacity synchronous link between India and Nepal 400kV Muzaffarpur (India) - Dhalkebar (Nepal) double circuit transmission line commissioned in February, 2016.
- ❖ Grid interconnection between India and Bangladesh was strengthened through 400kV Surjyamaninagar (Tripura, India) - Comilla (Bangladesh) double circuit transmission line commissioned in March, 2016.
- ❖ 400kV Khammam – Nagarjunasagar double circuit transmission line - the 1<sup>st</sup> line commissioned by your Company under Tariff Based Competitive Bidding.
- ❖ Telecom revenue rose to **₹392 crore** in the financial year ended on 31<sup>st</sup> March 2016 as against **₹275 crore** in the previous year registering growth about **43%**.
- ❖ The 1200kV (the highest transmission voltage in the world) National Test Station Phase -II successfully charged.

### FINANCIAL PERFORMANCE

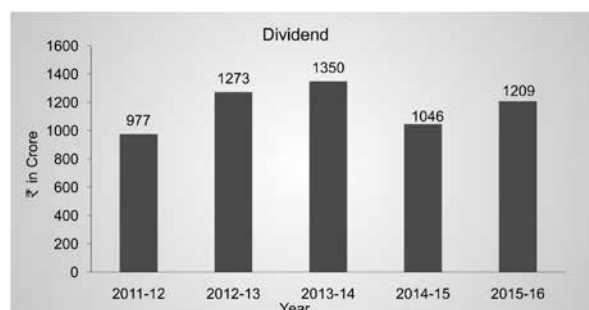
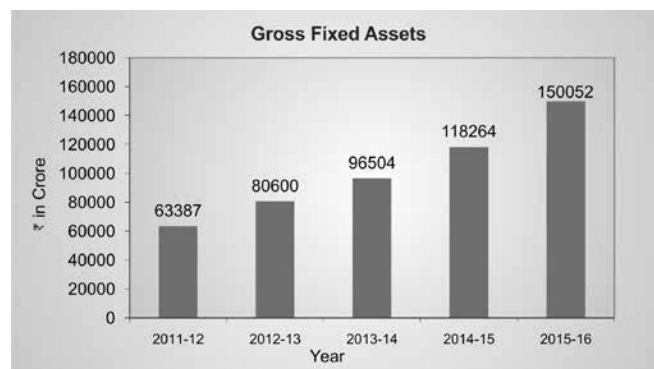
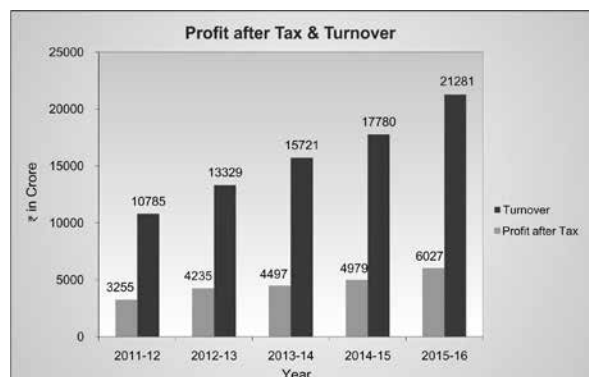
Your Company's financial performance during the year 2015-16 as compared to the previous year 2014-15 is summarized below:

(Figures in ₹ crore, except per share data)

Description	2015-16	2014-15	Y-o-Y Growth
Revenue			
Transmission Charges	19,945	16,521	20.7 %
Consultancy-Sale of Services	465	381	22.0%
Telecom	392	275	42.5%
Other Income	479	603	(20.6%)
<b>Total Income</b>	<b>21,281</b>	<b>17,780</b>	<b>19.7%</b>

Description	2015-16	2014-15	Y-o-Y Growth
Profit After Tax (PAT)	6,027	4,979	21.0%
Earnings per Share (₹)	11.52	9.52	21.0%
Book Value per Share (₹)	81.43	72.71	12.0%
Gross Fixed Assets	1,50,052	1,18,264	26.9%
Long Term Borrowings*	1,06,321	93,845	13.3%
Net Worth	42,598	38,037	12.0%
Debt Equity Ratio	71:29	71:29	—
Return on Net Worth	14.15%	13.09%	—

\* - including Current Maturities of Long Term Borrowings



### Dividend Payout

For FY 2015-16, your Company has proposed a final dividend of ₹1.51 per share in addition to ₹0.80 per share of interim dividend paid in February, 2016 taking total dividend to ₹2.31 per share. The final dividend shall be paid after your approval at the Annual General Meeting. Thus, the total dividend payout for the year amounts to ₹1,209 crore (including an interim dividend of ₹419 crore).

### OPERATIONAL EXCELLENCE

#### Asset Management

As on April 1, 2016, the transmission assets owned and operated by your Company stands at **129,354 ckm of Extra High Voltage**

**(EHV) transmission lines and 207 nos. EHVAC & High Voltage Direct Current (HVDC) substations with about 254,848 MVA transformation capacity.** During the FY 2015-16, your Company maintained availability of the transmission network at 99.72% which is comparable to international standards. The number of trippings per line (unplanned) was contained to 0.66 during the year, indicating high reliability of transmission system.

To maintain such high standard, 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.

In the event of tower collapse due to natural calamities or otherwise, Emergency Restoration System is being deployed to quickly restore collapsed towers. For the first time ever, Aerial Patrolling & Maintenance of transmission lines using helicopters and Unmanned Aerial Vehicles (UAVs/ Drones) have been taken up. State-of-the-Art Travelling Wave Fault Locator used for detection of transmission line faults accurately, is under procurement process. Equipment conditioning monitoring techniques such as dynamic testing of the relay, online monitoring, thermo-vision scanning, frequency response analysis of the transformers and reactors etc. are being used for determination of healthiness of the assets.

State-of-the-Art '**National Transmission Asset Management Centre**' (NTAMC) at Manesar, Haryana, was dedicated to the Nation on April 29, 2015 and 104 substations have been connected for remote operation from **NTAMC** till March, 2016.



## DISASTER MANAGEMENT

Your Company has been contributing in restoration of power in areas hit by natural calamities including neighbouring countries. Support was promptly extended in Tamil Nadu to restore EHV lines, which were damaged due to floods in Chennai in November-December, 2015. POWERGRID contributed in restoration of 400kV & 230kV lines including evacuation lines from Kalpakkam Nuclear Power Plant & North Chennai TPS. To provide immediate communication facility, 20Mbps dedicated bandwidth was provisioned to Load Despatch Centre.

Support was given to Manipur Govt. to restore its power supply after the earthquake in Manipur on 4<sup>th</sup> January, 2016. Restoration work was taken up immediately & local grid was restored within few hours.

Your Company sent highly specialized engineers to Nepal to restore their electrical network after the devastating earthquake in April, 2015. It worked closely with Nepal Electricity Authority to restore about 85% of power supply in the valley in the first 3-4 days itself after the earthquake.

## PROJECT IMPLEMENTATION

Transmission projects implementation has been a challenging task as these projects run over hundreds of kilometres of length across tough terrains and involve varied socio-economic issues. To ensure that power evacuation and system strengthening projects are completed matching with the system requirement, detailed planning is done during implementation and progress is reviewed at various levels to take corrective actions.

On project implementation front, your Company has commissioned about **13,717** ckm of EHV (Extra High Voltage) transmission lines and **23,139** MVA transformation capacity with **15** new substations, which resulted in record capitalization of **₹31,788** crore in this year.

During the year, a number of important transmission lines have been commissioned, viz. ±800 kV Biswanath Chariali - Agra HVDC Bi-pole, 765kV Jabalpur - Dharamjaygarh I & II, 765kV Meerut-Moga, 765kV D/C Aurangabad- Solapur line, 400kV D/C Barh-II TPS-Gorakhpur line (Quad) & 765kV Gwalior - Jaipur I & II.

Further, more than 10,000 km of OPGW have been installed and about 26,000 km of OPGW installation is under progress.

## FINANCIAL MANAGEMENT

In the FY 2015-16, your Company continued to show sustained performance in all its business areas, enhancing value for the shareholders. Your Company has achieved turnover of ₹ 21,281 crore and net profit of ₹ 6,027 crore in FY 2015-16 as compared to ₹ 17,780 crore and ₹ 4,979 crore respectively during FY 2014-15, registering a growth of 19.7% and 21%, respectively.

### Capital Expenditure and Fund Mobilization

Towards its ₹1,10,000 crore capital expenditure target for the XII Plan (FY12-17), POWERGRID made a capital expenditure (CAPEX) of ₹22,584 crore during the year 2015-16. For the CAPEX of FY 2015-16, ₹12,743 crore were mobilised through private placement of bonds & term loan, ₹2,980 crore were mobilised through External Commercial Borrowings (ECB)/Supplier credit and ₹6,861 crore were utilized from Internal Resources.

## XII PLAN PROGRAMME

Against CAPEX plan of ₹1,10,000 crore for XII Plan, your Company has already made a capital expenditure of ₹88,235 crore in the first four years of the Plan period.

Based on the ratings assigned by both domestic and international credit rating agencies, your Company does not foresee any difficulty for resource mobilisation. The funding for capital expenditure has been planned to be met through loans from multilateral institutions such as The World Bank, Asian Development Bank, Supplier's Credit, External Commercial Borrowings through bonds / notes, besides loans from domestic market and through private placement of bonds.

During FY 2015-16, Govt. of India has entrusted some important challenging projects, including ISTS portion of Green Energy Corridors, to your Company which are required to be implemented under compressed time schedule. These projects are likely to be commissioned by the end of XII Plan/ early XIII Plan.

## COMMERCIAL PERFORMANCE

As per Central Electrical Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010, your Company as the Central Transmission Utility (CTU) of the Country, has been assigned the responsibility for carrying out the activities such as raising of transmission charges bills on behalf of all inter-State Transmission System (ISTS) Licensees, collecting the amount and distributing the same to them. In this regard, transmission charges bills are prepared, raised and uploaded on the website for Designated ISTS Customers (DICs), including the payment details by the customers.

Your Company is fulfilling the assigned responsibilities effectively and achieved collection efficiency of above 97% for FY 2015-16.

## PERFORMANCE UNDER TARIFF BASED COMPETITIVE BIDDING (TBCB)

Your Company is performing well in the competitive environment under Tariff Based Competitive Bidding (TBCB). In FY 2015-16, your Company



successfully bid for the project 'Strengthening of Transmission System beyond Vemagiri' and acquired the SPV, 'Vemagiri II Transmission Limited' from the BPC. The SPV has been renamed as POWERGRID Southern Interconnector Transmission System Limited. With this your Company has won total nine (9) projects through TBCB.

400kV Khammam – Nagarjunasagar double circuit transmission line - the 1<sup>st</sup> line commissioned by your Company under Tariff Based Competitive Bidding during FY 2015-16.

### DEVELOPMENT OF NATIONAL GRID

After successful achievement of 'One Nation–One Grid–One Frequency', to further strengthen the National Grid, a number of inter-regional transmission lines have been commissioned and more lines are under construction. In FY 2015-16, 400kV D/c Barh-II-Gorakhpur, Extension of 400kV D/c Biharsharif - Sasaram to Varanasi, 765kV 2<sup>nd</sup> S/c Ranchi –Dharamjaygarh, 765kV 2xS/c Gwalior-Jaipur, 765kV D/c Narendra – Kolhapur and one pole of ±800 kV Biswanath Chariali - Agra HVDC Bi-pole inter-regional transmission lines have been commissioned resulting in enhancement of inter-regional power transfer capacity of the National Grid by 13,200 MW. To further augment the inter-regional power transfer capacity of the National Grid, your Company is executing a number of projects, some of which include high capacity HVDC links. By the end of XII Five Year Plan, it is expected that the inter-regional power transfer capacity of the National Grid will be over 72,000 MW.

The enhancement of transmission capacity due to above inter-regional links has augmented pan-India electricity market and during FY 2015-16, about 117 billion units (BUs) inter-regional energy transfer was facilitated across the nation, an increase of about 40% over previous year.

### GRID MANAGEMENT

Power System Operation Corporation Limited (POSOCO), a fully owned subsidiary of your Company, has been managing the national grid through National Load Despatch Centre (NLDC) and five Regional Load Despatch Centres (RLDCs). POSOCO has been designated as the nodal agency for Renewable Energy Certificate (REC) Mechanism, Transmission Pricing, Short Term Open Access (STOA) in transmission, Deviation Settlement Mechanism, Power System Development Fund (PSDF) Management, etc. As per GoI directive, process has been initiated for its separation from POWERGRID.

Under Short Term Open Access (STOA), 13,467 nos. of bilateral transactions and 30,967 nos. of collective transaction were approved, allowing energy transfer of 64 BUs through bilateral transactions and 34 BUs through collective transactions, totaling to 44,404 approved transactions and 98 BUs of approved energy in the FY 2015-16.

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

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

As of March 31, 2016, the Company has granted Connectivity to 98 nos. of eligible applications for 81,860 MW and has granted LTOA/LTA to 192 nos. of eligible applications for 94,200 MW. In addition, based on the transmission margins availability, the MTOA has also been granted to 92 nos. of applications for 10,450 MW capacity.

### QUALITY MANAGEMENT

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

During FY 2015-16, Southern Region-II Headquarter building at Bangalore and National Transmission Asset Management Centre (NTAMC) at Manesar were certified for Energy Management Systems as per ISO 50001 requirements. Your Company is also certified for Information Security Management Systems as per requirements of ISO 27001.

Your Company has developed and maintained systems and procedures aligned with Integrated Management System comprising ISO 9001 for Quality Management System, ISO 14001 for Environmental Management System and OHSAS 18001 for Occupational Health and Safety Management System. The certification has been maintained after rigorous audits by BSI Management Systems.

In order to facilitate inspection of huge capital work, your Company has undertaken various proactive measures like smart inspections (in process and before acceptance), continuous follow up with manufacturers, improve quality systems at manufacturers' works etc.

With target to move towards zero product inspection as per your Company's quality policy, inspections at some of the manufacturing units of towers, conductor, cables, transformer oil etc. were reduced after thorough process audits at their works as per standardized guidelines.

Continuous follow up with manufacturers for timely manufacturing, smart inspection, testing of various critical items & subsequent issuance of dispatch clearances in time resulted in achieving record asset capitalization in this fiscal year. Special awareness programs were also organized for transmission line EPC contractors & their CEOs to discuss and sensitize the importance of quality in transmission system.

Special campaign was launched for the cause of "Make in India". Presently, most of 765kV class transformers/ reactors/other equipment and even some of Gas Insulated Substation (GIS) are being supplied from Indian works. This has been facilitated by stipulating conditions in various



contract agreements for establishment of new factories or expansion of existing factories, transfer of technology, recruitment of employees, skill development and also development of the ancillaries. A number of sub-vendors have been developed and approved in India for supply of components for various equipment to facilitate employment generation in the Country.

## **TECHNOLOGY DEVELOPMENT**

Your Company 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 architecture in substation automation system.

### **1200kV National Test Station**

Your Company has successfully test charged Phase-II of the prestigious 1200kV National Test Station in the month of March 2016. With this, all the 1200kV equipment in the test station have been successfully charged at 1200kV voltage level. For this project of national importance, your Company has collaborated with Indian equipment manufacturers for getting the 1200kV equipment developed, which have been presently installed at the test station in Bina for long term field operation and performance monitoring.

### **Process-bus Architecture**

The pilot initiative of your Company on IEC 61850 protocol based Process- bus Architecture, successfully commissioned at the 400kV Bhiwadi substation, was a significant step taken in the direction to completely digitized substations. Further in the FY 2015-16, your Company has also taken up and successfully completed a pilot project to optimize the control & protection cable used in transformer at 400/220 kV Neemrana substation. After implementation of new scheme at this substation, significant reduction in the number of cores between transformer marshalling box and protection panel was achieved. The scheme is expected to ease the maintenance and trouble-shooting in future and also reduce restoration time in case of any eventuality. Gaining experience from these projects, your Company is planning for taking-up another pilot project for retrofitting ageing substations having conventional protection and control schemes with advanced automation systems.

## **POWERGRID Advanced Research and Technology Centre**

Your Company 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 facilities for power system analysis, advanced equipment diagnostics, smart grid, energy efficiency, control and automation, material science, engineering design etc.

## **SMART GRID & ENERGY EFFICIENCY**

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

Your Company has garnered valuable experience in implementation of Smart Grid technology in last few years and presently providing consultancy for ten (10) projects covering distribution infrastructure, advanced metering infrastructure, intelligent outage management, electric vehicle charging stations, power quality management, distributed generation, net metering etc. Your Company is closely associated with implementation of Smart Grid at Varanasi & Gurgaon as part of Government's endeavour towards Smart City development.

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

## **Integration of Renewables**

Your Company is playing a key role for integration of renewable energy resources into the grid. Green Energy corridor are under implementation by your Company which will serve dual purpose to facilitate interconnection of large scale renewable, into the National Grid as well as enlarging the balancing area to address renewable volatility. In addition, transmission schemes for 7200 MW Ultra Mega Solar Power Parks are also under implementation in various states as part of Green Energy Corridors-II. Apart from Green Energy Corridor implementation and grid-integration of Ultra Mega Solar Parks, it has been establishing the first grid interactive energy storage pilot projects with different battery technologies. The research findings of these energy storage projects would be crucial in delineating the roadmap for large scale deployment to address intermittency, variability and uncertainty of renewable power and to ensure grid stability.

Your Company is taking up the challenging and flagship responsibility of establishment of maiden Renewable Energy Management Centres (REMC) in 7 renewable rich states including Regional Load Dispatch Centres at SR, WR, NR as well as at National Load Dispatch Centre. This would enable forecasting of renewable resources and efficient management of distributed and intermittent renewable generation ensuring efficient utilization of resources.





## Energy Efficiency

Your Company has taken lead role in identification of energy efficiency opportunities by carrying out energy audits of various industries, institutions and other commercial establishment. Waste heat recovery systems for steel re-rolling mills designed & developed by your Company have been installed successfully in steel industry. Energy Audits were carried out in six installations during the year. Energy audits undertaken and efficiency measures suggested by your Company shall enable prevention of CO<sub>2</sub> emissions to the tune of about 1197 tonne and deferred capacity addition of more than of 300 MW during the Financial Year 2015-16.

Your Company is also a BEE Grade-I Energy Service Company (ESCO) for undertaking energy efficiency projects in various industries.

Indian power industry is in the age of revolutionary transformations and extensive advancements. Equipped with 90 energy auditors, your Company is well prepared to stand as a star performer and key enabler in the challenging environment, by offering Energy Efficiency solutions.

## 'POWERTEL' - TELECOM SERVICES ON TRANSMISSION INFRASTRUCTURE

Your Company has been creating value to its shareholders by leveraging its country wide transmission infrastructure under the brand name 'POWERTEL'. It has established itself as an important player in providing telecom bandwidth and other communication services. Major achievements during the FY 2015-16 are as under:

Parameter	FY 2014-15	FY 2015-16	% Change
Total network Coverage	33,241 km	36,563 km	10%
Number of points present (PoPs)	352	595	70%
Customers	187	270	45%

Telecom Backbone Availability for the FY 2015-16 was 100% as against 99.97% in the previous year.

### National Knowledge Network (NKN)

Under NKN project devised by Govt. of India which connects knowledge centres such as Indian Institutes of Technology (IITs), Indian Institute of Science (IISc) etc. across the Country, on a high speed connectivity, 33 links of 10 Gbps each, 105 links of 1Gbps/100 Mbps and 440 links 100 Mbps / 1 Gbps have been provisioned.

### National Optical Fibre Network (NOFN)

As a part of digital India initiative of the Govt., to connect 250,000 Gram Panchayats (GP) in the Country by utilizing existing fibres of BSNL, Railtel & POWERGRID and laying incremental fibre to connect to Gram Panchayats wherever necessary, your Company has been allotted work for development & maintenance of NOFN network in the States of Telangana, Himachal Pradesh, Jharkhand & Odisha by Bharat Broadband Network Limited (BBNL), covering about 36,000 GPs upto the FY 2015-16, 4120 GPs have been connected through incremental fiber out of which Acceptance Testing for 1940 GPs have been completed. Further, 917 GPs have been connected End to End.

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

## BUSINESS DEVELOPMENT & CONSULTING SERVICES

Your Company has developed the expertise in core areas of power transmission, sub-transmission, load dispatch and communications etc. Leveraging its capacity and experience, Consulting Services have been provided to a number of clients in India and worldwide. On international front, 2 nos. 220/20 kV substations at Doshi (1 X 16 MVA) and Charikar (2 X 16 MVA) along with the LILO of one circuit of the 220 kV D/C Pul-e-Khumri to Kabul Transmission line at each substation have been completed and handed over to Afghanistan authorities for operations.

A Tripartite MoU has been signed among Railways, Dedicated Freight Corridor Corporation of India Ltd (DFCCIL) & POWERGRID in November, 2015 to facilitate necessary co-operation to explore the scope for dedicated transmission system for power supply to Railways for their traction substations.

During FY 2015-16, your Company has achieved consultancy revenue of ₹ 465 crore, which is 22% higher w.r.t. previous year Revenue of ₹ 381 crore.

POWERGRID has been assigned the work of providing consulting services for implementation of "NER Power System Improvement Project" funded by World Bank and for implementation of Comprehensive Scheme for Strengthening of Transmission & Distribution in Arunachal Pradesh and 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. In addition, other important consulting assignments include Strengthening of transmission network in Delhi and execution of transmission system for evacuation of power from Lalitpur power plant of Uttar Pradesh.





It is a matter of pride that as Lead-Member of the Consortium, POWERGRID has successfully completed Management Contract of Ethiopian Electric Power Service Corporation. The scope of this Contract covered improving the quality and performance of the Electric Power service in Ethiopia (Generation, Transmission and Distribution), to ensure the establishment of an international recognized customer focused, market oriented, world class new Electric Power Service provider with the state-of-the art Electric Power Utility and infrastructure.

### **INTERNATIONAL CO-OPERATION**

The existing interconnections with neighbouring countries, Nepal, Bhutan and Bangladesh, are being further strengthened for mutual exchange of power. Some of the recently commissioned interconnections including communication links through OPGW are as under-

#### **Transmission Interconnection between India and Nepal**

- 400 kV D/C Muzaffarpur (India) - Dhalkebar (Nepal) – February, 2016

#### **Transmission Interconnection between India and Bangladesh**

- 400kV D/C Surjyamaninagar (India) – Comilla (Bangladesh) – March, 2016

Further, for evacuation of power from various upcoming hydroelectric power projects (HEPs) in Bhutan, Punatsangchu-I HEP (Bhutan) – Alipurduar (India) 400kV Double Circuit (D/C) line between Bhutan & India, is under implementation and expected to be ready by 2017.

### **CONTRIBUTION IN DISTRIBUTION REFORMS**

#### **Rural Electrification**

Under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) scheme for rural electricity infrastructure and household electrification, your Company has been executing infrastructure work for rural electrification in seventy (70) districts of nine (9) States in the Country at a cost of about ₹ 9,000 crore.

Almost all of the X/ XI Plan schemes have been completed. Work in Uttar Pradesh and Odisha assigned to POWERGRID under XI Plan Phase-II/ XII Plan are under implementation.

During FY 2015-16, infrastructure was created for electrification in 2960 nos. of partially electrified / unelectrified villages. Service connections were provided to about 83,500 BPL households. Cumulatively, till March, 2016, infrastructure has been created for electrification of about 74,500 villages. Further, service connections were provided to about 36.7 lakh BPL households.

#### **Integrated Power Development Scheme (IPDS)**

The implementation of IPDS work in Old Kashi area of Varanasi Town was assigned by Purvanchal Vidyut Vitaran Nigam Limited (PuVVNL) in September, 2015 and has been taken up for implementation and work has been progressing as per schedule.

### **ERP IMPLEMENTATION**

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

### **HUMAN RESOURCE, OUR STRENGTH**

#### **Talent Acquisition & Development**

Your Company places human resource as key to its growth. During the year 2015-16, income per employee and profit per employee have been increased to ₹247 lacs and ₹70 lacs from ₹208 lacs & ₹ 58 lacs respectively in previous year. Also, during the year circuit kilometre per employee and MVA per employee have been increased to 15 ckm & 29.7 MVA from 13.5 ckm & 27.1 MVA respectively in previous year.

In order to keep pace with the latest technology, employees are provided training in the areas of specific skills/functions to upgrade and update them towards the changing business environment and to effectively take on the challenges ahead.

Your Company's Human Resource Development (HRD) Action Plan for the year 2015-16 was based on the premise of the outcome of two pronged strategy namely Organisational Need Analysis (ONA) and Training Needs Assessment (TNA). The Company has been able to link the Individual Development Plans (IDP) of employees as per the business requirement which helps the organization to keep updating the competencies of employees to meet current and future requirements.

POWERGRID Academy of Leadership (PAL), at Manesar has been envisioned to culminate in a State-of-the-Art, world class Institution. PAL has become fully functional and the various HRD interventions are conducted in addition to imparting training to Executive Trainees (ET).

Under the Flagship of PAL two weeks' Power Sector Global Outreach Programme at UK and France had been successfully conducted for PSUs in power sector. Apart from these, the Company has provided consultancy towards capacity building to Ethiopian Electric Power Corporation (EEPCo) and to various state utilities including North Eastern Region.

#### **Employee Welfare**

During the year, the Industrial Relations scenario in the Company has been cordial and no man-days were lost. An effective work culture has been established in the Company through empowerment, transparency, decentralization and practice of participative management.

Keeping in view of changing needs and welfare of employees, your Company undertakes essential changes in various policies from time to time. Issues related to workmen are successfully addressed through the National and Regional Bipartite Committee (PNBC/PRBC), a joint consultative forum comprising management and workmen representatives. Your Company has empanelled various hospitals nearby to our establishments for the healthcare of employees and their dependents. Quality food is served to the employees in the ISO 22000:2005 conferred Cafeteria, in

Corporate Office and Food Lounge of Multi-Purpose hall in Gurgaon.

Cultural programmes are conducted periodically for promoting healthy community living and celebrating various occasions like Diwali get-together, Holi Milan, New Year, Raising Day, etc. in establishments of the Company.

Your Company also conducts various sports competitions for boosting the interest of employees in sports and games at intra and inter-regional level for Kabaddi, Cricket, Volleyball, Caroms, Chess and Badminton etc. and also participates regularly in Inter-PSU Sports meet. Your Company team has stood as first runner up in prestigious 24<sup>th</sup> National Competition for Business Management Simulation Games organised by All India Management Association and represented India in Asia Management Games as well as in Global Management Challenge.

#### Prevention of Sexual Harassment at Workplace

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has constituted Internal Complaints Committees.

#### CITIZEN'S CHARTER

Citizen's Charter has been formulated for the Company providing a visible front of its vision, mission, objectives, commitments, terms of service and its obligation to various stakeholders. In this, information is available about Company's schemes, policies, project plans of the corporation and issues of general interest to stakeholders.

#### IMPLEMENTATION OF OFFICIAL LANGUAGE

Your Company continues to prove its commitment for implementation of Official Language Policy of Govt. of India. Series of initiatives were undertaken for promotion and propagation of Rajbhasha.

Your Company has been encouraging and putting all efforts for promotion of usage of 'Hindi' in all aspects of management in all levels of the Corporation.

Further, the Company has organized various events such as workshops to impart training in translation, enhancing working knowledge through organizing computer trainings and Hindi classes, etc. for increased use of Official language. Events like Akhil Bhartiya Rajbhasha Sammelan, Kavi Sammelans (Poetry Sessions), Hindi Plays and various competitions for employees & their families are organized. Publication of Hindi magazines and circulation of Hindi newspaper to all departments is also being done to encourage Hindi reading and writing. To provide further inspiration, employees are nominated for external Hindi training programs which further educate & encourage the employees to work in Hindi.

Besides this, a unique Hindi Library has also been established for the employees, where around 14,500 books, 53 Hindi Magazines on various topics & 16 Hindi Newspapers are available for the readers. List of Hindi Books are also available on the website.

Various forums such as Parliamentary Committees on Official Language, Advisory Committee on Official Language and Town Official Language Implementation Committee (TOLIC) have applauded the efforts made by your Company for implementation of Rajbhasha & receiving many accolades.

#### CORPORATE IMAGE ENHANCEMENT

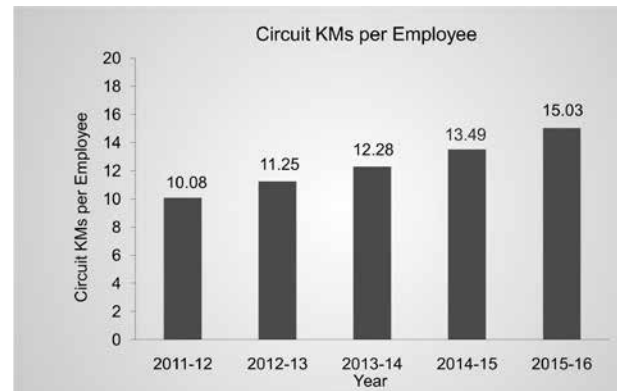
POWERGRID has been continuously investing on building a strong brand identity to overcome the emerging challenges in power sector. Your Company's transparent work culture is regularly brought forth in face to face interactions of the management with the analysts and representative of press and media at Press and Analysts Meet.

In order to facilitate an interaction with the masses with regard to the achievements, growth, recent developments on operational and financial front numerous press communiqué have been issued by your Company. Your Company has been executing its projects and operations in extremely challenging situations from time to time. Landmark achievement have been highlighted through a proper media management strategy ensuring precise and timely dissemination of information which helped the Company in earning widespread appreciation and applaud from media persons, common masses, stakeholders and investors all over the country.

POWERGRID has taken a giant leap forward by pledging 55,000 man-hours in year 2016 towards fulfilling its commitment towards the national agenda of "Swachh Bharat". The Company has not only taken this oath but it has launched various media campaigns for the involving the common masses in this initiative and for spreading the awareness about this noble initiative.

Internal communications play a key role in enabling employees across the Company in understanding and embracing the Company's mission, goals and strategies. Towards this objective, your Company has continuously deployed communication tools such as e-transmit, wall magazines, lounge and regular media updates to apprise the employees of the developments, achievements & events, viewpoints of management and also to provide a platform to employees to participate and take pride in being associated with POWERGRID. The internal communication has been instrumental in boosting employee morale, enthusiasm.

With the view to effectively deliver the Corporation's key messages through relevant media to target audiences, your Company has strengthened





its relations with all media by infusing communication equities for corporate branding purpose. The new mechanisms of communication management have also been well appreciated by the leading national media houses.

#### **GRIDTECH 2015 - INTERNATIONAL EXHIBITION AND CONFERENCE**

POWERGRID with the support of Ministry of Power, Govt. of India and in association with CBIP & IEEMA organized "5<sup>th</sup> International Exhibition and Conference – GRIDTECH 2015" during April 8-10, 2015 at New Delhi, which was inaugurated by Hon'ble Union Minister of State (I/C) for Power, Coal, New & Renewable Energy, Shri Piyush Goyal. More than seventy five technical papers focussing on State-of-the-Art technologies, emerging trends, renewable energy, smart grid etc. were presented in the two parallel conferences. Also, more than 40 International and 70 National manufacturers showcased various new technology products. Theme pavilion set up by POWERGRID and the Student Pavilion attracted attention of many and received special mention from dignitaries as well as visitors.

#### **RIGHT TO INFORMATION**

In order to promote transparency and accountability, an appropriate mechanism has been set up across your Company in line with 'Right to Information Act, 2005'. Your Company has nominated CPIO/ Appellate Authorities at its Corporate Office and Regional offices across the Country to provide required information to the citizens under the provisions of Act.

#### **COMMITMENT TO TRANSPARENCY & VIGILANCE FUNCTION**

Your Company advocates the principles of Good Governance, Transparency, Probity and Ethics in its management functioning. The Vigilance Department works in tandem with the management so that these attributes are inculcated in the day to day functioning of the Organization.

#### **Emphasis on Preventive aspects**

The Company lays primary emphasis on preventive vigilance. It, therefore, focuses on whether the systems are in place, whether the right type of systems exist or need to be reengineered. Various in-house methods such as Process (Online) Inspection, Surprise Inspections, CTE Type Inspections are conducted to check the spectrum of the ongoing activities including physical works and scrutiny of files by a team of dedicated professionals. During the inspections, loopholes /lapses, if observed, are brought to the notice of the management for rectification. During the year 2015-16, 55 Surprise and 66 Process Online Inspections/CTE Type Inspections were conducted and adequate cost compensation has also been effected, wherever necessary.

#### **System Improvements as a Continuous Process**

Presently, your Company is undergoing a dynamic phase of growth as several projects/works are being executed. Therefore, robust system and procedures are being put in place to keep up with the work requirements. One such endeavor has been updating of the Works & Procurement Policy and Procedure Manual of the Corporation. Besides this, important System Improvement suggestions (40 nos.) made by the Vigilance Department have been implemented during this period, pertaining to different areas of operation such as construction activities, recruitment procedure, photography of the hidden works etc. Since systems improvement is a continuous process a Steering Committee comprising senior level officers has also been formed to monitor their compliance.

**Preventive Vigilance/ RTI Workshops:** As a pro-active measure, employees of the Company are imparted training on Company's CDA rules and various preventive measures for smooth project execution. 21 Preventive Vigilance Workshops and 06 RTI workshops were conducted at Corporate Centre and Regions for 613 and 235 employees, respectively during the year 2015-16.

**Workshop on Ethics & Values:** This year, 03 workshops on Ethics & Values were conducted by the Regional Vigilance Department as well as Corporate Centre for around 70 employees. Workshops were conducted for various levels of executives to encourage value based ethical decision making.

**SMS Based Alert System:** With a view to acquaint all the employees about the CDA Rules as well as other vigilance activities, bulk SMS have been sent to all employees regularly.

**Vigilance Awareness Week 2015:** Vigilance Awareness Week was celebrated in your company from 26<sup>th</sup> Oct to 30<sup>th</sup> Oct 2015. During the period, various activities such as Essay Competitions, Quiz Competitions, debates etc. were organized in line with the theme of the Vigilance Awareness Week this year i.e. "Preventive Vigilance- a tool of Good Governance".

As a measure of Participative Vigilance, various Inter college and Inter school Debate competitions and Panel Discussions were organized in which 116 Team of Schools and Colleges had participated and these events were attended by 5386 of students. Roadshows for spreading awareness about Preventive Vigilance were also organized by 8 Schools for 2100 participants. During this week, Vigilance in-house magazine "Candour" was published and the same was inaugurated by Sh Balwinder Singh, former Special Director (CBI). Dr Arun Kumar, retd. Professor of JNU, New Delhi was the Chief Guest at the Valedictory Session.

Further, a film on POWERGRID Vigilance was telecast on DD National on 29.10.2015 between 8.00 AM to 8.30 AM in the programme "Aaj Savera" and was also shown during various events organized at Corporate Centre.

#### **ENVIRONMENT AND SOCIAL MANAGEMENT**

POWERGRID, being a responsible corporate entity, always endeavours to protect and conserve environment in areas of its activities from inception to operation stage. It developed a comprehensive Environmental and Social Policy & Procedures (ESPP) in 1998 and has upgraded the same twice in line with the international best practices, to pre-empt possible environmental and social issues. The ESPP has been accepted by The World Bank under its Use of Country System (UCS) policy and greatly appreciated by different multilateral agencies.

POWERGRID, a pioneer in the field of Sustainability Reporting in the Indian Power Sector published its 3<sup>rd</sup> biennial Sustainability Report in September, 2015. Following the principle of continuous improvement, this report has brought more transparency in the form of better and detailed disclosures, incorporating the voices of internal and external stakeholders. The report assumes special significance, as number of disclosures

of performance indicators have been increased from 39 to 96. With this it has also attained the highest possible rating of A+. The report is externally assured by accredited assurance provider M/s Intertek India Private Limited based on Global Reporting Initiative (GRI-G3) guidelines including Electric Utilities Sector Supplement (EUSS) and International Standards like Accountability, UK Standard AA 1000 APS (2008) and AA1000 SES (2011).

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

- Special designed towers to conserve the precious Right of Way (RoW), enhancing the carrying capacity of existing lines through various technological interventions,
- Rain water harvesting made an integral part of substation design,
- Installation of LED bulbs & solar street lighting in substation,
- Fuel catalysts devices for DG sets etc

Further, a 50kWp Solar PV System has been installed at our Gurgaon Office Complex to meet part of its total energy requirement and will also result in CO<sub>2</sub> reduction. POWERGRID is fully conscious of the need to conserve natural resources and avoids forest, ecological sensitive areas like Wildlife Sanctuaries/National Parks/Biosphere Reserves and Coastal Regulation Zone areas as far as possible through optimization of route alignment. POWERGRID completely avoided the Great Indian Bustard Sanctuary and Achanakmar - Amarkantak Biosphere Reserve by increasing the line lengths for construction of 765 kV S/C Indore-Dahod line & 765 D/C Dharmajaygarh-Jabalpur line respectively. Following the principle of avoidance, involvement of forest land has been reduced progressively from 6% in 1998 to 2.8% in 2015. However, in some cases where involvement of forest area becomes unavoidable, Forest Clearance as mandated under Forest (Conservation) Act, 1980 is obtained following norms/regulations associated with the act including payment of applicable NPV and cost of Compensatory Afforestation (CA). In FY 2015-16, a total 30 nos. of forest clearances were obtained involving diversion of about 1000 Ha of Forest areas.

### **CORPORATE SOCIAL RESPONSIBILITY**

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

During the year, your Company participated in the "Swachh Bharat Abhiyaan" by constructing about 9500 toilets in about 4,250 Government schools in several states of India.

Projects like, 'Construction of 10 storeyed, 325 bedded Dharmashala at AIIMS Trauma Centre, New Delhi', 'Improving Rural Livelihoods through Farmer-centric Integrated Watershed Management' on 10,000 hectares of land in Kurnool (Andhra Pradesh) & Kudgi (Karnataka) through ICRISAT (The International Crops Research Institute for the Semi-Arid Tropics) are also under implementation.

### **ACCOLADES & AWARDS**

The excellent performance of your Company has been recognised and appreciated by the Govt. of India and other prestigious organisations & institutions in form of various awards/ accolades in various categories from time to time.

During the year, your Company has received following important awards/accolades

**"Gold Shield" in the "National Awards for Meritorious Performance in Power Sector for the Year 2013-14"**

**"Rajiv Gandhi National Quality Award"** by BIS under Large Scale Service Utilities category.

**"CBIP Award for Best Transmission Utility"** by Central Board of Irrigation and Power (CBIP)

**"Dun & Bradstreet PSU Award 2015" under the Power Transmission & Distribution sector category & "Dun & Bradstreet Infra Award 2015" under Power Transmission category.**

**"Most Valuable Company"** and **"Best Performing Company"** award from India Today in Navratna (PSU) category.

**Felicited at The Economic Times Power Focus 3<sup>rd</sup> Annual Summit** for commendable initiatives and excellent contribution in in Power Sector.

**"India Pride Award 2014-15"** in the category of Excellence in Energy and Power by Dainik Bhaskar.

POWERGRID Regional Headquarters Building at Bengaluru awarded **"Green Building"** under Green Rating for Integrated Habitat Assessment (GRIHA).

**"Rajbhasha Navratna Award 2015-16" by Indian Language & Cultural Centre.**

**"Most Innovative use of Training & Development as an HR Initiative for Organization Development"** Award by World HRD Congress

**"Training Excellence in HR-Silver Award"** for outstanding achievements in Training at the 5<sup>th</sup> Annual Greentech HR Award 2015.

**"Training Excellence Award"** and **"Knowledge Management Leadership Award"** by World HRD Congress.

**"Fastest Growing Electric Utility in Asia"** for second successive year and only Indian PSU in the **"Platts Top 50 Fastest Growing Energy Companies 2015" in the World.**

Ranked no. 3 among a list of 49 companies selected under the category of **"Asia's Best Analyst Days"** in the Institutional Investor Survey of Asia.

**MANAGEMENT DISCUSSION AND ANALYSIS**

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

**BUSINESS RESPONSIBILITY REPORT**

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

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

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

**COMPTROLLER AND AUDITOR GENERAL'S COMMENTS**

Company has received 'NIL' comments on the accounts for the year ended March 31, 2016 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.

**CORPORATE GOVERNANCE**

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

Your Company has got its Secretarial Compliance Audit conducted for the financial year ended March 31, 2016 from M/s Chandrasekaran & Associates, Practising Company Secretary. Their Report forms part of this Annual Report (Annexure-V).

**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; and
- (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.

**COMPANY'S BOARD**

Your Company's composition of Board of Directors underwent some changes during the year 2015-16. During the year, Shri I. S. Jha, Director (Projects) took over the additional charge of Chairman & Managing Director with effect from 1<sup>st</sup> October, 2015 and regular charge of Chairman & Managing Director with effect from 10<sup>th</sup> November, 2015. Shri R. N. Nayak demitted the office of Chairman & Managing Director on 30<sup>th</sup> September, 2015 upon attaining the age of superannuation. The Board placed on record its appreciation and gratitude to Shri R. N. Nayak for the invaluable contribution, unstinted support and advice in the decision making process & affairs of the Company, provided by him to the Company during his tenure as CMD of POWERGRID.

Shri Jagdish Ishwarbhai Patel has been appointed as non-official part time director (Independent Director) w.e.f. 17<sup>th</sup> November, 2015.

Shri R. K. Gupta, Shri A. K. Mittal, Shri R. Krishnamoorthy, Dr. K. Ramalingam and Shri Mahesh Shah non-official part time directors (Independent Directors) ceased to be Directors on the Board of the Company w.e.f. January 16, 2016. The Board wishes to place on record its deep appreciation and gratitude for the significant contribution and support to the Company extended by Independent Directors of the company.

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, Dr. Pradeep Kumar and Ms. Jyoti Arora, Directors shall retire by rotation at the Annual General Meeting of your Company and being eligible, offer themselves for re-appointment.

**NUMBER OF MEETINGS OF THE BOARD**

The details of number of Board / Committee meetings held during the year are provided in the Report on Corporate Governance, which forms part of this report.

**DECLARATION BY INDEPENDENT DIRECTORS**

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



## PERFORMANCE EVALUATION OF DIRECTORS

The requirement of performance evaluation of directors under Section 178(2) of the Companies Act, 2013 has been done away with for Government Companies vide Ministry of Corporate Affairs' Notification dt. 5<sup>th</sup> June, 2015. The Independent Directors in their separate meeting have reviewed the work assigned to them under Schedule IV of the Companies Act, 2013.

Further, 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, Govt. of India. Independent Directors are paid only sitting fee per Board / Committee meeting 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.

## SECRETARIAL AUDITOR

M/s Chandrasekaran & Associates, Practising Company Secretaries have conducted Secretarial Audit of the Company for the financial year ended 31<sup>st</sup> March, 2016. Their Report forms part of this Annual Report (Annexure-V). The Secretarial Auditor observed as under:

"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 observation:

1. The Company has not complied with provision of Section 149 of the Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 in respect to the appointment of requisite number of Independent Directors.
2. The Company has not complied with provision of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 with respect to constitution of Audit Committee.
3. The Company has not complied with provision of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 with respect to constitution of Nomination and Remuneration Committee.
4. The Company has not filed certain e-forms relating to creation of charges with the office of the Registrar of Companies where the Permanent Account Number (PAN) of the lenders are not available, which is mandatory.

Further, the explanation given by the Board on the observation given by the Secretarial Auditor is as under:

1. POWERGRID, being a Govt. Company within the meaning of Section 2 (45) of the Companies Act, 2013, the power to appoint Directors vests with the President of India. As on 31<sup>st</sup> March, 2016, the Company had only one Independent Director and thus the Company has not been able to comply with provisions of 149, 177 & 178 of the Companies Act, 2013 as observed by the Secretarial Auditor. The matter has already been taken up with Administrative Ministry for filling six existing vacancies of Independent Directors on the Board of the Company.
2. POWERGRID could not file certain e-forms relating to charges in MCA21, wherein the Lenders are Multilateral Agencies-World Bank, ADB and IFC for non availability of PAN of these Agencies. PAN is a mandatory fill under e-filing in MCA-21.

## 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.

## COMMITTEES OF THE BOARD

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

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

## RISK MANAGEMENT POLICY

A Statement indicating development and implementation of a Risk Management policy of the Company including major elements of risk and mitigation thereof are given in the Management Discussion and Analysis Report at Annexure-I of this Report.

## 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 2015-16.

## COST AUDITORS OF THE COMPANY

Your Company appointed M/s. K. G. Goyal & Associates, Cost Accountants and M/s. R. M. Bansal & Co., Cost Accountants as Cost Auditors for the Financial Year (FY) 2015-16 under Section 148 of the Companies Act, 2013.

The Cost Audit Report for the FY 2015-16 will be filed with the Cost Audit Branch, Ministry of Company Affairs before due date i.e. September 27, 2016.

## ACKNOWLEDGEMENTS

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



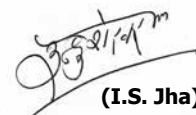
India Ltd., and BSE Ltd., Mumbai without whose active support, the achievements of the Corporation during the year under review would not have been possible.

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

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

On behalf of Board of Directors, I would like to place on record our deep appreciation for the dedicated efforts and valuable services rendered by the members of the POWERGRID family in the Company's achievements during the Financial Year 2015-16. I would also like to thank the executive team for their strong leadership, the employee unions for their support and all our employees for their commitment and enthusiasm to achieve our aim to be the world's premier transmission utility.

For and on behalf of the Board of Directors



(I.S. Jha)

Chairman & Managing Director

Place: New Delhi

Date: 08.08.2016

## ANNEXURE - I TO THE DIRECTORS' REPORT

## Management Discussion and Analysis

### Economic outlook

Indian Economy gained momentum in Fiscal 2016 and is expected to grow at fast pace in next five years. Robust urban consumption and public investment have supported growth despite an unfavourable external environment. During 2015-16, the GDP of India advanced 7.6 per cent, higher than 7.2 per cent in the previous year. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required. Power generation during the 2015-16 is 1,107.385 BU showing a growth rate of 5.6% over the previous year.

### Sectoral outlook

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

(MW)

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

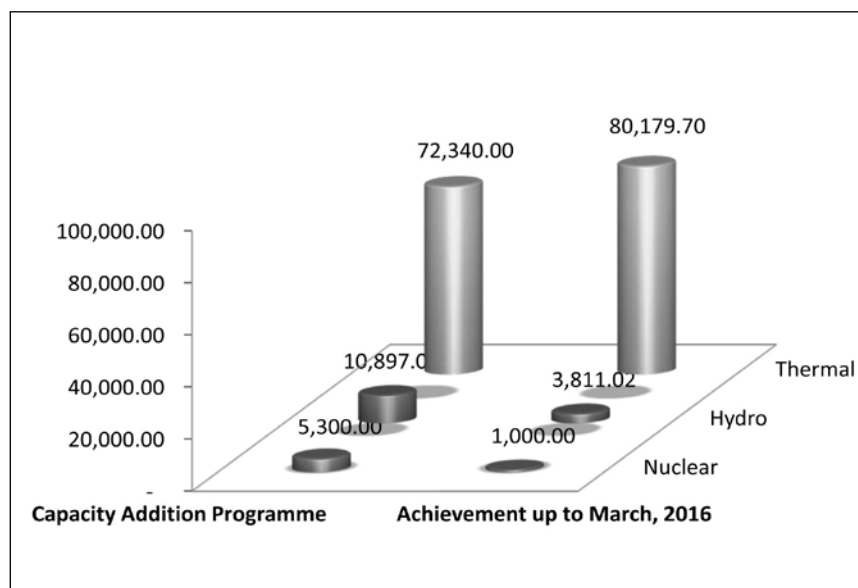
Source: CEA website- [www.cea.nic.in](http://www.cea.nic.in)

Against aforesaid target of 88,537 MW, about 85000 MW capacity has been added up to March, 2016, which constitutes about 96% percent of the target envisaged in the Twelfth Plan. The individual targets achieved by the centre, states, and private sector during this period are 61.65 percent, 124.22 per cent, and 105.84 percent, respectively. Achievement up to March, 2016 during the Twelfth Plan is as under:

(MW)

Type/Sector	Central	State	Private	Total
Thermal	12,638.10	18,579.10	48,962.50	<b>80,179.70</b>
Hydro	2,504.02	712.00	595.00	<b>3,811.02</b>
Nuclear	1,000.00	0.00	0.00	<b>1,000.00</b>
<b>Total</b>	<b>16,142.12</b>	<b>19,291.10</b>	<b>49,557.50</b>	<b>84,990.72</b>
<b>Achievement %</b>	<b>61.65</b>	<b>124.22</b>	<b>105.84</b>	<b>95.99</b>

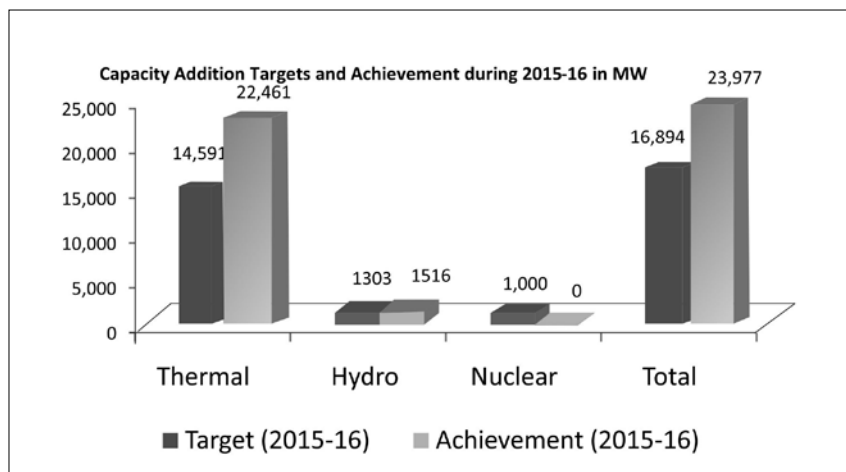
Source: CEA website- [www.cea.nic.in](http://www.cea.nic.in)





**Capacity addition target and achievement during April, 2015 to March, 2016 are as under:**

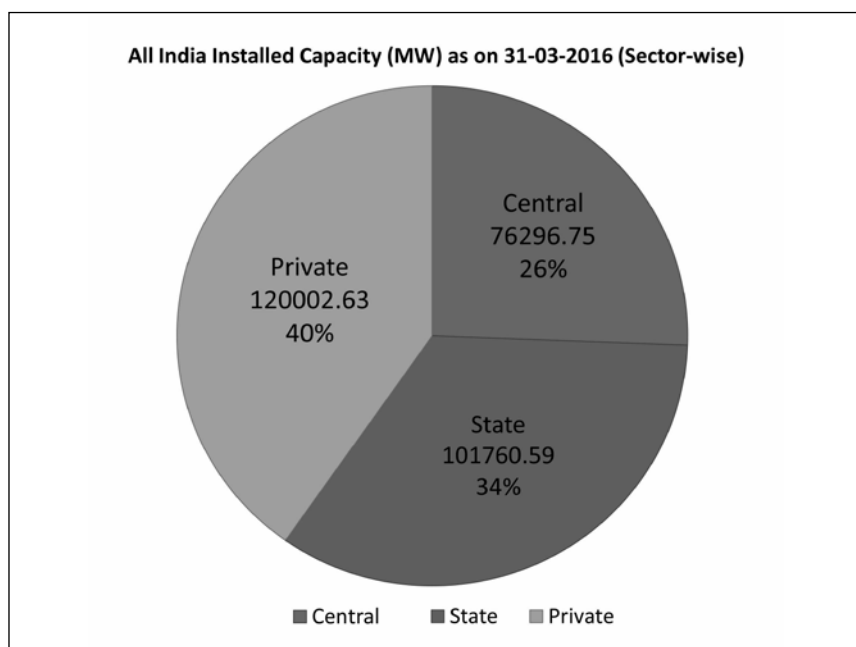
The generation capacity addition during 2015-16 was 23,976.6 MW against a target of 16,894.1 MW. Out of 23,979.6 MW added during the year 2015-16, contribution of thermal sector was significant i.e. 22,460.6 MW (93.68% of the total) and Hydro sector was 1516 MW.



All India Installed Capacity (MW) as on 31-03-2016 (Sector-wise) is as under:

Sector	THERMAL				Nuclear	Hydro	RES	Grand Total
	Coal	Gas	Diesel	Total				
Central	51,390.00	7,555.33	0.00	58,945.33	5,780	11,571.42	0.00	76,296.75
State	64,320.50	6,975.30	438.57	71,734.37	0.00	28,092.00	1,934.22	1,01,760.59
Private	69,462.38	9,978.00	554.96	79,995.34	0.00	3,120.00	36,887.29	1,20,002.63
<b>All India</b>	<b>1,85,172.88</b>	<b>24,508.63</b>	<b>993.53</b>	<b>2,10,675.04</b>	<b>5,780.00</b>	<b>42,783.42</b>	<b>38,821.51</b>	<b>2,98,059.97</b>

Source: CEA website- [www.cea.nic.in](http://www.cea.nic.in)





### Electricity Generation during 2015-16

The Overall generation in the country has been increased from 1048.673 BU during 2014-15 to 1107.386 BU during the year 2015-16. The Category wise generation performance as follows:-

Thermal Increased by	7.45%
Hydro Reduced by	6.09%
Nuclear Increased by	3.63%
Bhutan Import Increased by	4.72%
<b>Overall Growth rate recorded by</b>	<b>5.64%</b>

The electricity generation (MU) targets and achievement for 2015-16 is as under:

Sector	April, 2015 to March, 2016		% Achievement
	Target	Achievement	
<b>Thermal</b>			
Central Sector	3,19,878.00	3,15,075.33	98.50
State Sector	3,35,320.00	2,91,758.65	87.01
Pvt. IPP Sector	2,90,273.00	3,15,608.62	108.73
Pvt. UTL Sector	21,229.00	20,964.82	98.76
<b>Total</b>	<b>9,66,700.00</b>	<b>9,43,407.42</b>	<b>97.59</b>
<b>Hydro</b>			
Central Sector	48,925.00	56,695.85	115.88
State Sector	66,505.00	53,123.60	79.88
Pvt. IPP Sector	11,120.00	10,424.20	93.74
Pvt. UTL Sector	1,450.00	1,097.51	75.69
<b>Total</b>	<b>1,28,000.00</b>	<b>1,21,341.16</b>	<b>94.80</b>
<b>Nuclear</b>			
Central Sector	38,000.00	37,392.47	98.40
<b>Total</b>	<b>38,000.00</b>	<b>37,392.47</b>	<b>98.40</b>
<b>Bhutan Import</b>	<b>4,800.00</b>	<b>5,244.74</b>	<b>109.27</b>
<b>Grand Total</b>	<b>11,37,500.00</b>	<b>11,07,385.79</b>	<b>97.35</b>

Source: CEA website- [www.cea.nic.in](http://www.cea.nic.in)

### Transmission Sector:

During the year 2015-16, a total of 28,114 circuit-km of transmission lines and 62,849 MVA transformation capacity was added, which is 118.56% of the annual target of 23,712 ckm and about 124% of the target of 50,542 MVA, respectively, fixed for 2015-16. This includes 1 no. of 800kV HVDC line, 19 nos. of 765kV lines and 66 nos. of 400kV lines. With the commissioning of these transmission lines, the inter-state and intra-state capability of power transfer in the country enhanced considerably.

Growth of Transmission Sector as on 31<sup>st</sup> March, 2016 is as under:

Voltage Level/Sector	April, 2015 to March, 2016			
	Transmission Lines (Fig. in ckms)		Sub-stations (Fig. in MVA)	
	Programme	Achievement	Programme	Achievement
<b>±800 kV</b>				
Central Sector	0	3,506	1,500	1,500
State Sector	0	0	0	0
JV/Pvt. Sector	-	-	0	0
<b>Total</b>	<b>0</b>	<b>3,506</b>	<b>1,500</b>	<b>1,500</b>
<b>765 kV</b>				
Central Sector	4,204	4,324	16,500	18,000
State Sector	0	0	1,500	1,500
JV/Pvt. Sector	1,257	1,277	0	0
<b>Total</b>	<b>5,461</b>	<b>5601</b>	<b>18,000</b>	<b>19,500</b>
<b>400 kV</b>				
Central Sector	3,943	6,009	7,830	5,560
State Sector	3,759	4,047	11,560	9,855
JV/Pvt. Sector	1,466	1,125	0	1,630
<b>Total</b>	<b>9,168</b>	<b>11,181</b>	<b>19,390</b>	<b>17,045</b>



Voltage Level/Sector	April, 2015 to March, 2016			
	Transmission Lines (Fig. in ckms)		Sub-stations (Fig. in MVA)	
	Programme	Achievement	Programme	Achievement
<b>220 kV</b>				
Central Sector	867	399	0	870
State Sector	8,216	7,427	11,652	23,934
JV/Pvt. Sector	0	0	0	0
<b>Total</b>	<b>9,083</b>	<b>7,826</b>	<b>11,652</b>	<b>24,804</b>
<b>Grand Total</b>	<b>23,712</b>	<b>28,114</b>	<b>50,542</b>	<b>62,849</b>

Source: CEA website- [www.cea.nic.in](http://www.cea.nic.in)

#### All India actual power supply position during 2015-16:

During the year 2015-16, the total ex-bus energy availability increased by 5.8% over the previous year and the peak met increased by 5.2%. The energy requirement registered a growth of 4.3% during the year against the projected growth of 8.7% and Peak demand registered a growth of 3.5% against the projected growth of 5.9%. Overall, the shortage conditions prevailed in the Country both in terms of energy and peaking availability as given below:

	Energy (MU)	Peak (MW)
Requirement	11,14,408	1,53,366
Availability	10,90,851	1,48,463
Shortage	-23,557	-4,903
(%)	-2.1	-3.2

Source: CEA website- [www.cea.nic.in](http://www.cea.nic.in)

Region-wise picture in regard to actual power supply position in the country during the year 2015-16 in energy and peak terms is given below:

Region	Energy				Peak			
	Requirement	Availability	Surplus / Deficit (-)		Demand	Met	Surplus / Deficit (-)	
	(MU)	(MU)	(MU)	(%)	(MU)	(MU)	(MU)	(%)
Northern	3,40,475	3,24,009	-16,466	-4.8	54,474	50,622	-3,852	-7.0
Western	3,46,767	3,45,967	-800	-0.2	48,640	48,199	-441	-0.9
Southern	2,88,025	2,83,494	-4,531	-1.6	40,030	39,875	-155	-0.4
Eastern	1,24,653	1,23,646	-1,007	-0.8	18,169	18,056	-113	-0.6
North-Eastern	14,488	13,735	-753	-5.2	2,573	2,367	-206	-8.0

Source: CEA website- [www.cea.nic.in](http://www.cea.nic.in)

The All India Village Electrification as on 31.03.2015 is as under:

Total Number of Villages	Villages Electrified (Nos.) as on 31.03.2016	% villages electrified
5,97,464	5,86,065	98.10

Source: CEA website- [www.cea.nic.in](http://www.cea.nic.in)

#### POWERGRID – 'Central Transmission Utility' of the Country and A 'Navratna' Public Sector Enterprise.

POWERGRID is the 'Central Transmission Utility (CTU)' of the Country and a 'Navratna' Central Public Sector Enterprise, engaged in power transmission business with the responsibility for planning, implementation, operation and maintenance of Inter-State Transmission System (ISTS) and operation of National & Regional Load Dispatch Centers. POWERGRID owns & operates Extra High Voltage (EHV) transmission lines spread over the length and breadth of the Country along with EHV AC & HVDC Sub-stations. Its vast transmission network wheels about 45% of the total power generated in the Country. Through deployment of State-of-the-Art operation & maintenance techniques, the availability of this huge transmission network is consistently being maintained over 99%. POWERGRID has evolved the national grid in the Country, which is one of the largest synchronously operating electrical grids in the world with all its five electrical Regions interconnected. As on 31st March, 2016, POWERGRID:

- owns & operate transmission network of about 1,29,354 ckm of Extra High Voltage (EHV) transmission lines, 207 Nos. EHVAC & High Voltage Direct Current (HVDC) Sub-stations and 2,54,848 MVA transformation capacity; and
- maintained the transmission availability at 99.72% during F.Y.2015-16.



### POWERGRID'S commitment towards strong & reliable National Grid:

Your Company has added 13,717 kkm. of transmission network and 15 Sub-stations with transformation capacity of 23,139 MVA. National Grid of about 59,650 MW inter-regional power transmission capacities has been established till March, 2016.

The MoU targets vis-a-vis achievements of POWERGRID in project implementation during year 2015-16 are as under:

Works	Target (for Excellent MoU rating)	Achievement
Foundation (Nos.)	12,000	12,036
Tower Erection (Nos.)	15,000	15,554
Stringing (ckms)	8,500	11,114
Transmission lines ready for commissioning (GW-ckms)	11,200	14,970
Transformation Capacity/ ready for commissioning (MVA)	27,500	27,845
Inter-regional power transmission capacity addition/ready for commissioning	5,800	13,200

The comparison of actuals with Financial MOU targets is given below:-

(₹ in Crore)

MOU Parameters	Actual 2015-16	MOU 2015-16 (Excellent)
Sales Turnover (₹ crore)	20,802	20,200
Gross operating Margin (₹ crore)	18,329	17,396
PAT/Net worth (%)	14.15	12.33
PAT per Employee (₹ Lakh)	68.07	56.58

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

Rapid urbanization, growth in population density, habitation & infrastructure development, etc. over the period have resulted in reduced availability of usable land for development of infrastructure projects. Major constraints and concerns in development, operation & maintenance of transmission infrastructure and initiatives / efforts of your Company for addressing them are as under:

- Right of Way (RoW) constraints
- Public resistance and demand for higher compensation for laying of Transmission Lines
- Obtaining forest clearance
- Non - availability of skilled manpower
- Vendor Development
- Technology development and up-gradation
- Efficiency Enhancement in operational & maintenance

Your Company has taken various initiatives to address the above concerns through introduction as well as development of new technologies for incorporation in the Indian power system. The major initiatives are adoption of 765 kV EHV AC system, High Temperature Low Sag (HTLS) conductors, High Surge Impedance Loading Lines, Multi Circuits, Compact & tall towers, Fixed & Thyristor Controlled Series Compensation, Digital Substation etc. In the new technology development front 1200kV Ultra High Voltage (UHV) AC and  $\pm 800$  kV HVDC multi terminal technology have been developed. Aiming towards continuous improvements, your Company is also establishing 'POWERGRID Advanced Research and Technology Centre' along with State-of-the-Art laboratories for power system analysis, advanced equipment diagnostics, smart grid technology for transmission & distribution, IEC 61850 protocol based control and automation, material science and engineering design. This centre will help in knowledge assimilation, enhancement and dissemination as well as adoption of innovative technologies in power sector.

Some of the above initiatives are discussed in detail below:

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

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

##### • Adoption of higher voltage for bulk power transfer

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

With introduction of higher capacity transmission systems like 765 kV Double Circuit transmission lines,  $\pm 800$  kV HVDC in the Country considerable reduction could be achieved in RoW requirement per MW of power transfer. A number of 765 kV Double circuit lines have already been commissioned and many lines are under construction. One Pole of  $\pm 800$  kV, 6000MW HVDC link from Biswanath Chariyali (Assam) to Agra (Uttar Pradesh) via Alipurduar (West Bengal) (about 1750 km long), facilitating transfer of bulk power from North Eastern Region to Northern Region and vice versa through the constricted chicken neck area, has been commissioned and is one of the longest HVDC multi-terminal line in the world. Power flow and commercial operation of Pole-I of  $\pm 800$  kV, 6000MW HVDC system from Biswanath Chariyali (Assam) to Agra (Uttar Pradesh) has started with effect from 01-11-2015. Construction work for another  $\pm 800$  kV HVDC system between Champa (Western Region) and Kurukshetra (Northern Region) having length of approx. 1300 kms is under advance stage of completion. Also, to transfer power to Southern Region, another  $\pm 800$  kV HVDC line between Raigarh to Pugalur is being taken up. For transfer of 2000 MW power to Kerala through  $\pm 320$  kV Pugalur- Trichur HVDC VSC link, your Company would be implementing  $\pm 320$  kV HVDC VSC technology with 320kV DC XLPE cable which shall be partly overhead and partly underground 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 which facilitate faster implementation vis-à-vis creating new parallel corridors and conservation of scarce land, RoW and forest resources, etc. The key benefits are (i) transfer more power using the same towers and line corridor, and (ii) lower sag as against conventional conductor at higher operating temperatures.

Keeping in view the aforesaid advantages, initiatives have been taken by your Company for re-conductoring of some of the existing lines such as Siliguri–Purnea has already completed and reconducting of Farakka-Malda 400 kV D/C lines with High Temperature Low Sag (HTLS) conductors to enhance their power carrying capacity. To optimize resources requirement, efforts & cost, your Company has also opted to use twin HTLS conductors instead of quad / triple bundle ACSR conductors in multi-circuit stretches of some of the lines such as Gaya-Koderma, Gaya-Maithon, Jalandhar-Kurukshetra & LILO of Abdullapur-Sonepat at Kurukshetra 400 kV D/C lines. HTLS conductor has also been used in 400 kV D/C Sagardighi-Behrapore line for high power transfer requirement.

Considering superconductor technology as a promising future technology, your Company is in the process of implementing a demonstration project on High Temperature Superconductor (HTS) cable system, for assessing the feasibility and operational issues. Successful HTS cable system will facilitate higher power transmission without erecting towers.

- **Selection of appropriate type of towers**

In order to address the RoW constraints and to conserve forest areas, your Company has been designing and using various types of towers depending upon land topography and conditions – compact, pole-type, multi-circuit towers.

**(ii) Public resistance and demand for higher compensation for laying of transmission lines**

Your Company has been facing severe public resistance posed by the land owners and farmers with the demand for higher compensation including cost towards diminution value of the land within the tower base and the transmission line corridor. Ministry of Power issued Guidelines suggesting a uniform methodology for calculating/payment of compensation in respect of tower base and corridor as damages on 15<sup>th</sup> October, 2015. Your company has promptly adopted said Guidelines in November, 2015 and is pursuing with States for its adoption/ notification at the earliest. Once the said Guidelines are implemented across the Country, it will facilitate smooth disbursement of compensation to land owners and timely implementation of project.

**(iii) Obtaining Forest Clearances**

Forest & wildlife clearance has been big challenges for timely completion of project due to lengthy and cumbersome process involved. However, your Company's concerted efforts and support of MoP / GoI has resulted in easing of various clearance processes particularly for linear project including transmission lines by Ministry of Environment, Forests & Climate Change (MoEFCC) that has facilitated expeditious forest clearance in recent years. Similarly, recent decision of Hon'ble Supreme Court of doing away its permission for all cases involving protected areas instead applicable only for specific cases referred to it by Central Empowered Committee (CEC) has reduced considerable time requirement for such permission. Moreover, empowerment of Standing Committee of the National Board for Wildlife (NBWL) for grant of such permission coupled with enhanced frequency of its meeting has further eased the process of wildlife clearance. Such smoothing of process has helped POWERGRID in getting permission of 765 kV D/C Banaskantha-Bhuj line passing through Wild Ass Sanctuary in Gujarat in record time.

During FY 2015-16, POWERGRID obtained In-Principle (Stage-I) forest clearances for more than 1500 ha. of forest land covering 29 lines such as ±800 kV Champa- Kurukshetra, 400 kV D/C Kala-Kudus, 765 kV D/C Angul-Srikakulam, 400 kV D/C Betul – Khandwa and Final (Stage- II) clearance for more than 1000 ha. covering 30 lines such as 765 kV S/C Ranchi-Dharamjaygarh, 765 kV D/C Raipur-Wardha, 400 kV D/C RAPP-Kota, etc..

**(iv) Non Availability of Skilled Manpower**

Many technological upgradations are taking place in power generation, transmission and distribution areas. State-of-the-art generation projects, High Capacity Transmission Systems, Gas Insulated Substations (GIS), ±800kV Transmission Lines, Smart Transmission Grid with self-healing properties are realities now and POWERGRID is growing at a fast pace and new joint ventures have been formed to excel in our business verticals.

Accordingly, to align with growing competitive business environment, your Company is continuously imparting training in relevant areas of technology up gradation to its employees.

During the Year, 132 executives have been certified for Project Management.

For overall skill development in the Country particularly in the area of power transmission line construction, Capacity Building Programmes are being conducted with the help of vendors of Transmission Line construction and more than 900 youths were trained during FY 2015-16. Cumulatively, about 2500 persons have been trained up to 31<sup>st</sup> March 2016 under this initiative.

**(v) Vendor Development**

For capacity building, especially, considering use of new technologies and large network 765KV level being developed by POWERGRID, vendor development has been taken up on priority to meet project requirements in execution as well as in supply of 765kV GIS equipment, other critical EHV equipment and their accessories/components. POWERGRID has also taken various initiatives towards "Make in India" concept such as technology development, skill development and supply chain management to ensure trouble free maintenance of executed projects.

**(vi) Increasing operational & maintenance efficiency:**

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

- **Digital Substations:** The pilot initiative of your Company on IEC 61850 protocol based process bus architecture, which was successfully commissioned during FY 2014-15 at the 400kV Bhiwadi Sub-station, has been a significant step taken in the direction to completely digitized substations. Further to this, your company has also taken up a pilot project to optimize the control and protection cable used in transformer and has been successfully completed at 400/220 kV Neemrana substation in the FY 2015-16. After implementation of new scheme at this substation, significant reduction in the number of cables between transformer marshalling box and protection panel has been achieved. The 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. Gaining experience from these projects, your Company is planning for taking up another pilot project for retrofitting ageing substations having conventional protection and control schemes with advanced automation systems.



- **Remote operation of Substations:** As mentioned above, your Company is operating & maintaining large number of EHV substations and transmission lines across the Country. Round the clock monitoring of system is essential to provide reliable power. All the assets are closely monitored locally as well as remotely. There are 104 substations under remote operation & monitoring from NTAMC / RTAMC.
- Your Company has adopted state-of-the-art condition monitoring techniques to detect defects at their incipient stage. These include Frequency Response Analysis (FRA), Frequency Domain Spectroscopy, Dissolved Gas Analysis (DGA), DGA of bushing & CTs, Vibro-Acoustics of On Load Tap Changer etc. for Transformers and Reactors, Dynamic Contact Resistance Measurement for Circuit Breakers, Third Harmonic Resistive Current Measurement for Surge Arrestors, Thermo-vision scanning etc. for smooth operation with high reliability and availability during their useful service life. POWERGRID has introduced online Capacitance & Tan delta monitoring of the bushings, dynamic temperature record through Fibre Optic sensors in Transformer and Reactor and multi gas monitoring system and all these monitoring systems are being integrated with SCADA for remote monitoring as well as getting information regarding dynamic change in condition of the equipment.
- **Hotline maintenance,** a highly specialized maintenance activity, is being undertaken by your Company wherein highly skilled manpower carry out maintenance activities such as replacement of insulator, vibration dampers, hardware etc. on live lines and thus avoid outages of transmission lines, hence higher availability.
- In line with the international O&M practices, your Company has commenced tower top patrolling of  $\pm 500$  kV HVDC Balia-Bhiwadi line using Unmanned Aerial Vehicles (UAVs) from 6<sup>th</sup> April 2016, after getting requisite clearances from DGCA & MHA. The UAVs are equipped with gimbal mounted Ultra HD video cameras which can take high resolution close photographs and video of towers and its component for detection of fault/ defects. Patrolling of towers using UAV will eliminate the need of tower top patrolling (by climbing the tower) for such inspections, improving time & cost efficiency in maintaining of transmission lines.
- Your Company has also introduced Aerial Patrolling of lines using Helicopters for the first time in India in selected areas such as deep forests, hilly terrain & snow bound areas where ground patrolling is difficult and very time consuming. Helicopter equipped with Gimbal mounted LIDAR (Light Ranging and Detection), Thermo-vision Camera, High resolution Video and Digital camera has been deployed to identify the defects within short period in comparison with patrolling of lines on foot by human being and taking corrective actions.
- Installation of lightning arrestors in transmission lines has been taken up to minimize trippings due to lightning, particularly in areas prone to lightning like North Eastern Regions of the country.
- **URTDSM Project:** Towards Smart grid development endeavors, your Company has undertaken full scale implementation of WAMS (Wide Area Measurement System) technology on pan India basis under "Unified Real Time Dynamic State Measurement System (URTDSM)" Project which is likely to enhance efficiency in overall grid management. The Project shall enable synchronous measurement of grid parameters across the widely spread grid on real time basis. Synchronized PMUs will facilitate improved monitoring, visualization and enhanced situational awareness of the grid events on real time which will improve grid reliability. Under this project, Phasor Measurement Units (PMUs) would be placed at all HVDC, 400kV and above substations and generating stations including at 220 kV level. Through the experience gained during implementation of WAMS Pilot Project, your Company has now installed more than 400 PMUs is part of URTDSM Project. URTDSM involves installation of around 1200 PMUs and computer hardware & software at 34 control centers in Phase-I. This project is under implementation. POWERGRID is also developing various analytics using PMU measurements for diagnosis, validation and control purpose. The analytics will enable for implementation of Wide Area Protection & Control Systems, which will improve grid stability. Your Company has also undertaken Power System study through Real Time Digital Simulator (RTDS) for HVDC. RTDS has a specialized computer hardware and software designed specifically to achieve real time simulation of power systems with HVDC, FACTS and protective relays, etc. specifically for study of dynamic performance which is likely to enhance efficiency in operation. To meet the communication requirement of URTDSM and SCADA upgradation, all the substations of POWERGRID, Central Generating stations and important station of States are being connected on Fiber Optic network. During 2015-16, 10421 kms. of OPGW network has been established to connect additional sub-stations, power plants and provide redundant path also. This shall ensure availability of required bandwidth for various applications being provided at SLDCs, RLDCs and NLDC for grid operations. Laying of fibers shall also facilitate reliable operation of National Transmission & Asset Management Centre (NTAMC) and help in expansion of telecom business. During this financial year OPGW from indigenous manufacturer have also been supplied which ensures the future domestic market development as a part of 'Make in India'.

#### Challenges of Tariff-based Competitive Bidding

Your Company, apart from its endeavor to mitigate the aforesaid concerns, has made remarkable efforts to achieve success in Tariff Based Competitive Bidding (TBCB).

Tariff Policy dated 28<sup>th</sup> January 2016 states that while all future inter-state transmission projects shall, ordinarily, be developed through competitive bidding process, the Central Government may give exemption from competitive bidding for (a) specific category of projects of strategic importance, technical upgradation etc. or (b) works required to be done to cater to an urgent situation on a case to case basis. POWERGRID emerged as successful Bidder and won nine transmission projects and acquired the Special Purpose Vehicles (SPV) from the Bid Process Coordinator (s). The Project SPVs are viz. POWERGRID Vizag Transmission Limited, POWERGRID NM 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 and POWERGRID Vemagiri Transmission Limited. All these projects are on Build, Own, Operate & Maintain (BOOM) basis and are under various stages of implementation except for Transmission System associated with IPPs of Vemagiri Area (POWERGRID Vemagiri Transmission Limited) which has not been taken up pursuant to the CERC order dated 27.09.2013 and 06.04.2015. One of the elements under POWERGRID Vizag Transmission Limited viz., 400kV D/C Khammam – Nagarjunasagar 400kV D/C Transmission line has been successfully commissioned in the FY 2015-16 and transmission charges are being realized for the same.

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

##### Telecom business of POWERGRID:

Your Company has a vision to become a major Telecom services provider by establishing a robust state of the art high capacity network. Telecom business is, day-by-day, getting highly competitive and there is always a pressure for downward revision of prices. However, your Company is exploring new business segments and offering novel solutions such as MPLS VPN, peering with content delivery networks



etc. Further, by undertaking timely investments in network expansion for projected demand, POWERGRID is minimizing loss in revenue due to unmet demand. POWERGRID is also partnering with last mile connectivity providers and State Electricity Boards for RoW, fiber leasing, etc. to increase its network reach and presence. POWERGRID's extensive backbone telecom network with its local access partners has demonstrated that the location disadvantage of small towns towards accessibility and affordability of high speed internet could be eliminated. It has the potential to bridge the digital divide and be a change agent towards realizing the vision of "Digital India".

#### **Consultancy business of POWERGRID:**

Our consultancy business is subject to competition from various competitors are also suppliers of goods / services to our consultancy projects. There is also emergence of low cost competitors. However, State Utilities and Government of India have reposed faith on POWERGRID and we have been able to generate significant amount of Consultancy business. As a result, our Consultancy Revenue has grown more than 20% w.r.t previous year.

#### **POWERGRID's initiatives in the area of Smart Grid & Renewable Integration**

Government of India has set ambitious target of bringing energy generation capacity through renewable energy sources of about 175000 MW by 2022. It includes 100000 MW solar power capacity and 60000 MW wind power capacity.

Your company has taken a lead role in implementation of Green Energy Corridors to facilitate grid integration of renewable generation capacity addition in Twelfth Five Year Plan across the Country. The implementation covers construction of inter-state transmission systems and advanced control infrastructure like forecasting tool for renewable generation, establishment of renewable energy management center, etc. In addition, Intra-State transmission strengthening is being carried out by the respective State Transmission Utilities (STUs).

POWERGRID has also evolved comprehensive plans to evacuate power under Green Energy Corridors-II (GEC-II) from various ultra-mega solar power parks being developed in various states. 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 7,200MW in five States.

To enhance clean energy and energy security, your company is progressively installing on-grid solar PV systems by meticulously utilizing the available space in its office complexes across the nation.

POWERGRID has undertaken implementation of maiden pilot project on grid scale battery energy storage systems in India comprising of batteries, power conditioning system, battery management system etc. at Puducherry based on three different technologies to establish proof of concept, application(s), policy advocacy etc. in Indian context. The research findings of these energy storage projects would be crucial in delineating the roadmap for large scale energy storage systems to address intermittency, variability, uncertainty etc. of renewable power towards grid stability.

POWERGRID has made pioneer efforts in identification of energy efficiency opportunities by way of carrying out energy audits of various industries, institutions and other commercial establishment. It has carried out energy audits at various integrated steel plants and has also designed, developed and successfully installed waste heat recovery systems for steel re-rolling mills. POWERGRID is a BEE Grade-I Energy Service Company (ESCO) for undertaking energy efficiency projects in various industries and it is well prepared to stand as a star performer and key enabler in the challenging environment, by offering Energy Efficiency solution.

In its efforts towards knowledge dissemination, POWERGRID is implementing State-of-the-art Smart Grid Knowledge Centre. This facility would help in capacity building of utilities, stakeholders etc. in this field.

Your Company is also providing consultancy services for various projects covering distribution infrastructure, advanced metering infrastructure, intelligent outage management, power quality management, net metering etc. Your Company is closely associated with implementation of smart Grid at Varanasi and Gurgaon as part of government endeavour towards smart city.

#### **Thrust on Sustainable Development**

Sustainable Development is vital to our business operations which allow us to position our concerns for people and environment to centre stage. This is embedded and reflected in our motto, "Reduce where you can and mitigate where you cannot". The main thrust of our sustainability efforts includes maintaining high standards of business conduct, reducing environmental & social impact, providing a safe workplace while promoting professional development. Key initiatives taken by POWERGRID towards sustainable development are technological initiatives for conservation of precious Right of Way (RoW), Rain water harvesting system which is now an integral part of every new substation design, installation of LED bulbs & solar street lighting in substation, fuel catalysts devices for DG sets etc. Towards green initiatives, a 50kWp Solar PV System has been installed at our Gurgaon Office Complex which will meet around 4% of total energy requirement and will also result in reduction of 40 tons of CO<sub>2</sub> annually. To reduce our carbon footprint further, we are operating "Waste Paper Recycling Plant" to recycle waste paper generated at Corporate Office which has not only resulted in conservation of natural resources like tree, water etc. but also reduced procurement of paper/stationary items from the open market. Company has adopted "Green Rating for Integrated Habitat Assessment" (GRIHA) norms for buildings at Manesar and Regional Office, Bengaluru. It is also a matter of privilege that Bengaluru building has been awarded 2<sup>nd</sup> Prize by HUDCO under "Green Building" category in 2015.

#### **Equity Leveraging and compliance of Financial Covenant**

In POWERGRID Equity Leveraging generally refers to:-

- i. Long term borrowings and further capacity to borrow on the basis of Net Worth &
- ii. Retention of profit for further leveraging in line with the CAPEX needs

Central Electricity Regulatory Commission regulations for tariff fixation for Block Year 2014-19 provides for maximum Debt-Equity funding of 70:30 as on commercial operation date with a Return on Equity of 15.5% and takes into account upto 30% of total funding as equity contribution.

POWERGRID has leveraged its existing Net worth to the maximum possible extent and the Debt Equity Ratio of the Company is 71:29 as on 31<sup>st</sup> March, 2016 which is highest among the major infrastructure companies. As on date, return on equity as a component of tariff is the primary source of internal resource (IR) generation and an equity base of 30% of total funds deployed is required for maximising IR generation. The ceiling of debt to equity ratio has also been capped at 75:25 by various lenders like ADB, World Bank, IFC, SBI etc. as loan covenants.

POWERGRID is required to ensure compliance of mainly following Financial Covenants in respect of long term loans:

- i. The Debt Service Coverage Ratio should not be less than 1.20 times in any year on all long term debt with additional comfort that the average of three years should not fall below 1.30 times on all long term debt,
- ii. The Fixed Asset Coverage Ratio shall not fall below 1.00 times,
- iii. GoI shareholding in our company shall not fall below 51%,



- iv. Maintains an 'AAA' rating during the currency of the long term borrowing,
- v. Maintain overall Debt-Equity Ratio of 75:25.
- vi. Corporate account receivable not exceeding the previous 3 months' invoicing amounts,
- vii. Irrevocable letter of credit from all customers in an aggregate amount equivalent to 105% of the monthly average billing of previous financial year.

POWERGRID is in compliance with referred financial covenants during the Financial Year 2015-16.

POWERGRID is able to mobilize long term borrowings at a very effective rate of interest. The weighted average cost of long term borrowing (Domestic as well as external sources) during the fiscal is around 7.07%.

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

Your Company has a Mega Insurance Policy from external insurance company for (i) AC substations equipment in switchyard area including Control Room building (ii) all HVDC stations (including back-to-back and bi-pole) (iii) assets such as transformers and reactors and associated bays owned by your company but installed at SEBs, STUs and power generation facilities and (iv) all office buildings owned by us and their assets.

Further, POWERGRID maintain Self Insurance Scheme to cover a transmission line and all other assets which are not covered under Mega Insurance Policy. Under Self Insurance Scheme material damage / loss due to fire, natural calamity / earthquake, terrorism are covered for which an amount equal to 0.1 % of our Gross Block of fixed assets (except for the value of assets covered under Mega Insurance Policy) is contributed.

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

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

#### **Risk Management Procedure**

For the purpose of evaluating and managing the uncertainties the enterprise faces, Enterprise Risk Management framework has been implemented in POWERGRID. 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).

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

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

- **Synchronization Risk with Generation Projects**

There could always be a gap in the commissioning of generation units vis-à-vis the associated transmission system and there might be delays in the materialisation of some of the generation projects.

To mitigate the same, the Agreements are being signed with the Generators by your Company to share and bear the transmission charges as applicable as per CERC guidelines.

- **Revenue Risk**

The Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 which came into effect from 01.07.2011, provides for computation of Point of Connection (PoC) charges and losses by introducing new methodology for sharing of transmission charges. However, States 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 were 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 and lower transmission tariff to Bihar, Odisha, West Bengal and Jharkhand.

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

CERC Tariff Regulations allow payment against monthly bills towards transmission charges within a period of 60 days from the date of bills and levying of Surcharge @ 18% per annum on delayed payment beyond 60 days. Further, graded rebate is also provided in case of payment is made within 60 days. Most of the utilities are availing 60 days allowable period for clearing their dues. During the FY 2015-16, collection efficiency has been very good and appropriate actions for realization of dues were taken by the company against defaulting utilities.

- **Integrated Management Policy:**

POWERGRID is committed to:

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

- **Internal Control**

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 elaborate 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.

Till 15.01.2016, Audit Committee had three Independent Directors and one Non-official Part-time Director. However, on cessation of five Independent Directors from the Board of POWERGRID w.e.f. 15.01.2016, the Audit Committee was reconstituted with one Independent Director (Chairman of the Audit Committee), one Govt. Nominee Director and a Functional Director. The Audit Committee meets at regular intervals and is informed of compliance with internal control mechanism. The significant / material audit findings are placed before the Audit Committee for review, discussion and subsequent action.

### Financial Discussion and Analysis

Comparison of Fiscal 2016 to Fiscal 2015

Your company's total income in Fiscal 2016 was ₹21,281.18 crore, which represented an increase of 20% over the total income of ₹17,780.04 crore in Fiscal 2015. In Fiscal 2016, transmission and transmission-related activities constituted 93.72% of our total income, with the balance coming from our consultancy, telecommunication business and other income.

#### Income

#### Revenue from Operations

(Rs. in Crore)

Revenue from Operations	Fiscal 2016	Fiscal 2015
Revenue from transmission charges	19,944.51	16,521.74
Consultancy- Project Management & Supervision Sale of Services	465.46	380.60
Revenue from telecom	392.25	274.89
<b>Total</b>	<b>20,802.22</b>	<b>17,177.23</b>

### FACTORS AFFECTING OUR 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 6<sup>th</sup> 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 has vide its notification dated 21<sup>st</sup> 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 the tariff Block 2014-19, we are permitted to charge our customers the 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 1<sup>st</sup> 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 center 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. Irrespective of 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 and 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 01.04.2014 or as on 1<sup>st</sup> April of the year in which the transmission system, is declared under commercial operation, during the tariff period 2014-15 to 2015-19 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.

The sharing of transmission charges by Beneficiaries are governed by Central Electricity Regulatory Commission (Sharing of Transmission Charges & Losses in Interstate Transmission System) Regulations, 2010 issued by CERC.

The tariff regulations applicable for the tariff Block 2014-19 provides that :

- the specified timeline for completion of projects have been increased by 06 months for various categories by CERC;
- the rate of escalation in O&M charges on year to year basis for the Tariff Block 2009-14 was 5.72% and the same has been considered as 3.32% introducing Compound Annual Growth Rate (CAGR) concept for the first time.

As per Regulations on Sharing of Inter-State Transmission Charges & Losses, 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 certain non-ISTS licensees whose lines have been certified by RPCs to be used as ISTS.



### Foreign Exchange Rate Variation

Your company under the tariff regulations for the 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 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 2015-16, no hedging for foreign exchange exposure has been undertaken by your company.

### Revenue from Other Services

Your company also earns revenue from consultancy (including project management and supervision services) and telecommunication business. Our consultancy income mainly consists of fee from the Rural Electrification works, the execution of transmission- and communication system-related projects and technical consulting assignments for Indian state utilities, joint venture companies, subsidiaries and utilities in other countries. The income from Consultancy business against sale of services in the Fiscal 2016 was ₹465.46 crore as against ₹380.60 crore in the Fiscal 2015, an increase of 22.30%.

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 2016 was ₹392.25 crore as against ₹274.89 crore in the Fiscal 2015, an increase of 42.69%.

### Other Income

Your company's other income was ₹478.96 crore in Fiscal 2016, a decrease of 20.55% over the other income of ₹602.81 crore in Fiscal 2015.

(₹ in Crore)

Other Income	Fiscal 2016	Fiscal 2015
Dividend –Subsidiary and Others	84.77	97.77
Interest income- Bonds and Long Term Advances	14.03	31.06
Interest income – Banks	60.52	229.22
Interest income others	22.96	15.30
Interest on Loans to Subsidiaries	49.23	-
Profit on sale of fixed assets	1.59	1.90
Deferred income (transfers from grants in aid)	21.96	21.95
Transfer from insurance reserves on a/c of loss of fixed assets	5.29	20.21
Lease income from State Sector ULDC	34.76	37.18
Surcharge on late payment from customers	92.91	65.95
FERV gain	0.05	12.46
Miscellaneous income	86.99	64.31
Provision written back	3.90	5.50
<b>Total Other Income</b>	<b>478.96</b>	<b>602.81</b>

The other income decreased mainly because there had been decrease in interest on Bank, dividend received from Joint Venture Companies.

Expenses have been categorized as- (i) Employees' benefits expense, (ii) Finance Costs, (iii) Depreciation and amortization expense, (iv) Transmission, Administration and Other Expenses and (v) Prior period items.

Your company's total expenditure were ₹13,662.45 crore in Fiscal 2016, an increase of 18.90% over the total expenditures of ₹11,490.66 crore in Fiscal 2015. The total expenditures as a percentage of total income were 64.20 % in Fiscal 2016 compared to 64.63 % in Fiscal 2015.

#### (i) Employees' benefits expense

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

Your company had 8,606 employees on payroll as of March 31, 2016, compared to 8,575 employees as of March 31, 2015. Employees' remuneration and other benefits decreased by 4.21% to ₹980.54 Crore in Fiscal 2016 from ₹1023.65 Crore in Fiscal 2015.

#### (ii) Finance Cost

Finance cost increased by 26.23% to ₹5,022.97 crore in Fiscal 2016 from ₹3,979.32 crore in Fiscal 2015. The increase was mainly due to interest on loans from Secured/Unsecured redeemable Bonds.

These charges include guarantee fee of ₹194.22 crore (previous year ₹167.43 crore) (net of IEDC) payable to the GoI for giving guarantees to the lenders of our foreign currency loans.

#### (iii) Depreciation and Amortisation Expenses

Your company's depreciation increased by about 21.58 % to ₹6,182.76 crore in Fiscal 2016 from ₹5,085.41 crore in Fiscal 2015. The increase was mainly because of the commissioning of new transmission assets worth ₹31,787.66 crore and full-year impact in Fiscal 2016 of transmission assets ₹21,761 crore which were commissioned during Fiscal 2015.



The depreciation has been applied considering the technical life of each depreciable asset class as prescribed by CERC viz. transmission lines – 35 years and substations – 25 years on straight line method. The useful life for AC and DC Substation and GIS for which Notice Inviting Tender has been floated on or after 01/04/2014 shall be considered as 35 years.

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 1<sup>st</sup> April, 2014 are depreciated on straight line method@ 6.67% per annum.

#### (iv) Transmission, Administration and Other Expenses

Transmission, administration and other expenses consist primarily of costs of the repair and maintenance of buildings, plant and machinery and power charges. Other items in this category include expenditures for travel, security, vehicle hire charges, insurance and rent rates & taxes on our properties.

Transmission, administration and other expenses increased by 13.70% to ₹1,540.87 crore in Fiscal 2016 from ₹1,355.16 crore in Fiscal 2015. The increase is on account of the increase in Gross Block (tangible and intangible assets) by ₹31,787.66 crore added at various points of time during Fiscal 2016 and full year impact of assets added in Gross Block during Fiscal 2015 as certain expenses that were earlier being capitalized during the construction of the project are now treated as an operating expense subsequent to the commissioning of the project.

#### Profit before Tax

Your company's profit before tax in Fiscal 2016 was ₹7,618.73 crore, an increase of 21.14% over the profit before tax of ₹6,289.38 crore in Fiscal 2015.

#### Provision for Tax

In Fiscal 2016, we provided for ₹1,574.79 crore of Minimum Alternate Tax, compared to ₹1,280.99 crore in Fiscal 2015. The increase was primarily due to increase in Profit before tax in Fiscal 2016.

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 31<sup>st</sup> March, 2016 on the transmission income is accounted as 'Deferred Assets against Deferred Tax liability'. Deferred Assets against Deferred Tax liability for the year will be reversed in future years when the related deferred tax liability forms a part of current tax.

#### Profit after Tax

Your company's Profit after Tax in Fiscal 2016 was ₹6,026.72 crore, an increase of 21.04 % over the Profit after Tax of ₹4,979.17 crore in Fiscal 2015.

#### Liquidity and Capital Resources

Your company depends on both internal and external sources of liquidity to provide working capital and to fund capital requirements. The capital expenditures have been funded with internally generated funds and debt financing. As at March 31, 2016, your company had cash and cash equivalents of ₹2,453.72 crore. As at March 31, 2016, we also had unutilized Bank Guarantees limits of approximately ₹149.18 crore for capital requirements and committed and undrawn cash credit facilities of approximately ₹300 crore ("cash credit") towards our working capital facilities.

#### Cash Flows

(₹ in Crore)

	Year ended March 31	
	2016	2015
Net cash from operating activities	16,151.11	15,041.77
Net cash (used in) investment activities	(21,147.61)	(23,843.45)
Net cash from Financing activities	5,387.24	6,447.14
Cash and cash equivalents at the end of the year	2,453.72	2,062.98

#### 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 ₹16,151.11 crore in Fiscal 2016 as against ₹15,041.77 crore in Fiscal 2015.

#### Net Cash (Used in) Investment Activities

Your company's net cash used in investing activities was ₹21,147.61 crore in Fiscal 2016 as against ₹23,843.45 crore in Fiscal 2015. This primarily reflected expenditures on fixed assets and capital work-in-progress as well as construction stores of ₹20,487.78 crore, receipt of interest and dividend income of ₹167.69 crore & loan given to Subsidiaries of ₹930.02 crore.

#### Net Cash from Financing Activities

In Fiscal 2016, your company's net cash flow from financing activities was ₹5,387.24 crore as against ₹6,447.14 crore in Fiscal 2015. Your company raised ₹17,199.23 crore of new borrowings. These borrowings included principally Rupee denominated bonds and foreign currency



borrowings. The company repaid ₹5,772.15 crore of borrowings and paid interest and finance charges of ₹4,714.84 crore. In the Fiscal 2016, we paid dividends of ₹1,103.87 crore comprising final dividend for Fiscal 2015 and an interim dividend for Fiscal 2016. The dividend for the financial year 2015-16 (including proposed final dividend @15.10%) is ₹1,208.50 crore. The dividend payout works to 20.05% of PAT.

### Capital Expenditure

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 2016 and Fiscal 2015, were ₹22,584 crore and ₹22,456 crore, respectively.

### Return on Equity

The return on equity that were permitted in Fiscal 2016 on transmission assets under our tariffs has been 15.5%. Our actual Return on Equity from period to period across our entire business in Fiscal 2016 is 14.15% as against 13.09% in Fiscal 2015.

### Fixed Assets

Your company's total fixed assets (Net Block) were ₹1,49,108.59 crore and ₹1,29,568.40 crore as at March 31, 2016 and March 31, 2015, respectively. Fixed assets have been categorized as- (i) Tangible Assets; (ii) Intangible assets; (iii) Capital work in progress; and (iv) Intangible assets under development.

#### (i) Tangible Assets

Our Tangible Assets consist of plant and machinery such as transmission lines, substations, HVDC and ULDC equipment and other transmission equipment; buildings; land; office equipment; fixtures; and motor vehicles. Tangible Assets value (Net Block) increased from ₹88,902.51 crore in Fiscal 2015 to ₹1,14,207.36 crore in Fiscal 2016, an increase by 28.46%. These increases are mainly due to the commissioning of new transmission assets.

#### (ii) Intangible assets

Our Intangible Assets consist of Electronic Data Processing Software and Right of Way-Afforestation Expenses. The value of unamortized intangible assets increased from ₹783.70 crore in Fiscal 2015 to ₹950.54 crore in Fiscal 2016, an increase by 21.29%.

#### (iii) Capital work in progress

Your company's capital work-in-progress was ₹33,778.58 crore and ₹39,670.90 crore, as at March 31, 2016 and 2015, respectively, an decrease of 14.85%. 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 and due to undertaking of new transmission projects.

#### (iv) Intangible assets under development

Afforestation Expenses incurred in relation to the implementation of projects (pending capitalization) are shown on the balance sheet as intangible assets under development. The value of Intangible assets under development was ₹172.11 crore and ₹211.29 crore, as at March 31, 2016 and 2015, respectively.

### Construction stores

Construction stores were ₹9,859.27 crore and ₹13,041.96 crore as at March 31, 2016 and 2015, respectively. These amounts represent capital expenditure on the new as well as ongoing transmission projects. The decrease is mainly due to the capitalisation of new transmission projects.

### Investments

Investments have been classified into current and non-current categories. As at March 31, 2016, the Non-current Investments and Current Investments were ₹771.28 crore and ₹35.64 crore as against ₹740.99 crore and ₹185.43 crore, respectively as at March 31, 2015. Investments under 'Current' category are those which are realizable or intended to be realizable within 12 months after the reporting date. Your company's Investments for Fiscal 2016 consist of bonds issued by the SEBs and equity investment in Subsidiaries/Joint Ventures.

### Loans and Advances

The loans and advances have been classified into long-term & short-term categories. As at March 31, 2016, the long-term loans & advances and short-term loans & advances were ₹4,838.56 crore and ₹794 crore as against ₹4,177.89 crore and ₹566.42 crore, respectively as at March 31, 2015. Long-term loans and advances include advances for capital expenditure, loans to employees, lease receivables (representing certain capital expenditures made by the company in respect of the state sector ULDCs of all five regions, for which the constituents of those regions are reimbursing the company on a finance lease basis), loans and advances to contractors, advance income tax & TDS and other deposits with tax authorities (Net of Tax provided), Loans to Subsidiaries, advances to related parties and all other loans and include advances which are not expected to be realized within next 12 months from the reporting date or within normal operating cycle whichever is longer. The increase in loans and advances from Fiscal 2015 to Fiscal 2016 was mainly due to increase in Loans to Subsidiaries.

### Inventories

Inventories are valued at lower of the cost, determined on weighted average basis, and net realizable value. The costs of inventories were ₹823.68 crore as at March 31, 2016 as against ₹717.75 crore in fiscal 2015. Our inventories consists of transmission line items such as tower parts, conductors, insulators and other items and substation items such as transformers, circuit breakers, ICTs and other items. The cost of our inventories increased in Fiscal 2016 as compared with Fiscal 2015, on account of your company continuing to expand the transmission network and capitalization of new projects.

**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, 2016 and 2015 were ₹2,737.97 crore and ₹2,118.65 crore, respectively. Trade receivables increased by 29.23% in Fiscal 2016 as compared to Fiscal 2015.

Substantially, all of our receivables are covered by letters of credit, following which we have no material debt collection problems.

**Other Current Assets**

Our other current assets as at March 31, 2016 and 2015 respectively, were ₹3,136.79 crore and ₹2,278.87 crore. Other current assets increased by 37.65% in Fiscal 2016 as compared to Fiscal 2015, mainly due to increase in monthly bill and non-availability of CERC Tariff Orders for some of the assets commissioned during Fiscal 2016.

**Indebtedness**

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

The following table sets forth, by currency, our outstanding debt and the periods during which debt amounts mature or payment is otherwise due. Currency conversions are as of 31<sup>st</sup> March, 2016:

(₹ in Crore)

Loan Name	2016-17	2017-18	2018-19	2019-20	Beyond 2020-21	Balance as on 31.03.2016
Domestic Bond	3,446.00	3,812.47	5,211.98	6,742.98	43,174.51	62,387.94
Domestic Loan	454.23	454.00	454.00	1,454.00	9,669.00	12,485.23
<b>Foreign Loan</b>						
US\$	1,793.50	1,579.11	1,659.46	1,906.65	20,950.15	27,888.87
EUR	48.60	57.10	57.10	57.10	628.32	848.22
SEK	328.47	367.90	367.90	367.90	1159.51	2,591.68
JPY	10.86	10.86	10.86	10.86	76.03	119.47
<b>Grand Total</b>	<b>6,081.66</b>	<b>6,281.44</b>	<b>7,761.30</b>	<b>10,539.49</b>	<b>75,657.52</b>	<b>10,6321.41</b>

**Long-term borrowings**

Your company's long-term borrowings (excluding current maturities) as at March 31, 2016 and 2015 were ₹1,00,239.75 crore and ₹89,375.84 crore, respectively. Long-term borrowings include amounts raised from our private placement of bonds, term loans from banks, loans from the World Bank, Asian Development Bank, kfw Germany and other Foreign Financial Institutions. Due to the increased investment in new projects during the last year, our borrowings have increased.

**Secured Loans**

Our secured loans (excluding current maturities of long term loans) as at March 31, 2016 and 2015 were ₹94,176.18 crore and ₹84,554.04 crore, respectively. Most of these loans have been secured by floating charges on the moveable and immoveable properties of the Company. The following table presents the secured debt as at 31<sup>st</sup> March, 2016:

	Amount (₹ in crore)	% of total secured debt
Bonds denominated in Rupees	58,941.94	62.59
Other Loans and Advances From Banks and Financial Institutions:		
Denominated in Foreign Currency*	23,203.24	24.64
Denominated in Rupees	12,031	12.77
<b>Total</b>	<b>94,176.18</b>	<b>100</b>

**Unsecured Loans**

Our unsecured loans (excluding current maturities as at March 31, 2016 and 2015) were ₹6,063.57 crore and ₹4,821.80 crore respectively, which consist of (ten year) foreign currency bonds, loans from foreign financial institutions such as the Natixis (Formerly Credit National) in France, Japan International Co-operation 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, 2016:

	Amount (₹ in crore)	% of total secured debt
Bonds denominated in Foreign Currency	3,345.00	55.17
Other Loans and Advances From Banks and Financial Institutions:		
Denominated in Foreign Currency	2,718.57	44.83
Denominated in Rupees	-	-
<b>Total</b>	<b>6,063.57</b>	<b>100</b>

#### Advance Against Depreciation (AAD)

Advance against depreciation (AAD) is a component of tariff and were permitted to charge 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. 01.04.2009, 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 31<sup>st</sup> March, 2016, our AAD has decreased by 7.38% from ₹1,938.57 crore in Fiscal 2015 to ₹1,795.57 crore in Fiscal 2016.

#### Current liabilities

Your company's current liabilities as at 31<sup>st</sup> March, 2016 were ₹25,253.57 crore (previous year ₹21,864.52 crore). The current liabilities include short-term borrowings, Trade payables, short term provisions and other current liabilities. Current liabilities at March 31, 2016 were 15.50% higher as compared to March 31, 2015. The increase is mainly due to increase in short-term borrowings from ₹1,200 crore in Fiscal 2015 to ₹2,000 crore Fiscal 2016, increase in current maturities of Long Term Loans and increase in interest accrued but not due.

#### Contingent Liabilities

The following table sets forth the principal components of our Contingent Liabilities as at March 31, 2016 and 2015:

Contingent Liabilities	(₹ in Crore)	
Description	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Claims against the Company not acknowledged as debt in respect of</b>		
Capital Works	1,666.86	219.14
Land Compensation cases	4,041.30	2,253.11
Other Claims-	28.66	44.09
Disputed Tax Matters- Income Tax/Sales Tax/Excise	359.03	391.22
Others	342.33	303.56
<b>Bank Guarantee given on behalf of wholly owned subsidiaries of POWERGRID towards performance of the work awarded for-</b>		
-POWERGRID NM Transmission Ltd.	45.00	45.00
-POWERGRID Vizag Transmission Ltd.	45.00	45.00
-POWERGRID Unchahar Transmission Ltd.	5.40	5.40
-POWERGRID Kala Amb Transmission Ltd.	5.96	5.96
-POWERGRID Jabalpur Transmission Ltd.	31.50	31.50
-POWERGRID Warora Transmission Limited	62.10	-
- POWERGRID Parli Transmission Ltd.	63.90	-
- POWERGRID Southern Interconnector Transmission System Ltd.	110.04	-
-Guarantee for dues & punctual payment and discharge of obligations against bond issued by POWERGRID Vizag Transmission Limited.	290.00	-
<b>Sub Total</b>	<b>658.90</b>	<b>132.86</b>
<b>Total</b>	<b>7,097.08</b>	<b>3,343.98</b>

Contingent liabilities increased by 112.33% in Fiscal 2016 compared to Fiscal 2015. This increase was mainly on account of- (i) capital works; (ii) Land compensation cases and (iii) Bank Guarantee given on behalf of wholly owned Subsidiaries.

**BUSINESS AND FINANCIAL REVIEW OF JOINT VENTURE COMPANIES and SUBSIDIARIES****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. POWERLINKS had progressively commissioned the project in August, 2006 and it is under commercial operation since 1<sup>st</sup> September, 2006. As on 31.03.2016, POWERLINKS has Authorized share capital of ₹483.60 crore and paid-up share capital of ₹468 crore out of which POWERGRID holds Shares of ₹229.32 crore. POWERLINKS has paid dividend of 19% amounting to ₹43.57 crore for Fiscal 2016.

**Financial Highlights of the Company**

(₹ in crore)

Particulars	Fiscal 2016	Fiscal 2015
POWERGRID's investment in Equity	229.32	229.32
Gross Income	248.24	257.98
Profit after Tax	108.96	112.11
Earning per Share*	2.33	2.40

\*Face value per Share is ₹10 each.

**B) Jaypee Powergrid Limited (JPL)**

The main objective of the Company was to implement a transmission system to evacuate power generated by 1000 MW Karcham Wangtoo Hydro Electric Power Project in Kinnaur District in Himachal Pradesh, from Wangtoo to Abdullapur. Jaiprakash Power Ventures Limited and POWERGRID hold 74% and 26% equity respectively in JPL. As on 31.03.2016, JPL has Authorized and paid-up share capital of ₹300 crore out of which POWERGRID holds Shares of ₹78 crore. The project was progressively commissioned in April, 2012. JPL has paid dividend of 12.5% amounting to ₹9.75 crore for Fiscal 2016.

**Financial Highlights of the Company**

(₹ in crore)

Particulars	Fiscal 2016	Fiscal 2015
POWERGRID's investment in equity	78.00	78.00
Gross Income	50.37	68.31
Profit /(loss)after Tax	50.37	68.31
Earnings per Share*	1.68	2.28

\*Face value per Share is ₹10 each.

**C) Torrent Powergrid Limited (TPL)**

The main objective of the Company was to establish transmission system associated with 1100MW Gas Based project (Sugen) Generation Station of Torrent Power Ltd. (TPL) at Akhakhol in Surat District of Gujarat. POWERGRID and Torrent Power Ltd. hold 26% and 74% equity, respectively in TPL. As on 31.03.2016, TPL has Authorized share capital of ₹125 crore and paid-up share capital of ₹90 crore out of which POWERGRID holds Shares of ₹23.40 crore. The project was progressively commissioned in March, 2011 and it is in operation.

**Financial Highlights of the Company**

(₹ in crore)

Particulars	Fiscal 2016	Fiscal 2015
POWERGRID's investment in Equity	23.40	23.40
Gross Income	56.25	60.15
Profit after Tax	7.72	13.90
Earning per Share*	0.86	1.55

\*Face value per Share is ₹10 each.

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

POWERGRID entered into a Joint Venture Agreement in February, 2009 with ONGC Tripura Power Project Company Ltd. (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. The Joint Venture Company is named 'North East Transmission Company Limited'. OTPC, the generating Company is a joint venture of ONGC Ltd., Government of Tripura and Infrastructure Leasing & Finance Services Ltd., (IL&FS Ltd.). As on 31.03.2016, NETCL has Authorized capital of ₹600 crore and paid-up share capital of ₹411.4 crore out of which POWERGRID holds Shares of ₹106.96 crore. The project was progressively commissioned in February, 2015.

### Financial Highlights of the Company

(₹ in crore)

Particulars	Fiscal 2016	Fiscal 2015
POWERGRID's investment in Equity	106.96	106.96
Gross Income	439.43	373.16
Profit after Tax	(135.05)	124.68
Earning per Share*	(3.28)	3.03

\*Face value per Share is ₹10/- each.

#### E) Parbati Koldam Transmission Company Limited (PKTCL)

POWERGRID entered into a Joint Venture Agreement on 23<sup>rd</sup> November, 2007 with Reliance Energy Limited (REL) now Reliance Infrastructure Ltd, for implementation of transmission lines associated with Parbati-II (800 MW) HEP and Koldam (800 MW) HEP. The Company named 'Parbati Koldam Transmission Company Limited' took up implementation of Parbati and Koldam Transmission systems through Joint venture route and got the Transmission License in September, 2008. As on 31.03.2016, PKTCL has Authorized share capital of ₹331.00 crore and paid-up share capital of ₹272.82 crore out of which POWERGRID holds Shares of ₹70.94 crore. The Project commissioned progressively in Nov'2015 and there is profit of ₹15.16 Cr.

#### F) Teestavalley Power Transmission Limited (TPTL)

POWERGRID entered into a Joint Venture Agreement with Teesta Urja Limited on 23<sup>rd</sup> November, 2007 on 26% equity -POWERGRID and 74% equity Teesta Urja Limited (TUL) for implementation of transmission lines of Teesta-III viz. 400kV D/C line associated with 1200 MW Teesta-III Hydro Electric Power Project to Kishanganj sub-station and got the Transmission Licence in Fiscal 2009. As on 31.03.2016, TPTL has Authorized share capital of ₹275 crore and paid-up share capital of ₹258.14 crore out of which POWERGRID holds Shares of ₹67.11 crore. Since the project is under implementation, there is no operating profit.

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

NHPTL is a joint venture Company of NTPC, NHPC, POWERGRID, DVC & CPRI with equal equity participation of 20% each. The main aim of the NHPTL is to establish an online high power short circuit test facility in the country. This will be fully independent, stand alone, state-of-the-art, professionally managed, international class, On Line High Power Short Circuit Test Facility being established first time in the county at Bina (M.P.) to provide a full range of short circuit testing for the electrical equipments in conformance to Indian and International Standards. As on 31.03.2016, NHPTL has Authorised share capital of ₹153 crore and paid up share capital of ₹110.48 crore out of which POWERGRID holds Shares of ₹23.90 crore. The project is under implementation and hence there is no operating profit.

#### H) Energy Efficiency Services Limited (EESL)

POWERGRID entered into a Joint Venture Agreement in November, 2009 with equal participation (25% equity each) with NTPC Ltd., Power Finance Corporation Ltd. and Rural Electrification Corporation Ltd. EESL 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 31.03.2016, EESL has Authorised share capital of ₹500 crore and paid-up share capital of ₹165 crore out of which POWERGRID holds Shares of ₹22.5 crore i.e. (13.6%).

#### I) Bihar Grid Company Limited (BGCL)

POWERGRID entered into a Shareholders' Agreement on 29.12.2012 with Bihar State Power (Holding) Company Limited {BSP(H)CL} for implementation of intra-State Transmission System in the State of Bihar on 50:50 equity participation basis. The Company is implementing Bihar Transmission System Strengthening Schemes in Phase IV, Part I worth ₹ 1699 crore. The company has been granted transmission license by BERC in June, 2013. As on 31.03.2016, the Authorised share capital of BGCL is ₹200 crore and paid-up share capital of ₹80.61 crore out of which POWERGRID holds Shares of ₹40.30 crore. The project is under implementation, there is no operating profit.

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

POWERGRID has entered into a Shareholders' Agreement on 04.01.2013 with OPTCL for implementation of intra-State Transmission System in the State of Odisha on the basis of 50:50 equity participation. The company has been granted transmission license for Phase-I Projects (worth ₹ 599.50 Crore) by OERC.

#### K) RINL POWERGRID TLT Private Limited (RPTPL)

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

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





The joint Venture Company was incorporated on 19.08.2015 with an initial Authorized share Capital of ₹20 Lakhs. Subsequently, Authorized share capital was increased and as on 31.03.2016, RPTPL has Authorized share capital of ₹2.00 crore. The project is under implementation.

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

POWERGRID entered into a Joint Venture Agreement in July, 2012 with IL&FS Energy Development Company Limited (IEDCL), SJVNL Limited (SJVNL) & Nepal Electricity Authority (NEA) for implementation of Indian portion of the transmission line, i.e. Muzaffarpur-Sursand section on Indian side of 400kV D/C Muzaffarpur - Dhalkebar Indo-Nepal Cross Border transmission line. In CPTCL equity participation of POWERGRID, SJVNL, IEDCL and NEA are 26%, 26%, 38% and 10% respectively. The estimated cost of the project is ₹252.83 crore and the project is being implemented on 80:20 debt: equity ratio. As on 31.03.2016, CPTCL has Authorized share capital of ₹75 crore and paid-up share capital of ₹39.69 crore out of which POWERGRID holds Shares of ₹10.32 crore. The line is under commercial operation w.e.f. 19<sup>th</sup> February, 2016.

#### M) Power Transmission Company Nepal Limited (PTCN)

POWERGRID entered into a Joint Venture Agreement in April, 2014 with NEA, Hydroelectricity Investment and Development Company Ltd (HIDCL) and IEDCL for implementation of Nepalese portion of the transmission line, i.e. Dhalkebar-Bhittamod section on Nepal side of 400 kV D/C Muzaffarpur-Dhalkebar Indo-Nepal Cross Border transmission line. In PTCN equity participation of POWERGRID, NEA, HIDCL and IEDCL are 26%, 50%, 14% and 10% respectively. The estimated cost of the project is ₹101 crore and the project has been envisaged to be implemented on 70:30 debt: equity ratio. As on 31.03.2016, PTCN has Authorized share capital of NPR 300 Million and paid-up share capital NPR 300 Million. At present POWERGRID equity is NPR 78 Million (₹4.88 crore). The Nepalese and Indian portion of the line shall facilitate exchange of power between two countries. The line is under commercial operation w.e.f. 19<sup>th</sup> February, 2016.

#### Subsidiary Company

##### A) Power System Operation Corporation Limited

Power System Operation Corporation Ltd (POSOCO) was incorporated as a wholly owned subsidiary of POWERGRID on 20.03.2009. POSOCO, is responsible for Independent System Operation. As on 31.03.2016, POSOCO has Authorized share capital of ₹200 crore and paid-up share capital of ₹30.64 crore. The company paid an interim dividend of ₹4.75 crore during the FY 2015-16.

(₹ in crore)

Particulars	FY 2015-16	FY 2014-15
Gross Income	231.65	250.02
Profit after Tax	55.55	48.04
Earnings per Share*	17.90	14.97

\*(in ₹ per Share Face value per Share is ₹10 each.)

##### B) 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). Consequent to such acquisition, PNMTL became the wholly owned subsidiary of POWERGRID. The transmission system comprising 765kV D/C and 765kV S/C is to traverse the states of Tamil Nadu and Karnataka. As on 31.03.2016, PNMTL has an Authorized share capital of ₹65.00 Crore and paid-up share capital of ₹24 Crore. The company has been granted transmission license by CERC in June, 2013. The Project is under implementation.

##### C) POWERGRID Vizag Transmission Limited

POWERGRID Vizag Transmission Limited (PVTL) formerly known as Vizag Transmission Limited 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). Consequent to such acquisition, PVTL became wholly owned subsidiary of POWERGRID. The transmission system comprising Srikakulam -Vemagiri 765KV D/c Line & Khammam- Nagarjunasagar 400kV D/C Line is to traverse the state of Andhra Pradesh and Telangana. As on 31.03.2016, POWERGRID VTL has Authorized share capital of ₹90 Crore and paid-up share capital of ₹54.73 Crore. The company has been granted transmission license by CERC in January, 2014. POWERGRID Vizag Transmission Limited has successfully raised an amount of ₹290 crore from domestic sources through Bond Issue at 8.90% p.a. interest repayable after 5 years. Khammam- Nagarjunasagar 400 KV D/C Line has been commissioned during FY 2015-16. Srikakulam -Vemagiri 765KV D/c Line is under construction and expected to be completed by 30<sup>th</sup> August, 2016.

(₹ in crore)

Particulars	FY 2015-16	FY 2014-15
Gross Income	7.91	NIL
Profit after Tax	2.97	NIL
Earnings per share	0.54	NIL



#### **D) POWERGRID Unchahar Transmission Limited**

POWERGRID Unchahar Transmission Limited (PUTL) (formerly Unchahar Transmission Limited) 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. Consequent to such acquisition, PUTL became wholly owned subsidiary of POWERGRID. The transmission system comprising 400 kV D/C is to traverse the state of Uttar Pradesh. As on 31.03.2016, PUTL has Authorized share capital of ₹5 Crore and paid-up share capital of ₹5 Lac. The company has been granted transmission license by CERC in July, 2014. The project compares Unchahar-Fatehpur 400 kV transmission line which is under construction and expected to be completed in September, 2016.

#### **E) 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). Consequent to such acquisition, PKATL became wholly owned subsidiary of POWERGRID. The transmission system comprising 400/220 kV GIS substation, 400 kV D/C LILLO and Series Compensation is contemplated in the state of Himachal Pradesh. As on 31.03.2016, PKATL has Authorized share capital of ₹5 Crore and paid-up share capital of ₹5 Lac. The company has been granted transmission license by CERC in September, 2014.

#### **F) POWERGRID Jabalpur Transmission Limited**

POWERGRID Jabalpur Transmission Limited (PJTL) (formerly Vindhychal 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 Vindhychal-V. Consequent to such acquisition, PJTL became wholly owned subsidiary of POWERGRID. The transmission system comprising 765kV D/C transmission line is to traverse the state of Madhya Pradesh. As on 31.03.2016, PJTL has Authorized share capital of ₹20 Crore and paid-up share capital of ₹5 Lac. The Company has been granted transmission license by CERC in June, 2015.

#### **G) POWERGRID Warora Transmission Limited**

POWERGRID Warora Transmission Limited (PWTL) (formerly Gadawara (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 Gadawara STPS (2 x 800 MW) of NTPC (Part-A). Consequent to such acquisition, PWTL became wholly owned subsidiary of POWERGRID. The transmission system is contemplated in the states of Maharashtra and Madhya Pradesh and comprises 765kV D/C, 400kV D/C transmission lines and establishment of 2X1500 MVA 765/400 kV new substation in Warora. As on 31.03.2016, PWTL has Authorized share capital of ₹20 Crore and paid-up share capital of ₹5 Lac. The Company has been granted transmission license by CERC in August, 2015.

#### **H) POWERGRID Parli Transmission Limited**

POWERGRID Parli Transmission Limited (PPTL) (formerly Gadawara (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 Gadawara STPS (2 x 800 MW) of NTPC (Part-B). Consequent to such acquisition, PPTL became wholly owned subsidiary of POWERGRID. The transmission system is contemplated in the state of Maharashtra and comprises 765kV D/C, 400kV D/C transmission lines and establishment of 2X1500 MVA 765/400 kV new substation in Parli. As on 31.03.2016, PPTL has Authorized share capital of ₹20 Crore and paid-up share capital of ₹5 Lac. The Company has been granted transmission license by CERC in July, 2015.

#### **(I) POWERGRID Southern Interconnector Transmission System Limited**

POWERGRID Southern Interconnector Transmission System Limited (PSITSL) (formerly Vemagiri II Transmission Limited) was acquired by POWERGRID on 4<sup>th</sup> December, 2015 under Tariff based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for "Strengthening of Transmission System Beyond Vemagiri" Project. Consequent to such acquisition, PSITSL became wholly owned subsidiary of POWERGRID. The transmission project comprises 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 400kV bay extensions at two existing sub-stations in the State of Andhra Pradesh. As on 31.03.2016, PSITSL has Authorized share capital of ₹1 Crore and paid-up share capital of ₹5 Lac. The Company has been granted transmission license by CERC in March, 2016.

#### **J) Grid Conductors Limited (GCL)**

Grid Conductors Limited (GCL), a 100% whole owned subsidiary of POWERGRID was incorporated on 15.09.2015 to set up an Aluminium Conductor Manufacturing Plant of 30,000 km per annum (60,000 TPA approx.) Capacity at Aluminium Park Angul, Odisha, with an objective that having own manufacturing facility will be advantageous to POWERGRID for competing under Tariff Based Competitive Bidding (TBCB) Projects, improving reliability, ensure timely supply and also help in meeting contingency requirements.

#### **K) POWERGRID Vemagiri Transmission Limited**

POWERGRID Vemagiri Transmission Limited (formerly 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). Consequent to such acquisition, POWERGRID Vemagiri Transmission Ltd. became wholly owned subsidiary of POWERGRID. The transmission system comprising 765kV D/C is to traverse the state of Andhra Pradesh and Telangana. As on 31.03.2016, POWERGRID Vemagiri Transmission Ltd. has Authorized and paid-up share capital



of ₹5 Lac. 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.

#### Consolidated financial statement of POWERGRID

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

A brief summary of the results on a consolidated basis is given below:

(₹ in crore)

	<b>FY 2015-16</b>	<b>FY 2014-15</b>
Gross Income	21,780.76	18,233.04
Profit before Tax	7,644.95	6,404.11
Profit after Tax	6,014.56	5,046.25
Net Cash from operating activities	16,900.00	15,800.08

#### Cautionary Statement:

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

For and on behalf of the Board of Directors

  
(I.S.JHA)

Chairman & Managing Director

Place: New Delhi  
Date: 08.08.2016



## 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	2015-16	
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	<b>(i) International:</b> POWERGRID has strong presence in Consultancy business in all facets of services of Transmission System with its International Clientele spread in eighteen countries World over. Major five include Kenya, Nepal, Bhutan, Bangladesh and CASA (Kyrgyz Republic, Tajikistan, Afghanistan & Pakistan).  <b>(ii) National:</b> Total 217 which includes 207 sub-stations, 9 Regional headquarters and 1 corporate office at Gurgaon. Telecom department has its points of presence in more than 500 locations spread across the country. Apart from above, a no. of substations and transmission lines are presently under construction and personnel are located on various site(s).	
10	Markets served by the Company - Local/State/National/ International/	POWERGRID has footprint in all the markets-Local/State/National/ International.	

### Section B: Financial Details of the Company

1	Paid up Capital ₹	5231,589,6480
2	Total Turnover ₹	21281.13 crore
3	Total Profit after Taxes ₹	6026.72 Crore
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax(%)	During FY 2015-16, the Company has spent ₹121.79 Crore [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	Infrastructure creation for Rural Development, Skill Development programmes, Education, Health, Environmental Sustainability, etc.

### Section C: Other Details

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

Yes. As on March 31, 2016, POWERGRID had eleven wholly owned subsidiary Companies viz. Power System Operation Corporation Ltd. (POSOCO), POWERGRID NM Transmission Limited (formerly Nagapattinam-Madhugiri Transmission Company Limited), POWERGRID Vemagiri Transmission Limited (formerly Vemagiri Transmission System Limited), POWERGRID Vizag Transmission Limited (formerly Vizag



Transmission Limited), POWERGRID Unchahar Transmission Limited (formerly Unchahar Transmission Limited), POWERGRID Kala Amb Transmission Limited {formerly NRSS XXXI(A) Transmission Limited}, POWERGRID Jabalpur Transmission Limited (formerly Vindhyachal Jabalpur Transmission Limited), POWERGRID Warora Transmission Limited {formerly Gadarwara (A) Transco Limited}, POWERGRID Parli Transmission Limited {formerly Gadarwara (B) Transmission Limited}, POWERGRID Southern Interconnector Transmission System Limited {formerly Vemagiri II Transmission Limited} and Grid Conductors Limited.

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

Yes. Subsidiaries of POWERGRID generally contribute in its BR initiatives, however, POSOCO also undertake additional activities independently.

**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 : 02319702
- Name : Shri R.P. Sasnal
- Designation : Director (Operations & Projects)

b) Details of the BR head

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

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

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

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

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 ESPP is comprehensively analysed by the World Bank under its 'Use of Country System (UCS)' policy and is certified to be compliant with Bank's environmental and social safeguards requirement.

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

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

**3. Governance related to BR**

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

3-6 months



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

POWERGRID publishes a separate "Sustainability Report" biennially. POWERGRID came out with its 3rd 'Sustainability Report' in Sept., 2015 for the years 2011-13 which is duly certified by an Independent Agency as "A+". Sustainability Reports are available for public information on POWERGRID website at:

[http://www.powergridindia.com/\\_layouts/PowerGrid/User/QuickLinksDetail.aspx?LangID=English&Category=Documents](http://www.powergridindia.com/_layouts/PowerGrid/User/QuickLinksDetail.aspx?LangID=English&Category=Documents)

## Section E: Principle-wise performance

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

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

POWERGRID is committed to observe transparency and consistency in all its operations. 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.

POWERGRID follows various 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) **The Conduct and Discipline Appeal rules (CDA Rules):** The CDA Rules of POWERGRID define the desirable and non-desirable acts and conduct for the employees and extend to all employees working with it (including those deputed in Subsidiaries/ Joint Ventures). The aspects of Bribery and Corruption are also covered under CDA rules. There is laid procedure for actions in the case of non-compliance with the defined terms as well as for any misconduct.
- 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.

Besides, 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 prepared and implemented "Works and Procurement Policy and Procedure (WPPP) for Pre-award and Post-award Stages" 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" has been signed with Transparency International which is considered as a useful tool in ensuring transparency in awarding contracts. Contracts above ₹100Crore 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) System exists for On-line Payment of Document Fees & Submission of Soft Copy of Bid.
- (ix) After Award, summary of evaluation is posted on the website.
- (x) POWERGRID lays primary emphasis on Preventive 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 the FY 2015-16, a total of 56 complaints were received from various stakeholders out of which approx. 79% of complaints have been taken up and the remaining are under due process.



**Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- Tower design in relation to Electric & Magnetic Fields(EMF) and compact tower to reduce RoW that conserves natural resources like forest/land.
- Transition to construct Gas Insulated Switchyard (GIS) substation in and around habitation area in place of traditional Air Insulated Switchyard (AIS) substation to conserve precious land resource and to reduce environment & social related implications. GIS requires very less land area in comparison to AIS.
- Rain Water Harvesting made mandatory in all establishments/ substations to conserve water.

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

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

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

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

**3. Does the company have procedures in place for sustainable sourcing (including transportation)? 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.**

POWERGRID have put in place systems for segregation/ disposal of waste materials like metal scraps, packaging items, used batteries, used oil etc. for reuse and recycling. Metal scraps & packaging items are recycled through auction whereas used batteries & used oil generated are channelized back either to the registered recyclers or manufacturers for recycling as per prescribed laws/ regulations. In addition, POWERGRID has set up a "Waste Paper Recycling" plant in the premises of 400/220kV GIS Substation at Gurgaon having recycling capacity to handle 40-60 kgs of waste paper daily. The percentage of recycling waste / used paper was about 5-10 % during the current year of operation.

**Principle 3- Businesses should promote the wellbeing of all employees**

**1. Please indicate the Total number of employees.**

Total numbers of employees as on March 31, 2016 were 8606.

**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, 2016 were 308.

**3. Please indicate the Number of permanent women employees.**

Number of permanent women employees as on March 31, 2016 were 589.

**4. Please indicate the Number of permanent employees with disabilities**

Number of permanent employees with disabilities as on March 31, 2016 were 166.

**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 29% 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 2015-16
Permanent Employees	89.36%
Permanent Women Employees	85.30%
Casual/Temporary/ Contractual Employees	67.80%
Employees with Disabilities	80.23%

**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, Projects Affected Persons (PAPs)/Communities, Communities/persons residing around our areas of operation, 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 which 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. The Liaison Officers 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 the Sexual Harassment of Women in Workplace (Prevention, Prohibition, Redressal) Act, 2013 exist in the company in order to handle complaints related to the harassment of sexual nature of women.

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 / SC / ST/ physically handicap / disabled families who have suffered loss of land / loss of structure / loss of livelihood (wage or occupation) are considered for additional need based benefits.
- b) CSR Initiatives: Our Corporate Social Responsibility (CSR) addresses the issues of Community Development (including livelihood generation through skill development, Infrastructure creation for Rural Development, environmental sustainability, education, health etc.) primarily around our areas of operations. Primary focus of the CSR intervention of POWERGRID was for inclusive development of under-privileged, vulnerable and deprived section of the society. A large number of women, SC/ST/Minority, poor & marginalized section of the population were benefitted as a result of CSR initiatives. Various CSR initiatives such as construction of roads, Solar street lights, Water supply pumps, treatment plants, Water ATMs, community centres in villages, class rooms, toilets, schools furniture, water supply arrangements in different schools, Scholarship to students, supply of Ambulances, aids and appliances to Divyangs, medical devices etc. were undertaken. In addition, the Company continues to undertake several CSR Skill Development initiatives by conducting vocational training programme such as tailoring, automobile repairing & servicing, weaving, food & fruit processing, repairing of household electrical equipments & domestic wiring, customer service executive, Agriculture practices, Civil Construction area etc.

#### **Principle 5 - Businesses should respect and promote human rights**

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

Human Rights issues are incorporated under related policies & practices of POWERGRID which extend to the employees including those deputed in Subsidiaries/ Joint Ventures and relative aspects pertaining to Vendors/ Suppliers/Contractors through contract condition.

The Conduct and Discipline Appeal rules ("CDA Rules") define the desirable and non-desirable acts and conduct for the employees (including those deputed in Subsidiaries/ Joint Ventures). There is a laid procedure for actions in case of non-compliance with the defined terms as well as any inappropriate or unwelcome sexually-determined behavior. To promote fair and equitable employment relationship, a scheme for Grievance Redressal of employees is also in place which ensures a time bound mechanism for the redressal of grievances. Internal Complaints Committees (ICCs) have been constituted under the Sexual Harassment of Women in Workplace (Prevention, Prohibition, Redressal) Act, 2013

POWERGRID also got certified to Social Accountability standard SA-8000:2008 for its human resource and labor 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 forced or compulsory labour. All contractors are required to comply with various compensation and regulatory acts. All suppliers to POWERGRID have to confirm to General Conditions of Contract and SA 8000 clauses. POWERGRID takes declaration regarding Social Accountability from the bidders/contractors for compliance of all requirements of Social Accountability Standards i.e., SA8000 (latest Standard available at [www.sa-intl.org](http://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 pertaining to human rights violation during the reporting period (2015-16).

#### **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.**

POWERGRID has taken various initiatives in the area of environment sustainability. Taking into consideration the impact on natural resources (like forest and land) due to our project activities, we have taken measures to reduce deforestation and increase afforestation as well as adopt new technologies and measures to reduce the Right of Way (RoW) requirements. Several initiatives taken towards Environment Conservation including energy management, water management, emission control, waste management, material conservation and other technological initiatives are as under:

- a) **Energy Management:** Our approach towards energy conservation is based on adopting a low carbon growth path through reduction in specific energy consumption and enhancing the use of renewable energy sources. Since our major source of electricity consumption is for lighting purpose in substation, colony and office buildings, to optimize energy consumption various initiatives such as installation of LED bulbs, fuel catalysts devices for DG sets etc. have been taken up to reduce specific energy consumption. We are also installing solar photovoltaic in office buildings to meet the internal energy requirements.
- b) **Water Management:** Water Management through judicious use and effective management is our prime focus. Various initiatives have been undertaken for improving the water use efficiency and achieving zero discharge. Though no industrial effluents are generated in our operation, all the substations have implemented integrated water management approach focused on rain water harvesting system, which is now an integral part of every new substation design.



- c) **Emission Control:** Power Transmission projects do not involve any activity which directly emits waste/toxic gases like SO<sub>x</sub>, NO<sub>x</sub>, CO<sub>2</sub> etc. into the atmosphere. However, DG sets, that are a direct source of emission, are used for backup, emergency power, and construction activities at substations and in Corporate office and Regional offices. Maintenance is ensured to comply with the emission norms prescribed by Pollution Control Board. Management of SF<sub>6</sub> which is used in Circuit Breakers, is given utmost priority and importance considering its Global Warming Potential. Systems are in place for storage, handling and refilling of SF<sub>6</sub> gas cylinders. Most of our old equipment containing Ozone Depleting Substances (ODS) has been replaced and all our new equipment & refrigeration are CFC (chlorofluorocarbons)-free certified.
- d) **Waste Management:** Our waste management program is based on the principle of reduce, reuse and recycle. There is no major solid or liquid waste generated due to our activities except metal scraps, used batteries and electronic waste. However, systems are in place for segregation/disposal of waste material for reuse and recycling. Used batteries and electronic waste are channeled back to either the manufacturers or registered recyclers for recycling. As a part of sustainable initiative, we have established a "Waste Paper Recycling Plant" at Gurgaon Substation to recycle waste paper produced in the corporate office with the capacity to handle 40-60 kgs of paper daily. The recycled paper is utilized for making company's letterheads, visiting cards, file / folders, D.O. pads etc. With this initiative, we have further reduced our carbon footprint as 1 ton of virgin printing paper requires 17 trees, 4 kilolitres of water, 1350kW of energy & 400kg fossil fuels.
- e) **Material Conservation:** Our contribution to the conservation of the natural resource base and efforts to reduce the material intensity is an integral part of corporation's sustainability strategy. We focus on reducing the consumption of major raw materials like Steel, Aluminum etc. through efficient designs of our transmission line & substation. The specific consumption of these raw materials have been reduced over the years through technological innovation using high capacity transmission lines i.e. 765 KV, ±800 HVDC for transmitting bulk power.
- f) **Technological Initiatives:** Efforts are made for conservation of energy in our projects - right from the planning stage, to the execution stage and throughout the O&M period. We are implementing ±800kV HVDC systems and 765kV D/c lines to minimize RoW and environmental problems. We have also developed indigenously 1200kV Ultra High Voltage (UHV) AC technology, the highest transmission voltage level in the world, in collaborative efforts with domestic manufacturers. This will enable transfer of 6000-8000 MW power over single corridor. In addition, efforts are being made to switch to high Performance Conductors in Existing & New Lines which involve lower sag as against conventional conductor at higher operating temperatures thereby resulting in reduction of tower weight and increasing span and consequently, reduce the total steel requirement resulting into lower carbon footprint. Considering superconductor technology as a promising future technology, we are planning a demonstration project on High Temperature Superconductor (HTS) cable system, for assessing the feasibility and operational issues. HTS cable system facilitates higher power transmission without towers. These latest technologies will have wide influence in minimizing environmental and social impact of high voltage transmission line and these initiatives will show extensive results in optimisation of RoW and its associated environmental and social impact. POWERGRID has also been designing and using Compact towers/ Pole type towers/ Multi-circuit towers depending upon land Topography and conditions. Gas Insulated Substation (GIS) are also being established by POWERGRID to reduce the land use. POWERGRID is in process of implementing Substation Automation Systems with Process Bus architecture to reduce the usage of cable in substation. Apart from above, we have taken initiatives for development of Smart Grid in India towards bringing efficiency in distribution and are extending consultancy services for implementation of various projects on Smart Grid Technology in different states.

Besides, POWERGRID has been taking several other initiatives including despatch of annual reports/postal ballot notices & other communications to shareholders in electronic mode under 'Green Initiative in the Corporate Governance' thereby reducing wastage of natural resources. For more details, Sustainability reports available on POWERGRID website on following hyperlink may be referred:

[http://www.powergridindia.com/\\_layouts/PowerGrid/User/QuickLinksDetail.aspx?LangID=English&Category=Documents](http://www.powergridindia.com/_layouts/PowerGrid/User/QuickLinksDetail.aspx?LangID=English&Category=Documents).

### 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 certified with Integrated Management System as per Publicly Available Specification (PAS 99) integrating requirement of ISO 9001 for Quality Management System, ISO 14001 for Environment Management System, OHSAS 18001 for Occupational Health and 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 resulting in prevention of CO<sub>2</sub> emission; installation of In-house designed waste heat recovery systems for steel re-rolling mills in various steel making industries; etc. We are also a BEE Grade-I Energy Service Company (ESCO) to implement



energy efficiency solutions.

Towards integration of renewable energy resources into the National Grid as well as enlarging the balancing area to address renewable volatility, Green Energy corridors are being implemented by POWERGRID. In addition, transmission schemes for 7200 MW Ultra Mega Solar Power Parks are also under implementation in various states. Apart from Green Energy Corridors implementation and Grid-integration of ultra-mega solar parks, we are in the process of establishing the first grid interactive energy storage pilot projects with different battery technologies.

For more details, in addition to Sections on 'Energy Efficiency' and 'Integration of Renewables' under the Directors' Report, the information available on Company's website on following hyperlink may be referred:

[http://www.powergridindia.com/\\_layouts/PowerGrid/User/ContentPage.aspx?Pid=154&LangID=English](http://www.powergridindia.com/_layouts/PowerGrid/User/ContentPage.aspx?Pid=154&LangID=English)

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

There are no emissions or waste generated by POWERGRID's Power transmission project activities. The only emission that can be attributed to our activities are from operation of DG sets for power backup, which is maintained well within the permissible limits.

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

NIL

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

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

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

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

1. Federation of Indian Chambers of Commerce and Industry (FICCI)
2. Confederation of Indian Industry (CII)
3. CII CPSE Council
4. TERI Business Council for Sustainable Development
5. The Associated Chambers of Commerce & Industry of India (ASSOCHAM)
6. PHD Chamber of Commerce & Industry (PHDCCI)
7. Central Board of Irrigation & Power (CBIP)
8. WEC India (formerly known as World Energy Council- India Member Committee)
9. Indian Institute of Plant Engineers (IIPE)
10. Standing Conference of Public Enterprises (SCOPE)
11. India Energy Forum (IEF)
12. Global Compact Network (GCN)
13. Internet Services Providers Association of India (ISPAI)
14. Association of Competitive Telecom Operators (ACTO)
15. Infrastructure Industry & Logistics Federation of India (ILFI)

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas. (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 initiatives as well as through our core business.

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

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

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

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

Impact Assessment studies have been carried out. POWERGRID internally performs impact assessment of its initiatives to – (i) understand /evaluate the community development activities undertaken, the benefits accrued to communities and (ii) gain insights for formulating & improving the community development activities in future.

**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 ₹121.79 Crore has been incurred under CSR activities and about ₹ 5.85 Crore provided as Rehabilitation Assistance (RA) under Rehabilitation & Resettlement (R&R) measures during the FY 2015-16. In addition to the measures taken for R&R, community development works are also undertaken for the overall improvement of surrounding villages and community. Based on social assessment outcome, we implement need based development works like construction of roads, drinking water facility, school building, community center etc. in association with local authorities. In addition, ₹4.28 Crore was spent on community development works during the year.

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

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

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

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

NIL

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

Not Applicable.

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

No

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

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

For and on behalf of the Board of Directors

**(I. S. Jha)**

Chairman & Managing Director

Place: New Delhi  
Date: 08.08.2016



## ANNEXURE - III TO THE DIRECTORS' REPORT

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

**RESEARCH AND DEVELOPMENT**

It has been POWERGRID's endeavour 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, energy efficiency, control and automation, material science, engineering design etc.

**B. 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:

1. **Indigenous Development of 1200kV UHVAC Technology** -POWERGRID has successfully test charged Phase-II of the prestigious project of 1200kV National Test Station in the month of March 2016. With this, all the 1200kV equipment in the test station has been successfully charged at 1200kV voltage level. For this project of national importance your company has collaborated with Indian equipment manufacturers for getting the 1200kV equipment developed, which have been installed presently at the test base in Bina for long term field operation and performance monitoring. Synchronization with the grid and loading of the 1200kV equipment has been carried out in May 2016.
2. High Capacity,  $\pm 800$ kV, 6000 MW HVDC multi terminal system for long distance power transfer over 1700 km from NER/ER to NR.
3. High Capacity,  $\pm 800$ kV, 6000 MW HVDC for long distance power transfer over 1300 km from WR to NR.
4. High Capacity,  $\pm 800$ kV, 6000 MW HVDC Bipole Link between Western Region (Raigarh, Chhatisgarh) & Southern Region (Pugalur, Tamil Nadu) and Pugalur (Tamil Nadu) – North Trichur (Kerala) 2000MW VSC based HVDC Bipole line. Due to severe ROW issues in Kerala, a section of the line has been considered as underground cable.
5. Re-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
6. **Fault Current Limiters:** To control increasing short circuit current levels in the network, application of series reactors as fault current limiters in the Grid is being taken up. Initially 4 no. series reactors comprising of 2 no. series bus reactors at Mandola and Ballabgarh and 2 nos. series line reactors at Mandola end of Dadri-Mandola 400kV D/C is taken up and subsequently with operational experience, additional series reactors would be considered for implementation.
  7. **Dynamic Compensation:** Static VAR Compensators at 3 locations in NR grid and STATCOMs at 14 locations on all India grid (4 no. in Western Region, 4 no. in Eastern Region, 4 no. in Southern Region and 2 no. in Northern Region) are being implemented for dynamic control of reactive power in order to maintain the voltage and improve the stability of the grid. These dynamic compensations would be based on State-of-the-Art technologies and would provide online dynamic support to the Grid.
  8. Development of in-house tower and foundation designs including 66kV, 132kV, 220kV,  $\pm 320$ kV HVDC,  $\pm 800$  kV HVDC and 765kV D/C Multi Circuit towers for use in on-going transmission line projects.
  9. Development of Indigenous Vendors for HTLS Conductors.
  10. Design of special narrow base tower to enable crossing of 765kV D/C transmission lines.
  11. Vendor Development for 765kV GIS in India.
  12. **Green Energy Corridors:** To facilitate integration of large scale renewable generation, POWERGRID has started implementation of Green Energy Corridors (GEC) in eight renewable resource rich states in the Country. These corridors, covers establishment of pooling substations, inter-state transmission lines at 765kV & 400 kV level along with reactive compensation. Further to handle variability & intermittency of renewable energy sources, we are establishing renewable energy management centres (REMC) in various SLDC/RLDC/NLDC. REMC would enable forecasting of renewable resources and efficient management of intermittent renewable generation.  
We are also performing a vital role in evacuating renewable generation through solar resources across nation and has evolved comprehensive plans to evacuate power from various ultra-mega solar parks through Inter-state transmission network. Further, Your Company is also implementing the evacuation system for various solar parks integrated with ISTS network in the Country.
  13. Implementation of Controlled Switching schemes of circuit breakers for 400kV transmission line reactors and transformers.
  14. Engineering Data Integration on GIS Platform.
  15. **Process bus Technology** - The pilot initiative of your company on IEC 61850 protocol based process bus architecture, which was successfully commissioned during FY 2014-15 at the 400kV Bhiwadi Sub-station, has been a significant step taken in the direction to completely digitized substations. Further to this, your company has also taken up a pilot project to optimize the control and protection cable used in transformer and has been successfully completed at 400/220 kV Neemrana substation in the FY 2015-16. After implementation of new scheme at this substation, significant reduction in the number of cores between transformer marshalling box and protection panel was achieved. The 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. Gaining experience from these projects, your company is planning for taking up another pilot project for retrofitting ageing substations having conventional protection and control schemes with advanced automation systems.
  16. **Superconducting Transmission Technology** - POWERGRID is actively considering a demonstration project on 220kV High Temperature Superconductor (HTS) cable system in grid. HTS cables can offer substantial saving in ROW requirement besides increasing power transfer capability with reduced losses.
  17. Transmission Line Arrestor: To improve the lightning performance of line insulators, Transmission Line Arrestors has been installed on 220kV line in North Eastern Region on trial basis.
  18. **Pollution mapping:** POWERGRID in association with Northern Regional Power Committee (NRPC) and the constituent STU's of the Northern Region has completed Pollution Mapping activity in Northern Region. The same is being carried out at Southern and Eastern Regions also.
  19. Development of Indigenous vendors for 765kV Isolators and surge arrestors.
  20. Development of indigenous 765 kV clamps, connectors and insulator string hardware.
  21. Spare phase switching arrangement is being adopted for 765 kV transformers and reactors to minimize outage / shut down period.
  22. 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.
  23. Providing Smart Grid consultancy for nine (9) projects covering distribution infrastructure, advanced metering infrastructure, intelligent outage management, electric vehicle charging stations, power quality management, distributed generation, net metering etc.

**Technology Absorption:**

1. For route selection, length optimisation and estimation of BOQ for transmission lines, POWERGRID has employed modern Survey techniques.
2. Substation Automation with IEC 61850 protocol is being adopted for all new Substations of POWERGRID. This would result in savings in operational cost and increased operational and maintenance efficiency.
3. As a step towards National grid, 765kV AC Double circuit and  $\pm 500$ kV HVDC &  $\pm 800$ kV HVDC technology has been implemented in our country.
4. In special areas, compact towers like pole towers, delta configuration towers and narrow based towers which reduce the space occupied by the tower base, are being used. Also tall towers and multi-circuit towers are being used for conservation of scarce right-of-way.
5. Use of metallic return in HVDC system has been adopted.
6. Special insulators like polymer composite insulators have been adopted in transmission lines in polluted areas.
7. High temperature low sag conductors have been adopted for increasing the transfer capacity of transmission corridors.





8. GIS technology at 400kV and 765kV level has been adopted in substations where space constraints exist.
9. Multi-level beams have been used in GIS and AIS substations with multi-ckt. lines to optimize line corridor areas near substation
10. On line transformer monitoring techniques are being used for monitoring of critical parameters of power transformers.
11. Dynamic compensation in the form of SVCs and STATCOMs are being implemented for dynamic control of reactive power in order to maintain the voltage and improve the stability of the grid. For controlling short circuit current in the system, fault current limiters have been planned in the Grid.

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

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

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

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

#### C. Foreign Exchange Earnings and Outgo

		₹ in Crore
	<b>Foreign Exchange Earnings</b>	
(i)	Interest	0.19
(ii)	Consultancy Fee	37.85
(iii)	Export of Goods	0.00
	<b>Total</b>	<b>38.04</b>
	<b>Foreign Exchange outgo</b>	
(i)	Capital goods and Spare Parts	3,731.84
(ii)	Interest	341.71
(iii)	Others	82.93
	<b>Total</b>	<b>4,156.48</b>

For and on behalf of the Board of Directors

(I. S. Jha)

Chairman & Managing Director

Place: New Delhi  
Date: 08.08.2016



**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, 2016**

The preparation of financial statements of Power Grid Corporation of India Limited for the year ended 31 March, 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26 May, 2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Power Grid Corporation of India Limited for the year ended 31 March, 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

**Sd/-  
(Ritika Bhatia)**

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

Place: New Delhi  
Dated: 25 July, 2016

**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, 2016**

The preparation of consolidated financial statements of Power Grid Corporation of India Limited for the year ended 31 March, 2016 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) 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 26 May, 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of Power Grid Corporation of India Limited for the year ended 31 March, 2016. We conducted a supplementary audit of the financial statements of Power Grid Corporation of India Limited, Power System Operation Corporation Limited, National High Power Test Laboratory Private Limited, Powergrid NM Transmission Limited and North East Transmission Company Limited but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities listed in Annexure 1 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 and Parbati Koldam Transmission Company Limited being private entities and Power Transmission Company Nepal Limited being incorporated in Foreign country under the respective laws, for appointment of their statutory auditor or for conduct of supplementary audit. Accordingly, C&AG has neither appointed the statutory auditor nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

**Sd/-  
(Ritika Bhatia)**

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

Place: New Delhi  
Dated: 25 July, 2016

**ANNEXURE 1**

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

**A. Subsidiary Companies**

1. Powergrid Vemagiri 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 Parli Transmission Limited
7. Powergrid Warora Transmission Limited
8. Powergrid Southern interconnector Transmission System Limited
9. Grid Conductor Limited

**B. Joint Ventures Incorporated in India**

1. Energy Efficiency Services Limited
2. Bihar Grid Company Limited
3. Kalinga Vidyut Prasaran Nigam Private Limited
4. Cross Border Power Transmission Company Limited
5. RINL Powergrid TLT Private Limited
6. TeestaValley Power Transmission Limited



## Secretarial Audit Report

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

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.

Rupesh Agarwal  
Partner

**Sd/-**  
Chandrasekaran Associates  
Company Secretaries  
Membership No. A16302  
Certificate of Practice No.: 5673

Date: 04.08.2016  
Place: New Delhi



## Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

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, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India effective from 01.07.2015.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited, BSE Limited / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 01.12.2015.

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 observation:

1. The Company has not complied with provision of Section 149 of the Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligation Disclosure Requirements) Regulation, 2015 in respect to the appointment of requisite number of Independent Directors.
2. The Company has not complied with provision of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation Disclosure Requirements) Regulation, 2015 with respect to constitution of Audit Committee.
3. The Company has not complied with provision of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation Disclosure Requirements) Regulation, 2015 with respect to constitution of Nomination and Remuneration Committee.
4. The Company has not filed certain e-forms relating to creation of charges with the office of the Registrar of Companies where the Permanent Account Number (PAN) of the lenders are not available, which is mandatory.



We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to above mentioned observations. The changes, if any, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period, the Company has issued bond of ₹7326 Crore through Private Placements during the Financial Year 2015-16 as per details mentioned below:

Sl. No.	Type of Bonds	Amount (₹ in crore)
1	Secured, Non Cumulative, Redeemable, taxable POWERGRID Bond L Issue.	2928.00
2	Secured, Non Cumulative, Redeemable, taxable POWERGRID Bond LI Issue.	3000.00
3	Secured, Non Cumulative, Redeemable, taxable POWERGRID Bond LII Issue.	1398.00

Rupesh Agarwal  
Partner

**Sd/-**  
Chandrasekaran Associates  
Company Secretaries  
Membership No. A16302  
Certificate of Practice No.: 5673

Date: 04.08.2016  
Place: Delhi

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



## ANNEXURE - VI TO THE DIRECTORS' REPORT

## FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2016, 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	23.10.1989
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	95.72%

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Power System Operation Corporation Limited Regd. Office: 1 <sup>st</sup> Floor, B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40105DL2009GOI188682	Subsidiary	100	Section 2 (87)
2	POWERGRID Vemagiri Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40300DL2011GOI217975	Subsidiary	100	Section 2 (87)
3	POWERGRID NM Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40106DL2011GOI219542	Subsidiary	100	Section 2 (87)
4	POWERGRID Vizag Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40300DL2011GOI228136	Subsidiary	100	Section 2 (87)
5	POWERGRID Unchahar Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110016.	U40300DL2012GOI246341	Subsidiary	100	Section 2 (87)
6	POWERGRID Kala Amb Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40106DL2013GOI256048	Subsidiary	100	Section 2 (87)
7	POWERGRID Jabalpur Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40300DL2014GOI270433	Subsidiary	100	Section 2 (87)
8	POWERGRID Warora Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40300DL2014GOI269918	Subsidiary	100	Section 2 (87)



SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
9	POWERGRID Parli Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40109DL2014GOI269652	Subsidiary	100	Section 2 (87)
10	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)
11	Grid Conductors Limited Regd. Office: 8 <sup>th</sup> floor, 'A' Wing, Saudamini Plot. No. 2, Sector 29, Gurgaon-122001, Haryana	U31909HR2015GOI056647	Subsidiary	100	Section 2 (87)
12	Powerlinks Transmission Limited 10 <sup>th</sup> Floor, DLF Tower A, District Center Jasola, New Delhi-110025	U40105DL2001PLC110714	Joint Venture	49	Section 2 (6)
13	Torrent Power Grid Limited Torrent House, Off Ashram road Ahmedabad-380009.	U40104GJ2005PLC046660	Joint Venture	26	Section 2 (6)
14	Jaypee Powergrid Limited 'JA House', 63 Basant Lok, Vasant Vihar, New Delhi-110057	U40101DL2006PLC154627	Joint Venture	26	Section 2 (6)
15	North East Transmission Company Limited House No. 051358, Daleshwar, Road No. 3, Post Office, Dhaleshwar, Agartala 799007	U40101TR2008PLC008249	Joint Venture	26	Section 2 (6)
16	Parbati Koldam Transmission Company Limited B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016	U40108DL2002PLC116786	Joint Venture	26	Section 2 (6)
17	Teestavalley Power Transmission Limited 2 <sup>nd</sup> Floor, Vijaya Building 17, Barakhamba Road, Cannaught Place, New Delhi-110001	U40109DL2006SGC151871	Joint Venture	26	Section 2 (6)
18	National High Power Test Laboratory Pvt. Limited Core-7, Scope Complex, 7, Institutional Area, Lodi Road, New Delhi-110003.	U73100DL2009PTC190541	Joint Venture	20	Section 2 (6)
19	Energy Efficiency Services Limited 4 <sup>th</sup> Floor, Sewa Bhavan, R.K Puram, New Delhi 110066	U40200DL2009PLC196789	Joint Venture	13.63	Section 2 (6)
20	Bihar Grid Company Limited 2 <sup>nd</sup> Floor, Boring Road, Alankar Place, Patna, Bihar 800001	U40100BR2013PLC019722	Joint Venture	50	Section 2 (6)
21	Kalinga Bidyut Prasaran Nigam Private Limited 27, Shahid Nagar, Bhubaneswar, Khorda-751007	U40102OR2012PTC016411	Joint Venture	50	Section 2 (6)
22	Cross Border Power Transmission Company Limited C/o IL&FS Securities Services Ltd., 10, Community Center, 2 <sup>nd</sup> Floor, East of Kailash, New Delhi - 110 065	U40102DL2006PLC156738	Joint Venture	26	Section 2 (6)
23	RINL POWERGRID TLT Private Limited Room No.31, 'B' Block, Project Office, Visakhapatnam Steel Plant, Visakhapatnam-530031, Andhra Pradesh, India	U28121AP2015PTC097211	Joint Venture	50	Section 2 (6)
24	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 01/04/2015				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2016				% 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)	<b>PROMOTER AND PROMOTER GROUP</b>									
(1)	INDIAN									
(a)	Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/ State Government(s)	3028835198	0	3028835198	57.90	3028835198	0	3028835198	57.90	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total A(1) :</b>	<b>3028835198</b>	<b>0</b>	<b>3028835198</b>	<b>57.90</b>	<b>3028835198</b>	<b>0</b>	<b>3028835198</b>	<b>57.90</b>	<b>0.00</b>
(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
	<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total A=A(1)+A(2)</b>	<b>3028835198</b>	<b>0</b>	<b>3028835198</b>	<b>57.90</b>	<b>3028835198</b>	<b>0</b>	<b>3028835198</b>	<b>57.90</b>	<b>0.00</b>
(B)	<b>PUBLIC SHAREHOLDING</b>									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	200458699	0	200458699	3.83	249258323	0	249258323	4.76	-0.93
(b)	Financial Institutions / Banks	47821764	0	47821764	0.91	41222176	0	41222176	0.79	0.13
(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	167205460	0	167205460	3.20	144088169	0	144088169	2.75	0.44
(f)	Foreign Institutional Investors	1441236452	0	1441236452	27.55	1374862451	0	1374862451	26.28	1.27



CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2015				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2016				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total B(1) :</b>	1856722375	0	1856722375	35.49	1809431119	0	1809431119	34.59	0.90
(2)	<b>NON-INSTITUTIONS</b>									
(a)	Bodies Corporate	136331571	0	136331571	2.61	185247255	0	185247255	3.54	-0.94
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	172196699	34475	172231174	3.29	162306620	35059	162341679	3.10	0.19
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	12460801	10500	12471301	0.24	11737618	10500	11748118	0.22	0.01
(c)	Others									
	CLEARING MEMBERS	2565088	0	2565088	0.05	2547387	0	2547387	0.05	0.00
	FOREIGN BODIES	11123476	0	11123476	0.21	11123476	0	11123476	0.21	0.00
	NON RESIDENT INDIANS	3234151	0	3234151	0.06	3403231	0	3403231	0.07	0.00
	TRUSTS	8075314	0	8075314	0.15	15427911	0	15427911	0.29	-0.14
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total B(2) :</b>	<b>345987100</b>	<b>44975</b>	<b>346032075</b>	<b>6.61</b>	<b>391793498</b>	<b>45559</b>	<b>391839057</b>	<b>7.49</b>	<b>-0.88</b>
	<b>Total B=B(1)+B(2):</b>	<b>2202709475</b>	<b>44975</b>	<b>2202754450</b>	<b>42.10</b>	<b>2201224617</b>	<b>45559</b>	<b>2201270176</b>	<b>42.08</b>	<b>0.03</b>
	<b>Total (A+B) :</b>	<b>5231544673</b>	<b>44975</b>	<b>5231589648</b>	<b>100.00</b>	<b>5230059815</b>	<b>45559</b>	<b>5230105374</b>	<b>99.97</b>	<b>0.03</b>
(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
	<b>GRAND TOTAL (A+B+C) :</b>	<b>5231544673</b>	<b>44975</b>	<b>5231589648</b>	<b>100.00</b>	<b>5230059815</b>	<b>45559</b>	<b>5230105374</b>	<b>99.97</b>	

## (ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2015			Shareholding at the end of the year 31/03/2016			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged to encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged to encumbered to total shares	
1	PRESIDENT OF INDIA	2927565398	55.9593851	0	2927565398	55.9593851	0	0
2	PRESIDENT OF INDIA	101269800	1.935736685	0	101269800	1.935736685	0	0
	<b>Total</b>	3028835198	57.89512178	0	3028835198	57.89512178	0	0

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

Sl No.		Share holding at the beginning of the Year 01/04/2015		Cumulative Share holding during the year 31/03/2016	
		NO of shares	% of total shares of the company	NO of shares	% of total shares of the company
	At the beginning of the year	NO CHANGES			
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year				

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

<b>SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 01/04/2015 AND 31/03/2016</b>									
<b>Sl. no</b>	<b>Type</b>	<b>Name of the Share Holder</b>	<b>Shareholding at the beginning of the Year</b>		<b>Date</b>	<b>Increase/ Decrease in share holding</b>	<b>Reason</b>	<b>Cumulative Shareholding during the Year</b>	
			<b>No of Shares</b>	<b>% of total shares of the company</b>				<b>No of Shares</b>	<b>% of total shares of the company</b>
1	Opening Balance	EUROPACIFIC GROWTH FUND	296023422	5.66	31/03/2015			296023422	5.66
	Sale				15/05/2015	-1427235	Transfer	294596187	5.63
	Sale				22/05/2015	-19022244	Transfer	275573943	5.27
	Sale				29/05/2015	-5702278	Transfer	269871665	5.16
	Sale				05/06/2015	-8659600	Transfer	261212065	4.99
	Sale				12/06/2015	-10638274	Transfer	250573791	4.79
	Sale				03/07/2015	-714055	Transfer	249859736	4.78
	Sale				24/07/2015	-2404058	Transfer	247455678	4.73
	Sale				31/07/2015	-2815976	Transfer	244639702	4.68
	Sale				07/08/2015	-2722774	Transfer	241916928	4.62
	Sale				14/08/2015	-633410	Transfer	241283518	4.61
	Sale				21/08/2015	-342439	Transfer	240941079	4.61
	Sale				04/09/2015	-266276	Transfer	240674803	4.60
	Sale				11/09/2015	-7410493	Transfer	233264310	4.46
	Sale				18/09/2015	-2131638	Transfer	231132672	4.42
	Sale				25/09/2015	-5478556	Transfer	225654116	4.31
	Sale				09/10/2015	-339338	Transfer	225314778	4.31
	Sale				16/10/2015	-40228	Transfer	225274550	4.31
	Sale				23/10/2015	-4367655	Transfer	220906895	4.22
	Sale				30/10/2015	-140294	Transfer	220766601	4.22
	Sale				06/11/2015	-11504102	Transfer	209262499	4.00
	Sale				26/02/2016	-258805	Transfer	209003694	4.00
	Sale				04/03/2016	-3191913	Transfer	205811781	3.93
	Sale				11/03/2016	-2061067	Transfer	203750714	3.89
	Sale				18/03/2016	-1196349	Transfer	202554365	3.87
	Sale				31/03/2016	-706643	Transfer	201847722	3.86
	Closing Balance				31/03/2016			201847722	3.86
2	Opening Balance	LIFE INSURANCE CORPORATION OF INDIA - ULIF00220091	199107827	3.81	31/03/2015			199107827	3.81
	Sale				10/04/2015	-4782644	Transfer	194325183	3.71
	Sale				17/04/2015	-300000	Transfer	194025183	3.71

## SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 01/04/2015 AND 31/03/2016

Sl. no	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
	Sale				24/04/2015	-2001086	Transfer	192024097	3.67
	Sale				01/05/2015	-941166	Transfer	191082931	3.65
	Sale				08/05/2015	-1363520	Transfer	189719411	3.63
	Sale				15/05/2015	-2360000	Transfer	187359411	3.58
	Sale				22/05/2015	-1562898	Transfer	185796513	3.55
	Sale				09/10/2015	-295000	Transfer	185501513	3.55
	Sale				16/10/2015	-313009	Transfer	185188504	3.54
	Sale				23/10/2015	-465929	Transfer	184722575	3.53
	Sale				30/10/2015	-883569	Transfer	183839006	3.51
	Sale				06/11/2015	-74193	Transfer	183764813	3.51
	Sale				20/11/2015	-40000	Transfer	183724813	3.51
	Sale				27/11/2015	-20000	Transfer	183704813	3.51
	Sale				04/12/2015	-1692	Transfer	183703121	3.51
	Sale				08/01/2016	-10000	Transfer	183693121	3.51
	Sale				15/01/2016	-10000	Transfer	183683121	3.51
	Sale				29/01/2016	-10000	Transfer	183673121	3.51
	Sale				05/02/2016	-30000	Transfer	183643121	3.51
	Sale				12/02/2016	-2807299	Transfer	180835822	3.46
	Sale				19/02/2016	-235907	Transfer	180599915	3.45
	Sale				26/02/2016	-499650	Transfer	180100265	3.44
	Sale				18/03/2016	-1983413	Transfer	178116852	3.40
	Sale				25/03/2016	-3510749	Transfer	174606103	3.34
	Sale				31/03/2016	-5132809	Transfer	169473294	3.24
	Closing Balance				31/03/2016			169473294	3.24
3	Opening Balance	ICICI PRUDENTIAL VALUE FUND SERIES 2	113493562	2.17	31/03/2015			113493562	2.17
	Purchase				10/04/2015	3401943	Transfer	116895505	2.23
	Sale				10/04/2015	-3553	Transfer	116891952	2.23
	Purchase				17/04/2015	437697	Transfer	117329649	2.24
	Sale				17/04/2015	-342169	Transfer	116987480	2.24
	Purchase				24/04/2015	1286547	Transfer	118274027	2.26
	Purchase				01/05/2015	2281961	Transfer	120555988	2.30
	Sale				01/05/2015	-645	Transfer	120555343	2.30
	Purchase				08/05/2015	31447	Transfer	120586790	2.30
	Sale				08/05/2015	-1123	Transfer	120585667	2.30

**SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 01/04/2015 AND 31/03/2016**

Sl. no	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
	Purchase				15/05/2015	1174310	Transfer	121759977	2.33
	Purchase				22/05/2015	2901772	Transfer	124661749	2.38
	Sale				22/05/2015	-808000	Transfer	123853749	2.37
	Purchase				29/05/2015	788849	Transfer	124642598	2.38
	Purchase				05/06/2015	4070961	Transfer	128713559	2.46
	Sale				05/06/2015	-301631	Transfer	128411928	2.45
	Purchase				12/06/2015	389419	Transfer	128801347	2.46
	Sale				12/06/2015	-1668000	Transfer	127133347	2.43
	Purchase				19/06/2015	390310	Transfer	127523657	2.44
	Sale				19/06/2015	-62000	Transfer	127461657	2.44
	Purchase				26/06/2015	1293027	Transfer	128754684	2.46
	Purchase				30/06/2015	566000	Transfer	129320684	2.47
	Sale				30/06/2015	-652125	Transfer	128668559	2.46
	Sale				03/07/2015	-421202	Transfer	128247357	2.45
	Sale				10/07/2015	-764738	Transfer	127482619	2.44
	Purchase				17/07/2015	600000	Transfer	128082619	2.45
	Sale				17/07/2015	-319	Transfer	128082300	2.45
	Purchase				24/07/2015	457215	Transfer	128539515	2.46
	Purchase				31/07/2015	532489	Transfer	129072004	2.47
	Sale				31/07/2015	-309196	Transfer	128762808	2.46
	Purchase				07/08/2015	21032	Transfer	128783840	2.46
	Sale				07/08/2015	-607135	Transfer	128176705	2.45
	Sale				14/08/2015	-50	Transfer	128176655	2.45
	Purchase				21/08/2015	845862	Transfer	129022517	2.47
	Purchase				28/08/2015	1811146	Transfer	130833663	2.50
	Purchase				04/09/2015	231461	Transfer	131065124	2.51
	Purchase				11/09/2015	12819	Transfer	131077943	2.51
	Purchase				18/09/2015	330072	Transfer	131408015	2.51
	Purchase				25/09/2015	1920	Transfer	131409935	2.51
	Purchase				30/09/2015	402425	Transfer	131812360	2.52
	Sale				30/09/2015	-824740	Transfer	130987620	2.50
	Purchase				09/10/2015	2862	Transfer	130990482	2.50
	Sale				09/10/2015	-324713	Transfer	130665769	2.50
	Sale				16/10/2015	-1147264	Transfer	129518505	2.48

## SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 01/04/2015 AND 31/03/2016

Sl. no	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
	Purchase				23/10/2015	6659	Transfer	129525164	2.48
	Sale				23/10/2015	-566696	Transfer	128958468	2.46
	Sale				30/10/2015	-5998	Transfer	128952470	2.46
	Purchase				06/11/2015	7314	Transfer	128959784	2.47
	Purchase				13/11/2015	958241	Transfer	129918025	2.48
	Purchase				20/11/2015	10812	Transfer	129928837	2.48
	Purchase				27/11/2015	1423	Transfer	129930260	2.48
	Sale				27/11/2015	-2000	Transfer	129928260	2.48
	Purchase				04/12/2015	1330647	Transfer	131258907	2.51
	Sale				04/12/2015	-296000	Transfer	130962907	2.50
	Purchase				11/12/2015	664185	Transfer	131627092	2.52
	Sale				11/12/2015	-448000	Transfer	131179092	2.51
	Purchase				18/12/2015	370884	Transfer	131549976	2.51
	Purchase				25/12/2015	2409811	Transfer	133959787	2.56
	Sale				25/12/2015	-223504	Transfer	133736283	2.56
	Purchase				31/12/2015	636	Transfer	133736919	2.56
	Sale				31/12/2015	-3214235	Transfer	130522684	2.49
	Sale				01/01/2016	-1132387	Transfer	129390297	2.47
	Purchase				08/01/2016	1070914	Transfer	130461211	2.49
	Sale				08/01/2016	-2475166	Transfer	127986045	2.45
	Purchase				15/01/2016	2027479	Transfer	130013524	2.49
	Sale				15/01/2016	-8302653	Transfer	121710871	2.33
	Purchase				22/01/2016	13240	Transfer	121724111	2.33
	Sale				22/01/2016	-693789	Transfer	121030322	2.31
	Purchase				29/01/2016	5088	Transfer	121035410	2.31
	Sale				29/01/2016	-217595	Transfer	120817815	2.31
	Purchase				05/02/2016	510478	Transfer	121328293	2.32
	Sale				05/02/2016	-2582630	Transfer	118745663	2.27
	Purchase				12/02/2016	490048	Transfer	119235711	2.28
	Sale				12/02/2016	-764624	Transfer	118471087	2.26
	Purchase				19/02/2016	1254482	Transfer	119725569	2.29
	Sale				19/02/2016	-1215938	Transfer	118509631	2.27
	Purchase				26/02/2016	8879	Transfer	118518510	2.27
	Sale				26/02/2016	-2294015	Transfer	116224495	2.22

**SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 01/04/2015 AND 31/03/2016**

Sl. no	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
	Purchase				04/03/2016	1135173	Transfer	117359668	2.24
	Sale				04/03/2016	-705197	Transfer	116654471	2.23
	Purchase				11/03/2016	21840	Transfer	116676311	2.23
	Sale				11/03/2016	-600000	Transfer	116076311	2.22
	Purchase				18/03/2016	1456850	Transfer	117533161	2.25
	Sale				18/03/2016	-106	Transfer	117533055	2.25
	Purchase				25/03/2016	57150	Transfer	117590205	2.25
	Sale				25/03/2016	-16770	Transfer	117573435	2.25
	Purchase				31/03/2016	1223065	Transfer	118796500	2.27
	Sale				31/03/2016	-200000	Transfer	118596500	2.27
	Closing Balance				31/03/2016			118596500	2.27
4	Opening Balance	NEW WORLD FUND INC	97858870	1.87	31/03/2015			97858870	1.87
	Sale				15/05/2015	-307317	Transfer	97551553	1.86
	Sale				22/05/2015	-4095922	Transfer	93455631	1.79
	Sale				29/05/2015	-1227832	Transfer	92227799	1.76
	Sale				05/06/2015	-1864608	Transfer	90363191	1.73
	Sale				12/06/2015	-2290662	Transfer	88072529	1.68
	Sale				03/07/2015	-153752	Transfer	87918777	1.68
	Sale				24/07/2015	-517649	Transfer	87401128	1.67
	Sale				31/07/2015	-606344	Transfer	86794784	1.66
	Sale				07/08/2015	-586274	Transfer	86208510	1.65
	Sale				14/08/2015	-136388	Transfer	86072122	1.65
	Sale				21/08/2015	-73734	Transfer	85998388	1.64
	Sale				04/09/2015	-71007	Transfer	85927381	1.64
	Sale				11/09/2015	-1976133	Transfer	83951248	1.60
	Sale				18/09/2015	-566760	Transfer	83384488	1.59
	Sale				25/09/2015	-1376441	Transfer	82008047	1.57
	Sale				09/10/2015	-90490	Transfer	81917557	1.57
	Sale				16/10/2015	-10727	Transfer	81906830	1.57
	Sale				23/10/2015	-1164708	Transfer	80742122	1.54
	Sale				30/10/2015	-37412	Transfer	80704710	1.54
	Sale				06/11/2015	-3067760	Transfer	77636950	1.48
	Sale				25/12/2015	-5450000	Transfer	72186950	1.38
	Sale				26/02/2016	-161692	Transfer	72025258	1.38

## SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 01/04/2015 AND 31/03/2016

Sl. no	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
	Sale				04/03/2016	-1994185	Transfer	70031073	1.34
	Sale				11/03/2016	-1321052	Transfer	68710021	1.31
	Sale				18/03/2016	-1281702	Transfer	67428319	1.29
	Sale				31/03/2016	-757058	Transfer	66671261	1.27
	Closing Balance				31/03/2016			66671261	1.27
5	Opening Balance	COMGEST GROWTH PLC A/C COMGEST GROWTH EMERGING MAR	65881497	1.26	31/03/2015			65881497	1.26
	Purchase				15/05/2015	900000	Transfer	66781497	1.28
	Purchase				30/10/2015	7500000	Transfer	74281497	1.42
	Closing Balance				31/03/2016			74281497	1.42
6	Opening Balance	CAPITAL WORLD GROWTH AND INCOME FUND	64038000	1.22	31/03/2015			64038000	1.22
	Closing Balance				31/03/2016			64038000	1.22
7	Opening Balance	AMERICAN FUNDS INSURANCE SERIES INTERNATIONAL FUND	62539040	1.20	31/03/2015			62539040	1.20
	Sale				25/09/2015	-194666	Transfer	62344374	1.19
	Sale				30/09/2015	-14707	Transfer	62329667	1.19
	Sale				02/10/2015	-1230478	Transfer	61099189	1.17
	Sale				09/10/2015	-1508001	Transfer	59591188	1.14
	Sale				16/10/2015	-432148	Transfer	59159040	1.13
	Sale				19/02/2016	-1465000	Transfer	57694040	1.10
	Sale				26/02/2016	-34015	Transfer	57660025	1.10
	Sale				04/03/2016	-419507	Transfer	57240518	1.09
	Sale				11/03/2016	-339372	Transfer	56901146	1.09
	Sale				18/03/2016	-1253592	Transfer	55647554	1.06
	Sale				31/03/2016	-740457	Transfer	54907097	1.05
	Closing Balance				31/03/2016			54907097	1.05
8	Opening Balance	MAGELLAN	61276308	1.17	31/03/2015			61276308	1.17
	Sale				17/04/2015	-600000	Transfer	60676308	1.16
	Sale				24/04/2015	-731557	Transfer	59944751	1.15
	Sale				04/09/2015	-350000	Transfer	59594751	1.14
	Sale				11/09/2015	-1539199	Transfer	58055552	1.11
	Purchase				30/10/2015	4165430	Transfer	62220982	1.19



**SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 01/04/2015 AND 31/03/2016**

Sl. no	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
	Sale				25/12/2015	-1953212	Transfer	60267770	1.15
	Closing Balance				31/03/2016			60267770	1.15
9	Opening Balance	<b>ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED NR</b>	60781048	1.16	31/03/2015			60781048	1.16
	Purchase				10/04/2015	259883	Transfer	61040931	1.17
	Purchase				17/04/2015	338073	Transfer	61379004	1.17
	Purchase				24/04/2015	223861	Transfer	61602865	1.18
	Sale				01/05/2015	-220873	Transfer	61381992	1.17
	Purchase				08/05/2015	195266	Transfer	61577258	1.18
	Purchase				15/05/2015	1332252	Transfer	62909510	1.20
	Purchase				22/05/2015	15171533	Transfer	78081043	1.49
	Sale				29/05/2015	-93496	Transfer	77987547	1.49
	Sale				05/06/2015	-508105	Transfer	77479442	1.48
	Sale				12/06/2015	-185665	Transfer	77293777	1.48
	Purchase				19/06/2015	135228	Transfer	77429005	1.48
	Sale				26/06/2015	-6570	Transfer	77422435	1.48
	Purchase				30/06/2015	15844	Transfer	77438279	1.48
	Purchase				03/07/2015	796877	Transfer	78235156	1.50
	Purchase				10/07/2015	370424	Transfer	78605580	1.50
	Purchase				17/07/2015	399476	Transfer	79005056	1.51
	Purchase				24/07/2015	340111	Transfer	79345167	1.52
	Purchase				31/07/2015	106400	Transfer	79451567	1.52
	Purchase				07/08/2015	484990	Transfer	79936557	1.53
	Purchase				14/08/2015	85982	Transfer	80022539	1.53
	Sale				21/08/2015	-419803	Transfer	79602736	1.52
	Purchase				28/08/2015	2923805	Transfer	82526541	1.58
	Purchase				04/09/2015	2590210	Transfer	85116751	1.63
	Purchase				11/09/2015	789295	Transfer	85906046	1.64
	Sale				18/09/2015	-1525500	Transfer	84380546	1.61
	Sale				25/09/2015	-617172	Transfer	83763374	1.60
	Purchase				30/09/2015	56464	Transfer	83819838	1.60
	Purchase				02/10/2015	1157681	Transfer	84977519	1.62
	Purchase				09/10/2015	672342	Transfer	85649861	1.64
	Sale				16/10/2015	-268484	Transfer	85381377	1.63

## SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 01/04/2015 AND 31/03/2016

Sl. no	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
	Sale				23/10/2015	-21166	Transfer	85360211	1.63
	Sale				30/10/2015	-210845	Transfer	85149366	1.63
	Purchase				06/11/2015	2833929	Transfer	87983295	1.68
	Purchase				13/11/2015	199732	Transfer	88183027	1.69
	Sale				20/11/2015	-42990	Transfer	88140037	1.68
	Purchase				27/11/2015	396531	Transfer	88536568	1.69
	Purchase				04/12/2015	921173	Transfer	89457741	1.71
	Sale				11/12/2015	-796523	Transfer	88661218	1.69
	Purchase				18/12/2015	149231	Transfer	88810449	1.70
	Sale				25/12/2015	-21616	Transfer	88788833	1.70
	Purchase				31/12/2015	191739	Transfer	88980572	1.70
	Sale				08/01/2016	-127116	Transfer	88853456	1.70
	Sale				15/01/2016	-989132	Transfer	87864324	1.68
	Purchase				22/01/2016	170517	Transfer	88034841	1.68
	Sale				29/01/2016	-1689280	Transfer	86345561	1.65
	Purchase				05/02/2016	80015	Transfer	86425576	1.65
	Sale				12/02/2016	-102120	Transfer	86323456	1.65
	Purchase				19/02/2016	676077	Transfer	86999533	1.66
	Purchase				26/02/2016	394114	Transfer	87393647	1.67
	Purchase				04/03/2016	22550	Transfer	87416197	1.67
	Purchase				11/03/2016	119067	Transfer	87535264	1.67
	Purchase				18/03/2016	14779	Transfer	87550043	1.67
	Purchase				25/03/2016	340191	Transfer	87890234	1.68
	Purchase				31/03/2016	115317	Transfer	88005551	1.68
	Closing Balance				31/03/2016			88005551	1.68
10	Opening Balance	HDFC TRUSTEE COMPANY LIMITED A/C HDFC BALANCED FUN	25178770	0.48	31/03/2015			25178770	0.48
	Purchase				24/04/2015	5832	Transfer	25184602	0.48
	Purchase				01/05/2015	1548	Transfer	25186150	0.48
	Sale				01/05/2015	-325000	Transfer	24861150	0.48
	Purchase				08/05/2015	450000	Transfer	25311150	0.48
	Sale				08/05/2015	-1750000	Transfer	23561150	0.45
	Purchase				15/05/2015	100000	Transfer	23661150	0.45
	Purchase				22/05/2015	1741	Transfer	23662891	0.45

**SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 01/04/2015 AND 31/03/2016**

Sl. no	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
	Purchase				29/05/2015	4111	Transfer	23667002	0.45
	Purchase				05/06/2015	74	Transfer	23667076	0.45
	Purchase				12/06/2015	77330	Transfer	23744406	0.45
	Purchase				19/06/2015	576927	Transfer	24321333	0.46
	Sale				19/06/2015	-300000	Transfer	24021333	0.46
	Purchase				26/06/2015	1707649	Transfer	25728982	0.49
	Sale				10/07/2015	-1072	Transfer	25727910	0.49
	Purchase				17/07/2015	325000	Transfer	26052910	0.50
	Purchase				24/07/2015	361	Transfer	26053271	0.50
	Purchase				07/08/2015	253	Transfer	26053524	0.50
	Sale				07/08/2015	-80000	Transfer	25973524	0.50
	Sale				14/08/2015	-200000	Transfer	25773524	0.49
	Purchase				28/08/2015	2373	Transfer	25775897	0.49
	Purchase				04/09/2015	2345	Transfer	25778242	0.49
	Sale				04/09/2015	-75000	Transfer	25703242	0.49
	Purchase				11/09/2015	6472012	Transfer	32175254	0.62
	Purchase				18/09/2015	6800	Transfer	32182054	0.62
	Purchase				30/09/2015	35000	Transfer	32217054	0.62
	Sale				09/10/2015	-31	Transfer	32217023	0.62
	Purchase				16/10/2015	2878980	Transfer	35096003	0.67
	Purchase				23/10/2015	2200378	Transfer	37296381	0.71
	Sale				30/10/2015	-32218	Transfer	37264163	0.71
	Purchase				06/11/2015	7000000	Transfer	44264163	0.85
	Purchase				13/11/2015	248884	Transfer	44513047	0.85
	Purchase				20/11/2015	2773	Transfer	44515820	0.85
	Purchase				27/11/2015	985	Transfer	44516805	0.85
	Sale				27/11/2015	-271796	Transfer	44245009	0.85
	Purchase				04/12/2015	469750	Transfer	44714759	0.85
	Purchase				11/12/2015	970432	Transfer	45685191	0.87
	Purchase				18/12/2015	1361	Transfer	45686552	0.87
	Purchase				25/12/2015	2214	Transfer	45688766	0.87
	Purchase				31/12/2015	246	Transfer	45689012	0.87
	Purchase				08/01/2016	500000	Transfer	46189012	0.88
	Purchase				15/01/2016	3136590	Transfer	49325602	0.94

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 01/04/2015 AND 31/03/2016									
Sl. no	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/Decrease in share holding	Reason	No of Shares	Cumulative Shareholding during the Year
	Sale		No of Shares	% of total shares of the company	15/01/2016	-575000	Transfer	48750602	0.93
	Purchase				22/01/2016	2221415	Transfer	50972017	0.97
	Purchase				29/01/2016	2931	Transfer	50974948	0.97
	Purchase				05/02/2016	732083	Transfer	51707031	0.99
	Purchase				12/02/2016	1239703	Transfer	52946734	1.01
	Purchase				19/02/2016	1204843	Transfer	54151577	1.04
	Purchase				26/02/2016	1024	Transfer	54152601	1.04
	Purchase				04/03/2016	82880	Transfer	54235481	1.04
	Sale				04/03/2016	-48000	Transfer	54187481	1.04
	Purchase				11/03/2016	5317	Transfer	54192798	1.04
	Purchase				18/03/2016	1798	Transfer	54194596	1.04
	Sale				18/03/2016	-965245	Transfer	53229351	1.02
	Sale				25/03/2016	-209122	Transfer	53020229	1.01
	Purchase				31/03/2016	4165	Transfer	53024394	1.01
	Sale				31/03/2016	-403	Transfer	53023991	1.01
	Closing Balance				31/03/2016			53023991	1.01

## (v) Shareholding of Directors &amp; KMP

1. Shri I.S. Jha, Director (Chairman &amp; Managing Director w.e.f 10.11.2015) was Director (Projects) till 09.11.2015

For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2015	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 31/03/2016	2,998	0	2,998	0

## 2. Shri R. T. Agarwal, 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
<b>For Each of the Directors &amp; KMP</b>				
At the beginning of the year 01/04/2015	3,056	0	3,056	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2016	3,056	0	3,056	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
<b>For Each of the Directors &amp; KMP</b>				
At the beginning of the year 01/04/2015	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 31/03/2016	9,016	0	9,016	0

## 4. Shri R. P. Sasmal, Director (Operations & 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
<b>For Each of the Directors &amp; KMP</b>				
At the beginning of the year 01/04/2015	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 31/03/2016	1,798	0	1,798	0

## 5. Dr. Pradeep Kumar, Govt. Director

	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>For Each of the Directors &amp; KMP</b>				
At the beginning of the year 01/04/2015	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 31/03/2016	0	0	0	0


**6. Smt. Jyoti Arora, Govt. Director**

	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>For Each of the Directors &amp; KMP</b>				
At the beginning of the year 01/04/2015	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 31/03/2016	0	0	0	0

**7. Shri Jagdish I. Patel, Independent Director (w.e.f. 17.11.2015)**

	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
<b>For Each of the Directors &amp; KMP</b>				
At the beginning of the year 01/04/2015	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 31/03/2016	0	0	0	0

**8. 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
<b>For Each of the Directors &amp; KMP</b>				
At the beginning of the year 01/04/2015	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 31/03/2016	15,337	0	15,337	0

**9. Shri R. N. Nayak, CMD (supperannuated on 30.09.2015)**

	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
<b>For Each of the Directors &amp; KMP</b>				
At the beginning of the year 01/04/2015	11,721	0	11,721	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 31/03/2016	11,721	0	11,721	0

**10. Shri Mahesh Shah, 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
<b>For Each of the Directors &amp; KMP</b>				
At the beginning of the year 01/04/2015	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 31/03/2016	0	0	0	0

**11. Shri R. K. Gupta, 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
<b>For Each of the Directors &amp; KMP</b>				
At the beginning of the year 01/04/2015	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 31/03/2016	0	0	0	0

**12. Dr. K. Ramalingam, 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
<b>For Each of the Directors &amp; KMP</b>				
At the beginning of the year 01/04/2015	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 31/03/2016	0	0	0	0

**13. Shri R. Krishnamoorthy, 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
<b>For Each of the Directors &amp; KMP</b>				
At the beginning of the year 01/04/2015	286	0	286	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 31/03/2016	286	0	286	0

**14. Shri Ajay Kumar Mittal, 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
<b>For Each of the Directors &amp; KMP</b>				
At the beginning of the year 01/04/2015	879	0	879	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 31/03/2016	879	0	879	0

\*Shri R.K. Gupta, Dr. K. Ramalingam, Shri R. Krishnamurthoo, Shri Ajay Kumar Mittal and Shri Mahesh Shah ceased to be Independent Directors w.e.f 15<sup>th</sup> January 2016 on completion of their tenure of three years.

**V. INDEBTEDNESS (As on 31.03.2016)**

(₹ in Crore)

Indebtedness of the Company including interest outstanding/accrued but not due for payment					
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
<b>Indebtness at the beginning of the financial year</b>			N/A		
i) Principal Amount	88,936.63	6,107.91			95,044.54
ii) Interest due but not paid	-	-			
iii) Interest accrued but not due	2330.73	30.34			2,361.07
<b>Total (i+ii+iii)</b>					
<b>Change in Indebtedness during the financial year</b>					
Additions	15,500.90	3,548.11			19,049.01
Reduction	4,454.42	1,317.73			5,772.15
<b>Net Change</b>					
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	99,983.11	8,338.29			108,321.40
ii) Interest due but not paid					-
iii) Interest accrued but not due	2636.71	32.49			2,669.20
<b>Total (i+ii+iii)</b>	102,619.82	8,370.78			110,990.60



# VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (2015-16)

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

Sl.No	Particulars of Remuneration	Name of the MD/ WTD/ Manager					Total Amount
		Shri I. S. Jha, CMD (w.e.f. 10.11.2015) and was Director (Projects) till 09.05.2015	Shri R. T Agarwal, Director (Finance) & CFO	Shri Ravi P. Singh, Director (Personnel)	Shri R. P. Sasmal, Director (Operations & Projects)	Shri R. N. Nayak, CMD (Super-annuated on 30.09.2015)	
1	Gross salary	4349555.00	4591451.00	4300296.00	4063196.00	4848676.00	22153174.00
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.						
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	795983.00	830314.00	780170.00	712435.00	732395.00	3851297.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00	0.00	0.00	0.00
2	Stock option	0.00	0.00	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00	0.00	0.00	0.00
	as % of profit	0.00	0.00	0.00	0.00	0.00	0.00
	others (specify)	0.00	0.00	0.00	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total (A)</b>	<b>5145538.00</b>	<b>5421765.00</b>	<b>5080466.00</b>	<b>4775631.00</b>	<b>5581071.00</b>	<b>26004471.00</b>
	Ceiling as per the Act						

## B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the MD/ WTD/ Manager					Total Amount
		Shri J.I.Patel (w.e.f. 17.11.2015)	Shri R. K. Gupta *	Dr. K. Ramalingam *	Shri R. Krishnamoorthy *	Shri Ajay Kumar Mittal *	Shri Mahesh Shah *
1	Independent Directors						
	(a) Fee for attending board committee meetings	108,000.00	468,000.00	324,000.00	630,000.00	756,000.00	486,000.00
	(b) Commission	0.00	0.00	0.00	0.00	0.00	0.00
	(c) Others, please specify	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total (1)</b>	<b>108,000.00</b>	<b>468,000.00</b>	<b>324,000.00</b>	<b>630,000.00</b>	<b>756,000.00</b>	<b>486,000.00</b>
2	Other Non Executive Directors						
	(a) Fee for attending board committee meetings	0.00	0.00	0.00	0.00	0.00	0.00
	(b) Commission	0.00	0.00	0.00	0.00	0.00	0.00
	(c) Others, please specify.	0.00	0.00	0.00	0.00	0.00	0.00
	Total (2)	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total (B) = (1+2)</b>	<b>108000.00</b>	<b>468000.00</b>	<b>324000.00</b>	<b>630000.00</b>	<b>756000.00</b>	<b>486000.00</b>
	<b>Total Managerial Remuneration</b>	<b>108000.00</b>	<b>468000.00</b>	<b>324000.00</b>	<b>630000.00</b>	<b>756000.00</b>	<b>486000.00</b>
	Overall Ceiling as per the Act.	Rs. 100,000/- per Board Meeting or Committee Meeting					<b>2772000.00</b>

\*Shri R.K. Gupta, Dr. K. Ramalingam, Shri R. Krishnamurthy, Shri Ajay Kumar Mittal and Shri Mahesh Shah ceased to be Independent Directors w.e.f 15<sup>th</sup> January 2016 on completion of their tenure of three years.

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/ WTD (2015-16)

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	3048804.00	0.00	3048804.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	103916.00	0.00	103916.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0.00	0.00	0.00
2	Stock Option	0	0.00	0.00	0.00
3	Sweat Equity	0	0.00	0.00	0.00
4	Commission	0	0.00	0.00	0.00
	as % of profit	0	0.00	0.00	0.00
	others, specify	0	0.00	0.00	0.00
5	Others, please specify	0	0.00	0.00	0.00
	<b>Total</b>	<b>0</b>	<b>3152720.00</b>	<b>0.00</b>	<b>3152720.00</b>

### 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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					



## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance.

### 1. THE COMPANY'S GOVERNANCE PHILOSOPHY:

Corporate Governance is about promoting corporate fairness, transparency and accountability in the best interest of various stakeholders in a Company. It is a system by which business corporations are directed and controlled. POWERGRID 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. **"To 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 the persons at the helm of its affairs, i.e. 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 proceeded ahead 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. Now, the Board of Directors of POWERGRID is the approving Authority to incur capital expenditure on purchase of new items or for replacement without any monetary ceiling. The ceiling on equity investment to establish joint ventures and wholly owned subsidiaries in India or abroad is 15% of the net worth of POWERGRID. However, in one project the ceiling on equity investment is limited to ₹1000 crore. The overall ceiling on such investment in all projects put together is 30% of the net worth of POWERGRID.

The Board of Directors comprises Chairman and Managing Director, Functional Directors, Govt. Nominee Directors and Non Official Part Time Directors. The rights and obligations of the employees are delineated in the policy Manuals published and the amendments are notified, from time to time. The powers of the internal participants i.e. top executives and below are laid down in the well established and practiced "Delegation of Powers". POWERGRID has also prepared and 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.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which came into effect from 01.12.2015, the Company has executed fresh Listing Agreements with NSE and BSE. Besides adhering to provisions of Clause 49 of erstwhile Listing Agreements / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, POWERGRID also follows the Guidelines on Corporate Governance issued by Department of Public Enterprises, Government of India.

The compliance of the Company with the conditions of the Corporate Governance and the disclosure requirements for the Year 2015-16 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 and the President of India presently holds 57.89% of the total paid-up share capital. As per Articles of Association, the power to appoint Directors rests with the President of India.

In terms of Articles of Association of the Company, the strength of our Board shall not be less than four Directors and not more than eighteen Directors. These Directors may be either whole-time Directors or part-time Directors.

#### 2.2 Composition of the Board

As on 31<sup>st</sup> March, 2016, the Board comprised seven directors out of which four were whole-time directors including the Chairman & Managing



Director, two government nominees and one Independent Director. The Board composition also comprises a woman director.

Sub-section (4) of section 149 of the Companies Act 2013 stipulates that every listed company should have at least one-third of the total number of directors as independent directors.

All the Independent Directors have met the requirements specified under Section 149 (6) of the Companies Act, 2013 for holding the position of 'Independent Director'.

SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, stipulates that half of the Board members of Company should be Independent Directors. For the last Quarter (i.e. Fourth Quarter) of Financial Year 2015-16 the requirement of independent Directors as per this clause was not fully met.

### 2.3 Age Limit and Tenure of Directors

The age limit of 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.

Government Nominee Directors representing the Ministry of Power, Government of India will retire from the Board after completion of tenure of three years from the date of appointment, unless the tenure is extended by Government of India.

Independent Directors have been appointed by the Government of India usually for tenure of three years.

In line with the provisions of Articles of Association of POWERGRID, the whole-time Functional Directors of the Company including Director (Finance) referred to as CFO have been appointed by the Administrative Ministry through Public Enterprises Selection Board.

The details of Directors as on 31<sup>st</sup> March, 2016 were as follows:

Details of Directors		Name	Date of Joining on the Board	Date of superannuation/ completion of Tenure
Category (Functional/ Official/ Non-official)	Designation			
<b>1. Whole Time Directors</b>	Chairman & Managing Director	Shri I. S. Jha	10.11.2015	Date of superannuation - 30.06.2019.
	Director (Finance)	Shri R. T. Agarwal	29.07.2011	Date of superannuation – 31.08.2016.
	Director (Personnel)	Shri Ravi P. Singh	01.04.2012	Completion of tenure – 31.03.2017. Date of superannuation – 31.01.2020.
	Director (Operations & Projects)*	Shri R. P. Sasmal	01.08.2012	Completion of tenure – 31.07.2017. Date of superannuation – 28.02.2018.
<b>2. Govt. Nominees Part – time Directors</b>	JS & FA, Ministry of Power	Dr. Pradeep Kumar	10.09.2013	Till the President desires
	JS (Trans.) Ministry of Power	Smt. Jyoti Arora	20.03.2014	Till the President desires
<b>3. Non-official Part-time Directors</b>	Non-official Part-time Director (Independent Director)	Shri Jagdish Ishwarbhai Patel	17.11.2015	Completion of tenure – 16.11.2018

Eventhough appointed at the Annual General Meeting held in the year 2013 as director Shri R. K. Gupta, Dr. K. Ramalingam, Shri R. Krishnamoorthy, Shri Ajay Kumar Mittal and Shri Mahesh Shah demitted their office as Independent Directors w.e.f. 15<sup>th</sup> January, 2016 on completion of their tenure of 3 years in terms of the Government letter No. 1/38/96-PG dt. 16<sup>th</sup> January, 2013. As from the said date the composition of the Board is not in accordance with the provisions of section 149 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015

\*Shri R.P. Sasmal Director (Operations) has taken over the additional charge of Director (Projects) w.e.f. 24.11.2015 till 22.11.2016 or till the regular appointment is made or until further orders, whichever is the earliest.

### 2.4 Board Meetings and Attendance:

The meetings of the Board of Directors are normally held at the Registered Office of the Company. Meetings are generally scheduled well in advance and the Notice, detailed Board agenda, management reports and other explanatory Board notes are circulated to the Directors. The members of the Board have complete access to all information of the Corporation. Senior management is also invited to the Board meetings to provide additional input to the items being discussed by the Board. In case of urgency, resolutions are passed by circulation.

During the financial year ended 31<sup>st</sup> March, 2016 fourteen Board meetings were held on 17<sup>th</sup> April, 11<sup>th</sup> May, 28<sup>th</sup> May, 30<sup>th</sup> May, 02<sup>nd</sup> July, 23<sup>rd</sup> & 24<sup>th</sup> July, 10<sup>th</sup> August, 15<sup>th</sup> September, 28<sup>th</sup> September, 3<sup>rd</sup> November, 30<sup>th</sup> November of the year 2015 and 12<sup>th</sup> January, 27<sup>th</sup> January and 9<sup>th</sup> March of the year 2016. The maximum interval between any two meetings during this period was 42 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015] held by them during the year 2015-16 are tabulated below:



Name of the Director	Meeting held during respective tenure of Directors	No. of Board Meetings attended	Attendance at the last AGM (held on 15.09.15)	No. of other Director ship held on 31.03.16	No. of Other Committee Membership held on 31.03.2016*	
					Chairman	Member
Whole Time Directors						
Shri I. S. Jha, As Chairman & Managing Director(w.e.f. 10.11.2015)	05	05	Yes	09	NIL	NIL
Shri I. S. Jha, As Director (Projects) (w.e.f. 01.09.2009)	09	09	Yes	09	NIL	NIL
Shri R. T. Agarwal Director (Finance) (w.e.f. 29.07.2011)	14	14	Yes	Nil	Nil	01
Shri Ravi P. Singh Director (Personnel) (w.e.f. 01.04.2012)	14	13	Yes	08	NIL	02
Shri R. P. Sasmal Director (Operations) (w.e.f.24.11.2015) With additional charge as Director (Projects)	14	11	Yes	11	01	01
Shri R. N. Nayak Chairman & Managing Director (superannuated on 30.09.2015)	09	09	Yes	10	NIL	NIL
Non-executive Directors (Government Nominees)						
Dr. Pradeep Kumar Jt. Secy.& Fin. Adv., Ministry of Power	14	12	Yes	01	NIL	3
Smt. Jyoti Arora Jt. Secy. (T), Ministry of Power	14	08	Yes	02	NIL	NIL
Independent Directors						
Shri Jagdish I. Patel** (w.e.f. 17.11.2015)	04	04	N/A	02	02	NIL
Shri R. K. Gupta#	12	12	Yes	N/A	N/A	N/A
Dr. K. Ramalingam#	12	11	Yes	N/A	N/A	N/A
Shri R. Krishnamoorthy#	12	10	Yes	N/A	N/A	N/A
Shri Ajay Kumar Mittal #	12	12	Yes	N/A	N/A	N/A
Shri Mahesh Shah#	12	12	Yes	N/A	N/A	N/A

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

\* In line with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, only the Audit Committee and Stakeholders' Relationship Committee have been taken into consideration in reckoning the number of committee memberships of Directors as Chairman and as Member including committee position in POWERGRID.

None of the Directors of the company are in any way related with each other.

\*\* Appointed as an Independent Director w.e.f. 17.11.2015.

<sup>#</sup> Shri R. K. Gupta, Dr. K. Ramalingam, Shri R. Krishnamoorthy, Shri Ajay Kumar Mittal and Shri Mahesh Shah ceased to be Independent Directors w.e.f. 15<sup>th</sup> January, 2016 on completion of their tenure of three years in terms of the Government's letter referred to earlier.



## 2.5 Information to be placed before the Board of Directors, inter alia, includes:

The Board has complete access to any information with the Company. The information regularly supplied to the Board includes:

1. Annual operating plans and budgets and any updates.
2. Annual Accounts, Directors' Report, etc.
3. Quarterly results of the company.
4. Minutes of meetings of Audit Committee and other committees of the Board including minutes of Subsidiary Companies.
5. Major Investments, formation of Subsidiaries and Joint Ventures, Strategic Alliances, etc.
6. Award of large Contracts.
7. Disclosure of Interest by Directors about directorship and committee positions occupied by them in other Companies.
8. Monthly Report on Commercial Status of the Company.
9. Report on the status of various ongoing projects/Scheme and Budget Utilization.
10. Report on the O&M Review.
11. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement etc.
12. Non-compliance of any Regulatory, statutory or listing requirements and shareholders' service such as non-payment of dividend, delay in share transfer etc.
13. Short-Term investment of surplus funds.
14. Other materially important information.

### Post meeting follow-up system:

15. The Governance process in the Company includes an effective post-meeting follow-up, review and reporting process for action taken on decisions of the Board and the Board Committee(s).

## 3. Committees of the Board of Directors:

The Board has constituted the following Committees:

- i) Audit Committee
- ii) Stakeholders' Relationship Committee
- iii) Nomination and Remuneration Committee
- iv) Committee on Investment on Projects
- v) Committee on Award of Contracts
- vi) Committee for Transfer/Split/Rematerialisation etc. of Shares
- vii) Committee for Bonds,
- viii) Committee for Award of Contracts relating to RE and other Deposit Works
- ix) CSR Committee
- x) Risk Management Committee

### 3.1 Audit Committee:

As on 31<sup>st</sup> March, 2016, the Audit Committee comprised the following Directors:

(i)	Shri Jagdish I. Patel	Non-official Part-time Director	:	Chairman of the Committee
(ii)	Dr. Pradeep Kumar	JS & FA, Govt. Nominee Director	:	Member
(iii)	Shri R. P. Samsal	Director ( Operation & Project)	:	Member

The Company Secretary is the Secretary of the Committee.

The constitution, quorum, scope, etc. of the Audit Committee is in line with the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, the Companies Act, 2013 and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, upto 15<sup>th</sup> January, 2016 and thereafter the constitution of the committee is not in the line with the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, the Companies Act, 2013 and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Meetings of Audit Committee

The Audit Committee meets at least four times in a year and not more than one hundred twenty days elapse between two meetings in that year. The quorum for the Audit Committee meetings is either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present.

### Powers of Audit Committee

The powers of the Audit Committee include the following:

1. To investigate any activity within its terms of reference



2. To seek information on and from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. To protect whistle blowers.
6. To consider other matters as referred by the Board.

#### **Role of Audit Committee**

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. Recommendation to the Board regarding fixation of audit fee to be paid to statutory auditors appointed by the Comptroller & Auditor General under the Companies Act and approval for payment with respect to any other services rendered by the statutory auditors.
3. Reviewing, with the management, the annual financial statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
4. Reviewing/examine, 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. Discussion 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. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review / oversee the functioning of vigil mechanism / Whistle Blower mechanism of Company;
13. To review the follow up action on the audit observations of the Comptroller & Auditor General audit.
14. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
15. Provide an open avenue of communication between the independent auditor, internal auditor and the Board.
16. Approval or any subsequent modification of transactions of the company with related parties;
17. Review all related party transactions in the Company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions;  
Explanation (i): The term "related party transactions" shall have the same meaning as provided in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
18. Review 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. Consider and review the following with the independent auditor and the management:
  - a. The adequacy of internal controls including computerized information system controls and security; and



- b. Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
20. Consider and review 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. Review and monitor the Auditor's independence and performance, and effectiveness of audit process.
22. Scrutiny of inter-corporate loans and investments.
23. Valuation of undertakings or assets of the Company, wherever it is necessary.
24. Evaluation of Internal Financial Controls and Risk Management Systems.
25. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee under the Companies Act, 2013, listing requirements/DPE Guidelines, 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.

#### Composition of Audit Committee during the F.Y. 2015-16

The Composition of Audit Committee at the beginning the financial year 2015-16 was as under:

Shri R. Krishnamoorthy**	Chairman	Non-official Part- time Director
Dr. Pradeep Kumar	Member	JS&FA , Govt. Nominee Director
Shri Mahesh Shah**	Member	Non-official Part- time Director
Shri Ajay Kumar Mittal**	Member	Non-official Part- time Director

On cessation of five Independent Directors on the Board of POWERGRID w.e.f. 15.01.2016, in terms of the Government's letter referred to above, the Audit Committee was reconstituted with following Directors as Chairman/Members of the Audit Committee.

- |       |                       |                                  |   |                            |
|-------|-----------------------|----------------------------------|---|----------------------------|
| (i)   | Shri Jagdish I. Patel | Non-official Part-time Director  | : | Chairman of the Committee* |
| (ii)  | Dr. Pradeep Kumar     | JS & FA, Govt. Nominee Director  | : | Member                     |
| (iii) | Shri R. P. Samsal     | Director ( Operation & Projects) | : | Member                     |

\* Co-opted as Chairman and Member of the Committee w.e.f. 12.01.2016

#### Attendance:

During the financial year till 31<sup>st</sup> March, 2016, ten meetings of the Audit committee were held on 11<sup>th</sup> May, 28<sup>th</sup> May, 30<sup>th</sup> May, 22<sup>nd</sup> July, 10<sup>th</sup> August, 15<sup>th</sup> September, 28<sup>th</sup> September, 3<sup>rd</sup> November and 30<sup>th</sup> November of the year 2015 and 27<sup>th</sup> January, 2016.

#### Attendance at Audit Committee Meetings during the Financial Year 2015-16:

Name	Audit Committee Meeting held during the tenure	
Shri R. Krishnamoorthy, Director**	09	09
Dr. Pradeep Kumar, JS&FA, MOP	10	05
Shri Jagdish I. Patel	01	01
Shri R. P. Samal	01	01
Shri Ajay Kumar Mittal**	09	09
Shri Mahesh Shah**	09	09

\* \* Shri R. Krishnamoorthy, Shri Mahesh Shah and Shri Ajay Kumar Mittal ceased to be Independent Directors w.e.f. 15<sup>th</sup> January, 2016 on completion of their tenure of three years.

#### 3.2 Stakeholders' Relationship Committee.

The Company has in place Stakeholders' Relationship Committee in line with the provisions of Section 178 (5) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



**Scope of the Committee**

The scope of the Committee is to consider and resolve the grievances of shareholders, debenture holders, and other security holders of the company including the complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. of the Company.

**Composition of Stakeholders' Relationship Committee during the F.Y. 2015-16**

The composition of Stakeholders' Relationship Committee during the financial year 2015-16 was as under:

Shri Mahesh Shah*	Chairman	Non-official Part- time Director
Dr. K. Ramalingam*	Member	Non-official Part- time Director
Shri Ravi P. Singh	Member	Director (Finance)
Shri R.T. Agarwal	Member	Director (Personnel)

\* ceased to be Independent Director on 15 Jan, 2015 on completion of their tenure of 03 years.

On cessation of five Independent Directors on the Board of POWERGRID w.e.f. 15.01.2016, in terms of the Government's Letter referred to above, the Stakeholders' Relationship Committee was reconstituted with following directors as Chairman/Members on the Stakeholders' Relationship committee:

(i)	Shri Jagdish I. Patel	Non-official Part-time Director	:	Chairman of the Committee*
(ii)	Shri R. T. Agarwal	Director (Finance)	:	Member
(iii)	Shri Ravi P. Singh	Director (Personnel)	:	Member

\* Co-opted as Chairman and member of the Committee w.e.f. 12.01.2016

The Company Secretary is the Secretary of the Committee.

Two meetings of the Stakeholders' Relationship Committee were held during the financial year 2015-16 i.e. on 30<sup>th</sup> November, 2015 and 30<sup>th</sup> March 2016.

**Attendance at Stakeholders' Relationship Committee meeting during the Financial Year 2015-16:**

Name	Shareholders'/Investors' Grievance Committee Meeting held during the tenure	
	Held	Attended
Shri Mahesh Shah*	01	01
Dr. K. Ramalingam*	01	01
Shri R. T. Agarwal	02	01
Shri Ravi P. Singh	02	01
Shri Jagdish I. Patel	01	01

\* Ceased to be Independent Directors w.e.f. 15<sup>th</sup> January, 2016 on completion of their tenure of three years.

**Name and designation of Compliance Officer**

Ms. Divya Tandon, Company Secretary is the Compliance Officer in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Investors' Grievances**

During the financial year ending 31<sup>st</sup> March, 2016, 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	44	44	0
2	Non receipt of dividend warrants	0	993	993	0
3	Non receipt of share certificate	0	3	3	0
4	SEBI	0	9	9	0
5	Stock Exchange	0	3	3	0
6	Advocate Notices	0	0	0	0
7	Consumer Forum/Court cases	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>1052</b>	<b>1052</b>	<b>0</b>

Investors' complaints pending as on 31<sup>st</sup> March, 2016 have been subsequently attended.

**Shares lying in Share Escrow Account**

In pursuance of Schedule V (F) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is disclosed that:

- In respect of your Company's IPO, 35,698 shares held by 185 shareholders as on 01.04.2015 were lying in the Suspense Account.
- In respect of FPO, 3735 shares held by 19 shareholders as on 01.04.2015 were lying in the Suspense Account.
- In respect of 2nd FPO, 526 shares held by 1 shareholder as on 01.04.2015 were lying in the Suspense Account.



- iv) 4 shareholders had approached POWERGRID for transfer of 603 shares from Suspense Account during the year 2015-16 in respect of IPO and POWERGRID has transferred 603 shares related to 4 shareholders during the year.
- v) 1 shareholder had approached POWERGRID for transfer of 296 shares from Suspense Account during the year 2015-16 in respect of FPO and POWERGRID has transferred 296 shares related to 1 shareholder during the year.
- vi) 1 shareholder had approached POWERGRID for transfer of 526 shares from Suspense Account during the year 2015-16 in respect of 2<sup>nd</sup> FPO and POWERGRID has transferred 526 shares related to 1 shareholder during the year.
- vii) In respect of IPO, the aggregate number of shareholders as on 31.03.2016 were 181 and the outstanding shares in the Suspense Account lying as on 31.03.2016 were 35095 shares.
- viii) In respect of FPO, the aggregate number of shareholders as on 31.03.2016 were 18 and the outstanding shares in the Suspense Account lying as on 31.03.2016 were 3439 shares.
- ix) In respect of 2<sup>nd</sup> FPO, the aggregate number of shareholders as on 31.03.2016 is 0 (Zero) and the outstanding shares in the Suspense Account lying as on 31.03.2016 is 0 (Zero).

The voting rights on the shares in Demat Suspense Account will remain frozen till the rightful owner of such shares claims the shares. These shares are lying in the demat form in a Pool Account with the Registrars i.e. M/s Karvy Computershare Pvt. Ltd. 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. The concerned entity (Company or Intermediary) takes action for redressal of the complaints and uploads Action Taken Report on line. SEBI disposes off the complaints if it is satisfied that the complaints have been redressed adequately. A Shareholder, who is not accessing SCORES can lodge his/her complaint in physical form also.

#### 3.3 Nomination and Remuneration Committee

POWERGRID had constituted Nomination and Remuneration Committee in line with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and guidelines on Corporate Governance for CPSEs issued by DPE with the following Directors as members of the Committee:

Shri R. Krishnamoorthy*	Chairman	Non-official Part-time Director
Shri R. N. Nayak**	Member	Chairman & Managing Director
Dr. Pradeep Kumar	Member	JS & FA, MOP
Smt. Jyoti Arora	Member	Jt. Secy., MOP
Shri R. K. Gupta*	Member	Non-official Part-time Director
Shri Ajay Kumar Mittal*	Member	Non-official Part-time Director

\* Ceased to be Independent Directors w.e.f. 15<sup>th</sup> January, 2016 on completion of their tenure of three years.

\*\* Superannuated on 30.09.2015.

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 Nomination and Remuneration committee was held during the Financial Year 2015-16 on 23<sup>rd</sup> April, 2015.

#### Attendance at Nomination and Remuneration Committee meeting during the Financial Year 2015-16:

Name	Nomination and Remuneration Committee meeting held during the tenure	
	Held	Attended
Shri R. Krishnamoorthy*	01	01
Shri R. N. Nayak	01	01
Dr. Pradeep Kumar	01	01
Smt. Jyoti Arora	01	Nil
Shri R. K. Gupta*	01	01
Shri Ajay Kumar Mittal*	01	01

\* Ceased to be Independent Directors w.e.f. 15<sup>th</sup> January, 2016 on completion of their tenure of three years.

Due to cessation of five Independent Directors on the Board of POWERGRID w.e.f. 15.01.2016, Nomination and Remuneration committee was not constituted and the Company was non-compliant with Section 178 of the Companies Act., 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2013 for the fourth quarter of Financial Year 2015-16.

#### PERFORMANCE EVALUATION OF DIRECTORS

The requirement of performance evaluation of directors under Section 178(2) of the Companies Act, 2013 has been done away with for Government Companies vide Ministry of Corporate Affairs' Notification dt. 5<sup>th</sup> June, 2015. The Independent Directors in their separate meeting have reviewed the work assigned to them under Schedule IV of the Companies Act, 2013.

Further, 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, Govt. of India. Independent Directors are paid only sitting fee per Board / Committee meeting 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 2015-16 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 2015-16 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 (Appointed as CMD w.e.f. 10.11.2015) and was Director (Projects) till 09.11.2015	Chairman & Managing Director	2798603.00	1486280.00	-	1603556.00	5888439.00
2.	Shri R. T. Agarwal	Director (Finance)	2702715.00	1802660.20	-	1502191.00	6007566.20
3.	Shri Ravi P. Singh	Director (Personnel)	2675286.00	991658.20	-	1500007.00	5166951.20
4.	Shri R. P. Sasmal	Director (Operations & Projects)	2648285.00	810702.70	-	1460005.00	4918992.70
5.	Shri R. N. Nayak (Superannuated on 30.09.2015)	Chairman & Managing Director	1314296.00	1959878.40	-	1716437.00	4990611.40

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 2015-16 are given below:

(₹ in lacs.)

Name of Non-official Part-time Directors	Sitting Fee		Total (₹)
	Board Meeting (in ₹)	Committee of Board of Directors Meeting (in ₹)	
Shri R. K. Gupta*	2.16	2.52	4.68
Dr. K. Ramalingam*	1.98	1.26	3.24
Shri R. Krishnamoorthy*	1.98	4.32	6.30
Shri Ajay Kumar Mittal*	2.34	5.22	7.56
Shri Mahesh Shah*	2.34	2.52	4.86
Shri Jagdish Ishwarbhai Patel	0.72	0.36	1.08

\*Shri R.K. Gupta, Dr. K. Ramalingam, Shri R. Krishnamoorthy, Shri Ajay Kumar Mittal and Shri Mahesh Shah ceased to be Independent Directors w.e.f. 15<sup>th</sup> January, 2016 on completion of their tenure of three years in terms of Government's Letter referred to above

As on 31.03.2016, the Directors' Shareholding were as under:

S.No.	Name of Directors	No. of Equity Shares Held
1.	Shri I. S. Jha	2998
2.	Shri R. T. Agarwal	3056
3.	Shri Ravi P. Singh	9016
4.	Shri R. P. Sasmal	1798
5.	Dr. Pradeep Kumar	Nil
6.	Smt. Jyoti Arora	Nil
7.	Shri Jagdish Ishwarbhai Patel	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.

The composition of Committee on Investment on Projects during the financial year 2015-16 was as under:

(i)	Shri R.N. Nayak*	Chairman	CMD
(ii)	Shri I.S. Jha	Member	Director (Projects)
(iii)	Shri R. T. Agarwal	Member	Director (Finance)
(iv)	Dr. Pradeep Kumar	Member	JS & FA, Govt. Nominee Director
(v)	Smt. Jyoti Arora	Member	JS (Trans.) Govt. Nominee Director
(vi)	Shri R. Krishnamoorthy**	Member	Non-official Part-time Director
(vii)	Shri Ajay Kumar Mittal**	Member	Non-official Part-time Director

\* Superannuated on 30.09.2015

\*\* Ceased to be Independent Directors w.e.f. 15<sup>th</sup> January, 2016 on completion of their tenure of three years.

On cessation of five Independent Directors on the Board of POWERGRID w.e.f. 15.01.2016, in terms of the Government's letter referred to above, the Committee on Investment on Projects was reconstituted with following directors as chairman/members on the Committee on Investment on Projects:

(i)	Shri I. S. Jha	CMD	:	Chairman of the Committee
(ii)	Shri R. P. Sasmal	Director (Projects & Operations)	:	Member
(iii)	Shri R. T. Agarwal	Director (Finance)	:	Member
(iv)	Dr. Pradeep Kumar	JS & FA, Govt. Nominee Director	:	Member
(v)	Smt. Jyoti Arora	JS(Trans.),Govt. Nominee Director	:	Member

Eight meetings of the Committee on Investment on Projects were held during the financial year 2015-16.

### 3.5 Committee on Award of Contracts

This Committee of Directors has been constituted for approval of award of contracts of value more than ₹ 30 Cr. but not exceeding ₹ 100 Cr. As on 31<sup>st</sup> March, 2016, the following Directors were members of the Committee:

(i)	Shri I. S. Jha	CMD	:	Chairman of the Committee
(ii)	Shri R. T. Agarwal	Director (Finance)	:	Member
(iii)	Shri R. P. Sasmal	Director (Operations & Projects)*	:	Member
(iv)	Smt. Jyoti Arora	JS (Trans.),Govt. Nominee Director	:	Member

\* Shri R. P. Sasmal Director (Operations) has taken over the additional charge of Director (Projects) w.e.f. 24.11.2015 till 22.11.2016 or till the regular appointment is made or until future orders, whichever is the earliest.

The composition of Committee on Award of Contracts during the financial year 2015-16 was:

(i)	Shri R. N. Nayak*	CMD	:	Chairman of the Committee
(ii)	Shri I. S. Jha	Director (Projects)	:	Member
(iii)	Shri R. T. Agarwal	Director (Finance)	:	Member
(iv)	Shri R. P. Sasmal	Director (Operations)	:	Member
(v)	Smt. Jyoti Arora	JS (Trans.),Govt. Nominee Director	:	Member
(vi)	Shri R. K. Gupta**	Non-official Part-time Director	:	Member
(vii)	Shri Ajay Kumar Mittal**	Non-official Part-time Director	:	Member

\* Superannuated on 30.09.2015

\*\* Ceased to be Independent Directors w.e.f. 15<sup>th</sup> January, 2016 on completion of their tenure of three years.

Twelve meetings of the Committee on Award of Contracts were held during the financial year.

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

The Company has re-constituted a Committee of Directors for Transfer/ Split/ Rematerialisation etc. with following directors as Chairman/ Members on elevation of Shri I. S. Jha, Director (Projects) to the post of Chairman & Managing Director of the Company.

(i)	Shri Ravi P. Singh - Director (Personnel)	- Chairman
(ii)	Shri R. P. Sasmal - Director (Projects & Operations)*	- Member
(iii)	Shri R. T. Agarwal - Director (Finance)	- Member

\* Shri R. P. Sasmal Director (Operations) has taken over the additional charge of Director (Projects) w.e.f. 24.11.2015 till 22.11.2016 or till the regular appointment is made or until future orders, whichever is the earliest.



The composition of Committee for Transfer/Split/Rematerialization etc. of Shares during the financial year 2015-16 was:

- |       |   |               |
|-------|---|---------------|
| (i)   | Shri Ravi P. Singh - Director (Personnel) | - Chairman    |
| (ii)  | Shri I. S. Jha - Director (Projects)*     | - Member, and |
| (iii) | Shri R. T. Agarwal - Director (Finance)   | - Member      |

\*Elevated to the post of CMD w.e.f. 10.11.2015 - in his place Shri R.P. Sasmal, Director (Operations & Projects) was co-opted as member of this Committee.

Share Transfers effected during the year have been well within the time prescribed by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Eighteen meetings of the Committee for Transfer/Split/Rematerialization etc. of Shares were held during the financial year 2015-16.

### 3.7 Committee for Bonds

The Board of Directors of the Company has constituted a Committee of Directors to consider and approve allotment, transfer, transmission, splitting and consolidation of POWERGRID Bonds/Allotment Letters and other matters relating to the Bonds including appointment of Merchant Bankers, Registrar to the Issue etc. As on 31<sup>st</sup> March, 2016, the Committee for Bonds comprised following directors as members:

- |       |   |            |
|-------|---|------------|
| (i)   | Shri I. S. Jha - Chairman & Managing Director         | - Chairman |
| (ii)  | Shri R. T. Agarwal - Director (Finance)               | - Member   |
| (iii) | Shri R. P. Sasmal - Director (Operations & Projects)* | - Member   |

\* Shri R. P. Sasmal Director (Operations) has taken over the additional charge of Director (Projects) w.e.f. 24.11.2015 till 22.11.2016 or till the regular appointment is made or until future orders, whichever is the earliest.

Twenty three meetings of the Committee for Bonds were held during the financial year 2015-16.

### 3.8 Committee for Award of Contracts relating to RE and other Deposit Works

This Committee of Directors was constituted to conduct RGGVY Programme of Govt. of India. The power of this committee is to award the contracts relating to RE and other Deposit Works for more than ₹ 30 Cr. and up to ₹ 100 Cr. As on 31<sup>st</sup> March, 2016, the Committee comprised following directors as members:

- |      |  |            |
|------|--|------------|
| i)   | Shri I. S. Jha, CMD                                  | - Chairman |
| ii)  | Shri R. T. Agarwal, Director (Finance)               | - Member   |
| iii) | Shri Ravi P. Singh, Director (Personnel)             | - Member   |
| iv)  | Shri R. P. Sasmal, Director (Operations & Projects)* | - Member   |

\* Shri R. P. Sasmal Director (Operations) has taken over the additional charge of Director (Projects) w.e.f. 24.11.2015 till 22.11.2016 or till the regular appointment is made or until future orders, whichever is the earliest.

Five meetings of the Committee for Award of Contracts relating to RE and other Deposit Works were held during the financial year 2015-16.

### 3.9 CSR Committee

POWERGRID has constituted a CSR Committee in line with the requirements of the Companies Act, 2013 and Department of Public Enterprises' Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises'. As on 31<sup>st</sup> March, 2016, the CSR Committee comprised following directors as members:

- |       |                       |                                    |   |                           |
|-------|-----------------------|------------------------------------|---|---------------------------|
| (i)   | Shri I. S. Jha        | CMD                                | : | Chairman of the Committee |
| (ii)  | Shri Ravi P. Singh    | Director (Personnel)               | : | Member                    |
| (iii) | Shri R. T. Agarwal    | Director (Finance)                 | : | Member                    |
| (iv)  | Shri R. P. Sasmal     | Director (Projects & Operations)*  | : | Member                    |
| (v)   | Smt. Jyoti Arora      | JS(Trans.), Govt. Nominee Director | : | Member                    |
| (vi)  | Shri Jagdish I. Patel | Non-official Part-time Director    | : | Member**                  |

\* Shri R. P. Sasmal Director (Operations) has taken over the additional charge of Director (Projects) w.e.f. 24.11.2015 till 22.11.2016 or till the regular appointment is made or until future orders, whichever is the earliest.

\*\*Co-opted as member of the Committee w.e.f. 12.01.2016.



The composition of CSR Committee earlier in the Financial Year 2015-16 was as under:

(i)	Shri R. N. Nayak*	CMD	:	Chairman of the Committee
(ii)	Shri Ravi P. Singh	Director (Personnel)	:	Member
(iii)	Shri R. T. Agarwal	Director (Finance)	:	Member
(iv)	Shri I. S. Jha	Director (Projects)	:	Member
(v)	Shri Mahesh Shah**	Non-official Part-time Director	:	Member
(vi)	Dr. K. Ramalingam**	Non-official Part-time Director	:	Member
(vii)	Shri R. K. Gupta**	Non-official Part-time Director	:	Member
(viii)	Smt. Jyoti Arora	JS(Trans.),Govt. Nominee Director	:	Member

\* Superannuated on 30.09.2015

\*\* Ceased to be Independent Directors w.e.f. 15<sup>th</sup> January, 2016 on completion of their tenure of three years.

Two meetings of the CSR Committee were held during the financial year 2015-16.

### 3.10 Risk Management Committee

POWERGRID had constituted Risk Management Committee in line with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the following Directors as members of the Committee:

Shri R. P. Sasmal	Director(Operations & Projects)*	Chairman
Shri R. T. Agarwal	Director(Finance)	Member
Shri R. P. Singh	Director(Personnel)	Member

\* Shri R. P. Sasmal Director (Operations) has taken over the additional charge of Director (Projects) w.e.f. 24.11.2015 till 22.11.2016 or till the regular appointment is made or until future orders, whichever is the earliest.

The composition of Risk Management Committee earlier in the Financial Year 2015-16 was as under:

Shri R. Krishnamoorthy*	Chairman	Non-official Part-time Director
Shri Mahesh Shah*	Member	Non-official Part-time Director
Shri I. S. Jha	Member	Director (Projects)
Shri R. P. Sasmal	Member	Director (Operations)

\* Ceased to be Independent Directors w.e.f. 15<sup>th</sup> January, 2016 on completion of their tenure of three years.

Three meetings of Risk Management Committee were held during the Financial Year 2015-16.

The 'Enterprise Risk Management Framework' (ERM framework) has been implemented in POWERGRID. The details of the same are given in Management Discussion and Analysis.

### 3.11 Vigilance Disciplinary Cases Committee

Due to demitting of office by five Independent Directors on the Board of POWERGRID w.e.f. 15.01.2016, Vigilance Disciplinary Cases Committee was not constituted for the fourth quarter of Financial Year 2015-16.

The composition of Vigilance Disciplinary Cases Committee earlier in the Financial Year 2015-16 was as under:

(i)	Dr. K. Ramalingam*	Non-official Part-time Director	:	Chairman of the Committee
(ii)	Shri R. Krishnamoorthy*	Non-official Part-time Director	:	Member
(iii)	Shri Ravi P. Singh	Director (Personnel)	:	Member

\* Ceased to be Independent Directors w.e.f. 15<sup>th</sup> January, 2016 on completion of their tenure of three years.

Three meetings of Vigilance Disciplinary Cases Committee were held in the Financial Year 2015-16.

### 4. Monitoring of Subsidiaries:

The Company does not have any material unlisted Subsidiary Company in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or the subsidiaries as defined under Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Govt. of India. However, minutes of the meeting of the Board of Directors of the subsidiaries are placed before the Company's Board periodically. Further, pursuant to Regulations 16 (c) and 43 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, POWERGRID has formulated a policy for determining 'material' subsidiaries and the policy has been disclosed on the company's website and a web link thereto is also given as under:

[http://www.powergridindia.com/\\_layouts/PowerGrid/WriteReadData/file/Investors/Code%20of%20conduct/06\\_Policy%20on%20Subsidiaries.pdf](http://www.powergridindia.com/_layouts/PowerGrid/WriteReadData/file/Investors/Code%20of%20conduct/06_Policy%20on%20Subsidiaries.pdf)

**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
2012-13	19 <sup>th</sup> September, 2013	11.00 a.m.	Air Force Auditorium, Subroto Park, New Delhi-110 010	3
2013-14	18 <sup>th</sup> September, 2014	11.00 a.m.	Air Force Auditorium, Subroto Park, New Delhi-110 010	1
2014-15	15 <sup>th</sup> September, 2015	11.00 a.m.	Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi	2

**Resolutions passed through Postal Ballot:**

The Shareholders of the Company have approved with requisite majority, the Special Resolutions under the provisions of the Companies Act, 2013 for :

- (1) To raise funds in INR or any other acceptable foreign currency as permitted by RBI upto ₹13,000 Crore, from domestic / external sources through issue of secured / unsecured, non-convertible, non-cumulative, redeemable, taxable / tax-free Bonds under Private Placement during the Financial Year 2015-16, in upto eight tranches / offers and each tranche / offer shall be upto ₹2,000 Crore of Bonds with / without Green Shoe Option.
- (2) To provide any security(ies) / guarantee(s) in connection with loan(s) and/or any form of debt including ECBs and/or provide inter corporate loan(s) on cost to cost basis and back to back servicing, or a combination thereof, upto an amount of ₹1,400 Crore (Rupees One Thousand Four Hundred Crore Only) to Project SPVs acquired / to be acquired by POWERGRID under Tariff based competitive bidding viz., Vindhyachal Jabalpur Transmission Limited, Gadarwara (A) Transco Limited and Gadarwara (B) Transmission Limited.
- (3) To render all inputs and services as may be required on cost to cost basis to the Project SPVs acquired / to be acquired by POWERGRID under Tariff based competitive bidding viz., Vindhyachal Jabalpur Transmission Limited, Gadarwara (A) Transco Limited and Gadarwara (B) Transmission Limited on cost to cost basis through postal ballot pursuant to Section 110 of the companies act 2013 vide notice dated 8<sup>th</sup> April 2015.

Notice dated 8<sup>th</sup> April 2015 was served to all shareholders for voting through postal ballot as per the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. Ms. Savita Jyoti, Practicing Company Secretary was appointed as scrutinizer for conduct of Postal Ballot. The details of the voting are as under:

- (1) **To raise funds in INR or any other acceptable foreign currency as permitted by RBI upto ₹13,000 Crore, from domestic / external sources through issue of secured / unsecured, non-convertible, non-cumulative, redeemable, taxable / tax-free Bonds under Private Placement during the Financial Year 2015-16, in upto eight tranches / offers and each tranche / offer shall be upto ₹2000 Crore of Bonds with / without Green Shoe Option.**

2407 total number of Ballots received

Promoter/Public	No. of Shares Held (1)	No. of Votes Polled (2)	% of Votes Polled on Outstanding shares (3) = $[2/1]*100$	No. of Votes in favour (4)	No. of votes Against (5)	% of votes in favour on votes Polled (6) = $[4/2]*100$	% of votes against on votes Polled (7) = $[5/2]*100$
Promoter and Promoter Group	3028835198	3028835198	100.000	3028835198	0	100.000	0.000
Public - Institutional Holders	1856722375	1576146436	84.889	1574810895	1335541	99.915	0.085
Public - Others	346032075	20501001	5.925	20478434	22567	99.890	0.110
Total	5231589648	4625482635	88.414	4624124527	1358108	99.971	0.029

- (2) **To provide any security(ies) / guarantee(s) in connection with loan(s) and/or any form of debt including ECBs and/or provide inter corporate loan(s) on cost to cost basis and back to back servicing, or a combination thereof, upto an amount of ₹1,400 Crore (Rupees One Thousand Four Hundred Crore Only) to Project SPVs acquired / to be acquired by POWERGRID under Tariff based competitive bidding viz., Vindhyachal Jabalpur Transmission Limited, Gadarwara (A) Transco Limited and Gadarwara (B) Transmission Limited.**

2407 total number of Ballots received

Promoter/Public	No. of Shares Held (1)	No. of Votes Polled (2)	% of Votes Polled on Outstanding shares (3) = $[2/1]*100$	No. of Votes in favour (4)	No. of votes Against (5)	% of votes in favour on votes Polled (6) = $[4/2]*100$	% of votes against on votes Polled (7) = $[5/2]*100$
Promoter and Promoter Group	3028835198	3028835198	100.000	3028835198	0	100.000	0.000
Public - Institutional Holders	1856722375	1576146436	84.889	1574810895	1335541	99.915	0.085
Public - Others	346032075	20497804	5.924	20468114	29690	99.855	0.145
Total	5231589648	4625479438	88.414	4624114207	1365231	99.970	0.030



**(3) To render all inputs and services as may be required on cost to cost basis to the Project SPVs acquired / to be acquired by POWERGRID under Tariff based competitive bidding viz., Vindhyachal Jabalpur Transmission Limited, Gadawara (A) Transco Limited and Gadawara (B) Transmission Limited.**

2407 total number of Ballots received

Promoter/Public	No. of Shares Held (1)	No. of Votes Polled (2)	% of Votes Polled on Outstanding shares (3) = $[2/1]*100$	No. of Votes in favour (4)	No. of votes Against (5)	% of votes in favour on votes Polled (6) = $[4/2]*100$	% of votes against on votes Polled (7) = $[5/2]*100$
Promoter and Promoter Group	3028835198	3028835198	100.000	3028835198	0	100.000	0.000
Public - Institutional Holders	1856722375	1576101314	84.886	1576101314	0	100.000	0.000
Public - Others	346032075	20493543	5.922	20465293	28250	99.862	0.138
Total	5231589648	4625430055	88.413	4625401805	28250	99.999	0.001

The Special Resolutions as mentioned in the notice of the postal ballot dt. 8<sup>th</sup> April, 2015 have been passed with requisite majority.

**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 Accounting Standard – 18 issued by the Institute of Chartered Accountants of India and notified by the Central Government in consultation with National Advisory Committee on Accounting Standards.
- (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 subsidiary' Company.
- (IV) POWERGRID established Enterprise Risk Management Framework and Internal Control Framework for CEO/CFO Certification. General Manager (Corporate Planning) has been appointed as Chief Risk Officer of the Company.
- (V) There are no material individual transactions with related parties which are not in the normal course of business.
- (VI) There are no material individual transactions with related parties or others, which are not on an arm's length basis. Further, pursuant to Regulation 23 SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, POWERGRID has formulated a policy on materiality of related party transactions and disclose the same on the website of POWERGRID and a web link is provided as under:  
[http://www.powergridindia.com/\\_layouts/PowerGrid/WriteReadData/file/Investors/Code%20of%20conduct/11\\_Policy%20on%20Related%20Party%20Transactions.pdf](http://www.powergridindia.com/_layouts/PowerGrid/WriteReadData/file/Investors/Code%20of%20conduct/11_Policy%20on%20Related%20Party%20Transactions.pdf)
- (VII) The Company has complied with the requirements of the Clause 49 of erstwhile Listing Agreements / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India as well as Regulations and Guidelines prescribed by SEBI. POWERGRID is non-compliant w.r.t. composition of (i) Board of Directors (ii) Audit Committee and (ii) Nomination and Remuneration Committee due to vacant posts of six Independent Directors on the Board of POWERGRID, which is to be filled up by the Government of India. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related to capital markets, during the year.
- (VIII) The Company has separate Vigilance Department which deals with fraud or suspected fraud involving employees/representatives of suppliers, contractors, consultants, service provider or any other party doing business with POWERGRID. Whistle Blower and Fraud Prevention Policy have been approved by the Board of Directors and the same has been uploaded on the website of POWERGRID. The web link of the Whistle Blower and Fraud Prevention Policy is as under:  
[http://www.powergridindia.com/\\_layouts/PowerGrid/WriteReadData/file/Investors/Code%20of%20conduct/10\\_Whistle%20Blower%20and%20Fraud%20Prevention%20Policy-Estt\(Nish\).pdf](http://www.powergridindia.com/_layouts/PowerGrid/WriteReadData/file/Investors/Code%20of%20conduct/10_Whistle%20Blower%20and%20Fraud%20Prevention%20Policy-Estt(Nish).pdf)
- (IX) The Balance Sheet, Profit and Loss Account and Cash Flow Statement for the financial year 2015-16 have been prepared as per the Accounting Standards referred to in Section 133 of the Companies Act, 2013.
- (X) The Company has adopted all suggested items to be included in the Report of Corporate Governance. Information on adoption (and compliance) / Non-adoption of the non-mandatory requirements is placed 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been made except composition of (i) Board of Directors (ii) Audit Committee and (ii) Nomination and Remuneration Committee due to vacant posts of six Independent Directors on the Board of POWERGRID, which is to be filled up by the Government of India.



**CEO/CFO Certification**

As required by Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Compliance Certificate as specified in Part B of Schedule II of the said Regulation duly signed by Shri I. S. Jha, Chairman & Managing Director and Shri R. T. Agarwal, Director (Finance) was placed before the Board of Directors at the meeting held on 26<sup>th</sup> May, 2016.

**7. Means of Communication**

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

The Company also communicates with its Institutional shareholders through Analysts and Investors meets held during the end of each quarter where Directors and Senior Officials of the Company interact with the investing community.

Information and latest updates and announcements made by the Company can be accessed at Company's website: [www.powergridindia.com](http://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 habits, our Company has sent the Annual Report and other communications to large number of shareholders from the Financial Year 2010-2011 onwards through e-mail of the shareholders registered with NSDL/ CDSL and after seeking their consent to send the Annual Reports through e-mail. This was in compliance of 'Green Initiative in the Corporate Governance' by Ministry of Corporate Affairs, Government of India and now under Sections 101 & 136 of the Companies Act, 2013 allowing paperless communication by the companies to the shareholders.

**Quarterly Results**

Publication of Financial Results in Newspapers			
Sl. No.	Publication of Financial Results for the quarter ended	Date(s) of publication	Newspapers
1.	30/06/2015	12/08/2015 & 13/08/2015	Times of India, Economic Times, Hindustan Times, Mint, Financial Express, Jansatta, New Indian Express, Amar Ujala, Divya Bhaskar, Hindustan Hindi
2.	30/09/2015	05/11/2015 & 06/11/2015	Times of India, Economic Times, Hindustan Times, Mint, Business Line, Pioneer, New Indian Express, Dainik Jagran, Rajasthan Patrika, Aaj
3.	31/12/2015	29/01/2016 & 30/01/2016	Times of India, Economic Times, Hindustan Times, Mint, Indian Express, Financial Express, Jansatta, Amar Ujala, Divya Bhaskar, Hindustan
4.	31/03/2016	25/05/2016 & 30/05/2016	Times of India, Economic Times, Hindustan Times, Mint, Business Standard, Dainik Jagran, Rajasthan Patrika, Business Line

These Results are also displayed at Company's website [www.powergridindia.com](http://www.powergridindia.com)

**Official Releases and Presentations**

The Company's official news releases, other press coverage, presentations made to institutional investors and 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 Conduct and Ethics for Senior Management Personnel' are available at the website of the Company.

**Declaration required under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

All the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Business Conduct and Ethics for the financial year ended 31<sup>st</sup> March, 2016.

New Delhi  
Dt. 20.07.2016

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:

POWERGRID's Board has five Independent Directors till 15<sup>th</sup> January, 2016. During the financial year ended 31<sup>st</sup> March, 2016, one meeting of Independent Directors was held on 10.08.2015 without the attendance of Functional Directors and Government Directors and the members of management.

## 11. Familiarization programme for Independent Directors:

The Company familiarizes the independent directors with the company, 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:

[http://www.powergridindia.com/\\_layouts/PowerGrid/User/ContentPage.aspx?PID=336&LangID=English](http://www.powergridindia.com/_layouts/PowerGrid/User/ContentPage.aspx?PID=336&LangID=English)

## 12. General Shareholders' Information

### i) Annual General Meeting

Date : 16<sup>th</sup> September, 2016  
Time : 11:00 a.m.  
Venue : Manekshaw Centre, Parade Road, Delhi Cantt. , New Delhi

### ii) Financial Year

The Company's Financial Year is from 1<sup>st</sup> April to 31<sup>st</sup> March.

### iii) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from 10<sup>th</sup> September, 2016 to 16<sup>th</sup> September, 2016 (both days inclusive).

### iv) Payment of dividend

The Board of Directors of the Company has recommended declaration of a final Dividend of 15.10% (₹ 1.50 per share) for the financial year ended 31<sup>st</sup> March, 2016 in addition, an Interim Dividend of 8% (₹ 0.80 per share) paid on 16<sup>th</sup> February, 2016. [Dividend paid in the Previous Year was ₹ 1,046.32 Crore i.e. 20.00% (6.90% Interim Dividend and 13.10% Final Dividend)].

The record date for the payment of Dividend is 9<sup>th</sup> September, 2016.

### v) Dividend History

Year	Total Paid-up Capital as on 31 <sup>st</sup> March of the Year (₹ in Crore)	Total Amount of Dividend Paid for the Financial Year (₹ in Crore)	Date of AGM in which dividend was declared	Date of Payment of Final Dividend
2009-10	4208.84	631.34	24.09.2010	19.10.2010
2010-11	4629.73	810.23	19.09.2011	07.10.2011
2011-12	4629.73	976.87	19.09.2012	08.10.2012
2012-13	4629.73	1,273.17	19.09.2013	10.10.2013
2013-14	5231.59	1,349.75	18.09.2014	09.10.2014
2014-15	5231.59	1,046.32	15.09.2015	06.10.2015
2015-16	5231.59	418.53*	27.01.2016**	16.02.2016#

\* 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:

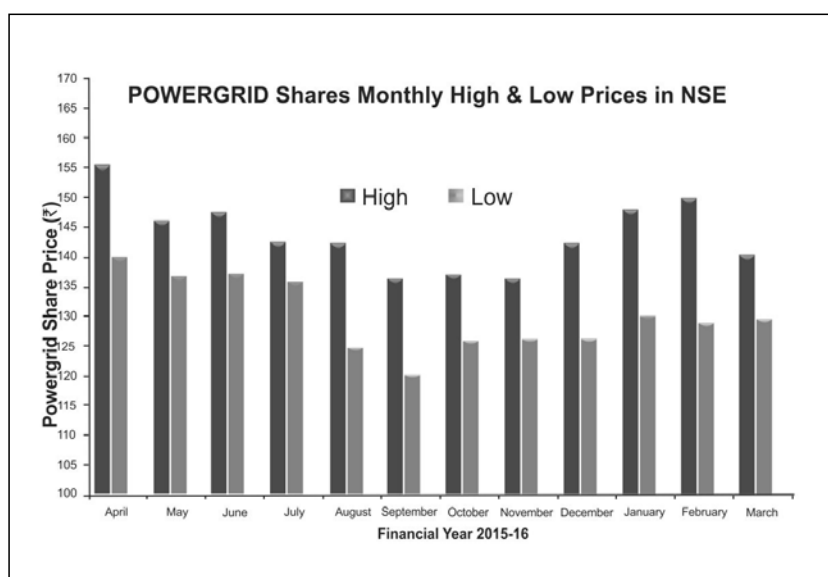
<b>National Stock Exchange of India Limited.</b> Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.	<b>BSE Ltd.,</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
<b>Scrip Code : POWERGRID EQ</b>	<b>Scrip Code: 532898</b>
<b>Stock Code: ISIN – INE752E01010</b>	

The payment of annual listing fee for the Financial Year 2016-17 has been made to National Stock Exchange of India Limited and BSE Ltd.



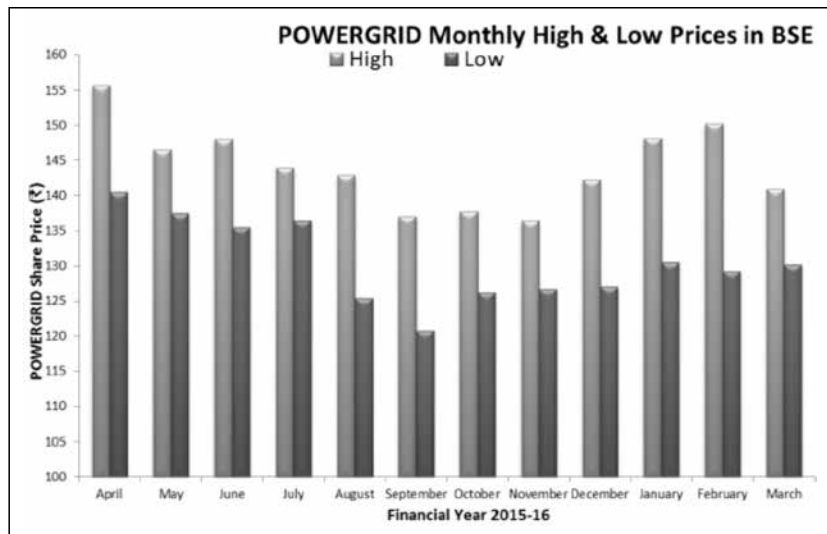
vii) POWERGRID's Shares Market Price Data - NSE

	High (₹)	Low (₹)	Sum of Turnover in Lac (₹) during the Month
April, 2015	156	140.4	47472.43
May, 2015	146.65	137.4	78893.68
June, 2015	148.2	137.65	89557.66
July, 2015	143.3	136.4	37486.87
August, 2015	142.9	125.15	47032.45
September, 2015	137	120.55	50488.51
October, 2015	137.55	126.2	36745.95
November, 2015	136.9	126.65	42162.97
December, 2015	142.75	126.75	77661.72
January, 2016	148.4	130.55	143715.86
February, 2016	150.35	129.2	156998.41
March, 2016	141	130.25	157827.78

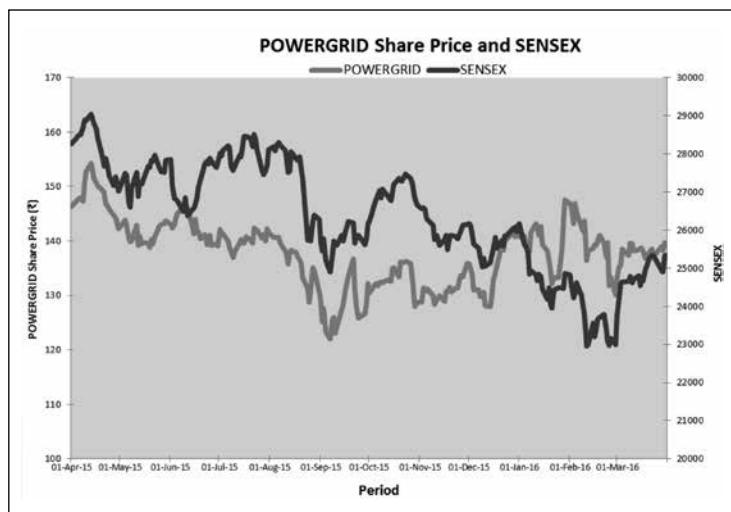
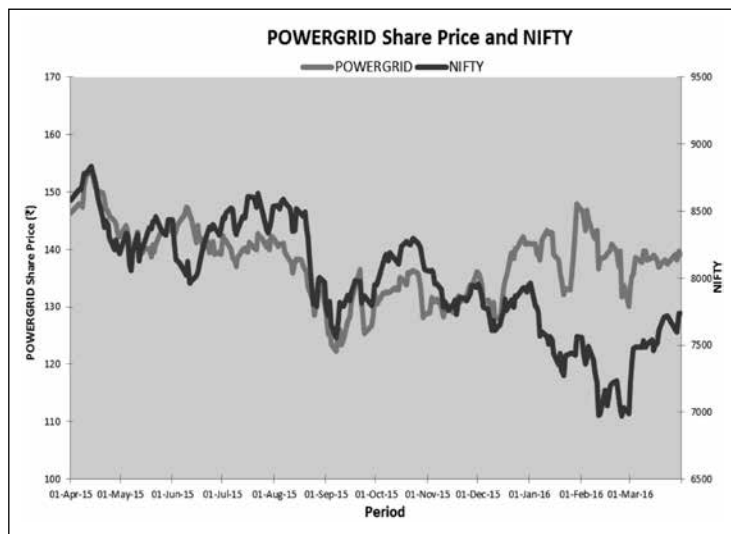


viii) POWERGRID's Shares Market Price Data - BSE

	High (₹)	Low (₹)	Sum of Turnover in Lac (₹) during the Month
April, 2015	155.7	140.5	4727.91
May, 2015	146.55	137.5	28751.88
June, 2015	148	135.55	3337.85
July, 2015	144	136.4	2779.47
August, 2015	142.9	125.4	5274.30
September, 2015	137	120.75	3230.28
October, 2015	137.7	126.25	2238.60
November, 2015	136.5	126.7	3453.06
December, 2015	142.3	127	2625.99
January, 2016	148.2	130.55	8417.23
February, 2016	150.2	129.25	7765.01
March, 2016	141	130.2	11366.39



**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 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@mcsregistrarars.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 31<sup>st</sup> March, 2016**

Shares held by different categories of shareholders and according to the size of the holdings as on 31<sup>st</sup> March, 2016 are given below:

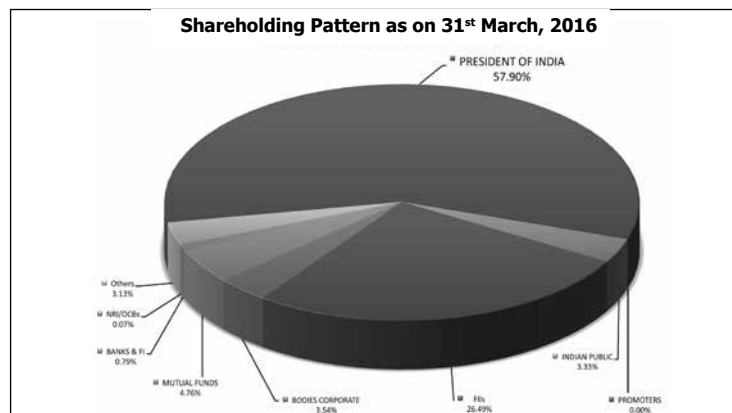
**According to Size**

**a. Distribution of shareholding according to size, % of holding as on 31<sup>st</sup> March, 2016:**

Category	No. of Cases	% of Cases	Amount	% of Amount
1 – 5000	638277	90.41	968775670.00	1.85
5001 - 10000	42591	6.03	292764160.00	0.56
10001 - 20000	19547	2.77	249218210.00	0.48
20001 - 30000	2059	0.29	50828470.00	0.10
30001 - 40000	855	0.12	30232740.00	0.06
40001 - 50000	542	0.08	25173180.00	0.05
50001 - 100000	863	0.12	61300350.00	0.12
100001 & Above	1276	0.18	50637603700.00	0.12
<b>TOTAL</b>	<b>706010</b>	<b>100.00</b>	<b>52315896480.00</b>	<b>100.00</b>

**b. Shareholding pattern as on 31<sup>st</sup> March, 2016**

Sl. No.	Category	Total Shares	% To Equity
1	PRESIDENT OF INDIA	3028835198	57.90
2	PROMOTERS	0	0.00
3	INDIAN PUBLIC	174089797	3.33
4	FII's /FCB/FPI	1385985927	26.49
5	BODIES CORPORATE	185247255	3.54
6	MUTUAL FUNDS	249258323	4.76
7	BANKS & FI	41222176	0.79
8	NRI/OCBs	3403231	0.07
9	OTHERS	163547741	3.13
	<b>Total</b>	<b>5231589648</b>	<b>100</b>



### c. Major Shareholders

Details of Shareholders holding more than 1% of the paid-up capital of the Company as on 31<sup>st</sup> March, 2016 are given below:

S. No.	Name of the shareholder	Shares	% Equity	Category
1	PRESIDENT OF INDIA *	2927565398	55.96	POI
2	EUROPACIFIC GROWTH FUND	201847722	3.86	FII
3	LIFE INSURANCE CORPORATION OF INDIA	131741859	2.52	INS
4	PRESIDENT OF INDIA**	101269800	1.94	POI
5	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	87236431	1.67	LTD
6	COMGEST GROWTH PLC - COMGEST GROWTH EMERGING MARKET	74281497	1.42	FPI
7	NEW WORLD FUND INC	66671261	1.27	FII
8	CAPITAL WORLD GROWTH AND INCOME FUND	64038000	1.22	FII
9	MAGELLAN	60267770	1.15	FPI
10	AMERICAN FUNDS INSURANCE SERIES INTERNATIONAL FUND	54907097	1.05	FII

\* represented through Ministry of Power

\*\* represented through Ministry of DoNER

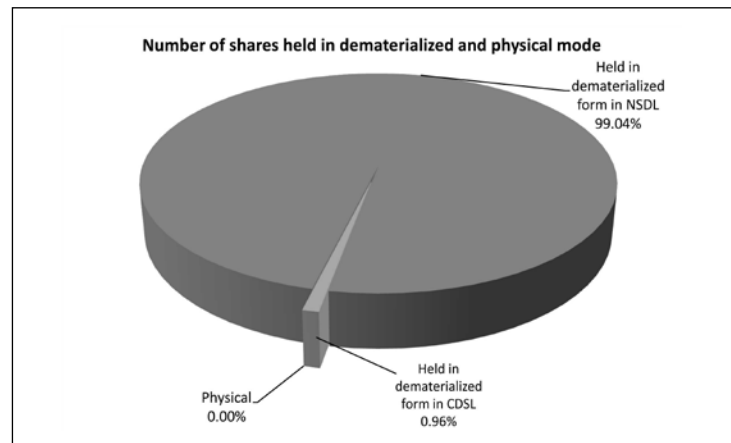
### xiii) Dematerialization of Shares

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 Exchanges within stipulated time.

#### No. of shares held in dematerialized and physical mode:

S. No		Number of Holders	Number of Shares	% of total capital issued
1	Physical	27352	45559	0.00
2	Held in dematerialized form in NSDL	477364	5181478180	99.04
3	Held in dematerialized form in CDSL	201294	50065909	0.96
	<b>Total</b>	<b>706010</b>	<b>5231589648</b>	<b>100.00</b>



The name and addresses of the Depositories are as under:

#### 1. National Securities Depository Limited

Trade World, 4<sup>th</sup> Floor,  
Kamala Mills Compound, Senapathi Bapat Marg,  
Lower Parel, Mumbai – 400 013.

#### 2. Central Depository Services (India) Limited

Phiroze Jeejeebhoy Towers,  
17<sup>th</sup> 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@powergridindia.com	
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) for the purpose.

Accordingly, the said documents will be sent by e-mail to those members who have registered their e-mail address(es) with their DP/the company, in terms of the said clause

**Annexure-'A'****Non-Mandatory Requirements**

- The Board:** The Company is headed by an executive Chairman.
- Shareholder Rights:** The financial results for the half year ended 30<sup>th</sup> September, 2015 were published in Times of India and Economics Times dated 5<sup>th</sup> November, 2015 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](http://www.powergridindia.com).
- Audit qualifications:** The financial statement for the year 2015-16 has no audit qualifications as detailed in the 'Independent Auditors' report.
- Separate posts of Chairman and CEO:** POWERGRID being a Government Company, the post of Chairman and Managing Director exists; there is no separate post of CEO.
- Reporting of Internal Auditor:** The Internal auditor directly report to the Audit Committee.

**Certificate on Corporate Governance:**

The Certificate on Corporate Governance has been published as annexure-VIII to the Directors' Report.

For and on behalf of the Board of Directors

**(I. S. JHA)**

Chairman & Managing Director

Place: New Delhi  
Date: 08.08.2016



## ANNEXURE - VIII TO THE DIRECTORS' REPORT

**Certificate on Corporate Governance**

To

The Members,

**Power Grid Corporation of India Limited**

I have examined the compliance of conditions of corporate governance by Power Grid Corporation of India Limited, for the year ended on 31<sup>st</sup> March, 2016 as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 complied with all the conditions of Corporate Governance as stipulated in the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, except that the corporation did not meet with the requirement of the composition of the Board throughout the year and the composition of the Audit Committee in the last quarter as indicated in the Report. .

I further state that such compliance is neither an assurance as to the future viability of the Corporation nor the efficiency or effectiveness with which the management has conducted the affairs of the Corporation.

Place : New Delhi

Date : 04.08.2016

**(T.V. NARAYNASWAMY)**

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.

<b>1</b>	<b>Details of contracts or arrangements or transactions not at arm's length basis</b>	
	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	-
<b>2</b>	<b>Details of material contracts or arrangement or transactions at arm's length basis</b>	
<b>(A)</b>	<b>a) Name(s) of the related party and nature of relationship</b>	<ol style="list-style-type: none"> <li>1. POWERGRID NM Transmission Limited</li> <li>2. POWERGRID Vizag Transmission Limited</li> <li>3. POWERGRID Unchahar Transmission Limited</li> <li>4. POWERGRID Kala Amb Transmission Limited</li> <li>5. POWERGRID Jabalpur Transmission Limited</li> <li>6. POWERGRID Warora Transmission Limited</li> <li>7. POWERGRID Parli Transmission Limited</li> <li>8. POWERGRID Southern Interconnector Transmission System Limited</li> </ol> <p>The aforementioned Project SPVs are 100% wholly owned subsidiaries of POWERGRID acquired by POWERGRID under Tariff Based Competitive Bidding (TBCB).</p>
	<b>b) Nature of contracts / arrangements / transactions</b>	<p>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 and back to back servicing, or a combination thereof, upto an amount of ₹7,324 Crore (Rupees Seven thousand three hundred and Twenty four Crore only) to aforementioned Project SPVs .</p> <p>However, the agreements entered into are presently limited to ₹6,714 crore as per the following amounts:</p> <ol style="list-style-type: none"> <li>1. POWERGRID NM Transmission Limited... ₹800Cr</li> <li>2. POWERGRID Vizag Transmission Limited... ₹1200Cr</li> <li>3. POWERGRID Unchahar Transmission Limited... ₹90Cr</li> <li>4. POWERGRID Kala Amb Transmission Limited... ₹300Cr</li> <li>5. POWERGRID Jabalpur Transmission Limited.... ₹400Cr</li> <li>6. POWERGRID Warora Transmission Limited.... ₹500Cr</li> <li>7. POWERGRID Parli Transmission Limited.... ₹500Cr</li> <li>8. POWERGRID Southern Interconnector Transmission System Limited.... ₹2924Cr</li> </ol> <p>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 8 @ 5% of the actual project cost (excl. IDC and Consultancy Fee) plus service tax as applicable.</p>
	<b>a) Duration of the contracts / arrangements / transactions</b>	<p>Part (A) As mutually agreed</p> <p>Part (B) Commissioning of the TBCB Project including associated reconciliation activities.</p>

	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Refer (b)
	a) Date(s) of approval by the Board, if any	29 <sup>th</sup> May, 2014, 4 <sup>th</sup> March 2015 & 27 <sup>th</sup> January 2016
	b) Amount paid as advances, if any:	NIL
(B)	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 (41.5 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 :	₹ 52,60,000 received on 25-Jul-14
(C)	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 (86km) 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:	₹1,31,30,000 received on 19-Apr-2013
(D)	a) Name(s) of the related party and nature of relationship	Bihar Grid Company Limited(BGCL), Joint Venture Company
	b) Nature of contracts / arrangements / transactions	Consultancy for Pre-award Techno Managerial services for Strengthening of Transmission System in Bihar-Phase-IV, (Part-1).
	c) Duration of the contracts / arrangements / transactions	9 months from Jan'15 (Extendable automatically in case of delay till completion of the scope as per Agreement)
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Providing all services for finalization and appointment of agency/ contractor by BGCL for Strengthening of Transmission System in Bihar-Phase-IV (Part-1). Agreement signed on 21 <sup>st</sup> Nov'13 with lumpsum service charges of ₹14.0 Cr.
	e) Date(s) of approval by the Board, if any	Not applicable
	f) Amount paid as advances, if any:	Received ₹ 11.24 Cr. including ₹ 1.4 Cr. towards first installment from BGCL in Jan'15. However, no amount was paid to BGCL as advance for this contract.
E)	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)	<b>Duration of the contracts / arrangements / transactions</b>	24 months from Mar'15 ( Extendable automatically in case of delay till completion of the scope as per Agreement)
	d)	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	Providing post-award engineering, quality assurance & inspection related services for the packages awarded by BGCL under strengthening of Transmission System in Bihar-Phase-IV, (Part-1). Agreement signed on 1 <sup>st</sup> 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)	<b>Date(s) of approval by the Board, if any</b>	24 <sup>th</sup> Dec'14 ( 308 <sup>th</sup> Board meeting of POWERGRID )
	f)	<b>Amount paid as advances, if any:</b>	Received ₹ 3.43 Cr. as advance from BGCL in Mar'15. However, no amount was paid to BGCL as advance for this contract.
(F)	a)	<b>Name(s) of the related party and nature of relationship</b>	Teestavalley Power Transmission Company Limited(TPTL), Joint Venture Company
	b)	<b>Nature of contracts / arrangements / transactions</b>	Consultancy for execution of 2 nos. 400 kV AIS bays and 2x63 MVAR Reactors at Kishanganj POWERGRID S/S ( Subsequently, scope revised to GIS from AIS )
	c)	<b>Duration of the contracts / arrangements / transactions</b>	26 months from Mar'10 ( Extendable automatically in case of delay till completion of the scope as per Agreement)
	d)	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	Providing all services i.e procurement, engineering, implementation including testing and commissioning for 2 nos. 400 kV GIS bays and 2x63 MVAR reactors at Kishanganj. Agreement signed on 1 <sup>st</sup> Sep'09 having estimated project cost of ₹ 26.78 Cr. and consultancy fee @15% of the actual executed cost of the project.
	e)	<b>Date(s) of approval by the Board, if any</b>	Not applicable
	f)	<b>Amount paid as advances, if any:</b>	Received ₹ 4.68 Cr. as advance from TPTL in Mar/Apr'10. However, no amount was paid to TPTL as advance for this contract.
(G)	a)	<b>Name(s) of the related party and nature of relationship</b>	Teestavalley Power Transmission Company Limited(TPTL), Joint Venture Company
	b)	<b>Nature of contracts / arrangements / transactions</b>	Consultancy for Engineering services for execution of 400 kV D/C Teesta III-Kishanganj line (about 211 km) associated with Teesta- III HEP(1200 MW) in Sikkim.
	c)	<b>Duration of the contracts / arrangements / transactions</b>	Mutually agreed (Matching with commissioning of the transmission line )
	d)	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	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 21 <sup>st</sup> Apr'09 and lumpsum consultancy fee is ₹16.0 Cr.
	e)	<b>Date(s) of approval by the Board, if any</b>	Not applicable
	f)	<b>Amount paid as advances, if any:</b>	Received ₹ 1.56 Cr. as advance from TPTL in May'09. However, no amount was paid to TPTL as advance for this contract.
(H)	a)	<b>Name(s) of the related party and nature of relationship</b>	North East Transmission Company Limited(NETC), Joint Venture Company
	b)	<b>Nature of contracts / arrangements / transactions</b>	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)	<b>Duration of the contracts / arrangements / transactions</b>	36 months from May'07 ( Extendable automatically in case of delay till completion of the scope as per Agreement)
	d)	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	Providing all services i.e procurement, engineering, implementation including testing and commissioning (except placement of award & payment towards project cost to contractors ) for 400 kV D/C Palatana-Silchar-Byrnihat-Bongaigaon line(about 661km) associated with Palatana GBPP in Tripura. Agreement signed on 16 <sup>th</sup> Mar'07 having estimated project cost of ₹1195.2 Cr. and consultancy fee @ 10% of the actual executed cost of the project.
	e)	<b>Date(s) of approval by the Board, if any</b>	Not applicable

	<b>f) Amount paid as advances, if any:</b>	Received ₹ 11.95 Cr. as advance from NETC in May'07/Aug'08. However, no amount was paid to NETC as advance for this contract.
<b>(I)</b>	<b>a) Name(s) of the related party and nature of relationship</b>	North East Transmission Company Limited(NETC), Joint Venture Company
	<b>b) Nature of contracts / arrangements / transactions</b>	Consultancy for Operation & Maintenance of 400 KV D/C Pallatana-Silchar-Byrnihat-Bongaigaon line (about 661 km).
	<b>c) Duration of the contracts / arrangements / transactions</b>	3 years from Feb'13
	<b>d) Salient terms of the contracts or arrangements or transactions including the value, if any</b>	Providing all services for Operation & Maintenance of 400 KV D/C Pallatana-Silchar-Byrnihat-Bongaigaon line (about 661 km). Agreement signed on 16 <sup>th</sup> Jan'13. The consultancy fee is as per CERC norms plus 10% Overhead.
	<b>e) Date(s) of approval by the Board, if any</b>	Not applicable
	<b>f) Amount paid as advances, if any:</b>	Received ₹ 2.77 Cr. as advance from NETC in Feb'13. However, no amount was paid to NETC as advance for this contract.
<b>(J)</b>	<b>a) Name(s) of the related party and nature of relationship</b>	National High Power Test Laboratory Pvt. Ltd.(NHPTL), Joint Venture Company
	<b>b) Nature of contracts / arrangements / transactions</b>	Consultancy for establishment of On-line High Power Short Circuit Test Facility at Bina Substation.
	<b>c) Duration of the contracts / arrangements / transactions</b>	Mutually agreed
	<b>d) Salient terms of the contracts or arrangements or transactions including the value, if any</b>	Providing all services i.e procurement, engineering, implementation including testing and commissioning for establishment of On-line High Power Short Circuit Test Facility at Bina Substation. Agreement signed on 25 <sup>th</sup> Nov'10 having estimated project cost of ₹ 247.06 Cr. and consultancy fee @ 10% of the actual executed cost of the project.
	<b>e) Date(s) of approval by the Board, if any</b>	Not applicable
	<b>f) Amount paid as advances, if any:</b>	Received ₹ 2.45 Cr. as advance from NHPTL in Dec'10. However, no amount was paid to NHPTL as advance for this contract.
<b>(K)</b>	<b>a) Name(s) of the related party and nature of relationship</b>	Power System Operation Corporation Ltd(POSOCO), Subsidiary Company(100% )
	<b>b) Nature of contracts / arrangements / transactions</b>	Consultancy for expansion/replacement of SCADA/EMS system and associated IT Infrastructure at 5-RLDCs & NLDC.
	<b>c) Duration of the contracts / arrangements / transactions</b>	5 years from Apr'11 ( Extendable automatically in case of delay till completion of the scope as per Agreement)
	<b>d) Salient terms of the contracts or arrangements or transactions including the value, if any</b>	Providing all services i.e procurement, engineering, implementation including testing and commissioning (except payment towards project cost to contractors) for expansion/replacement of SCADA/EMS system and associated IT Infrastructure at 5-RLDCs & NLDC. Agreement signed on 31 <sup>st</sup> Mar'11 & amended on 2 <sup>nd</sup> 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.
	<b>e) Date(s) of approval by the Board, if any</b>	Not applicable
	<b>f) Amount paid as advances, if any:</b>	Received ₹ 1.53 Cr. towards first installment from POSOCO in Sep'11/ Mar'12. However, no amount was paid to POSOCO as advance for this contract.

**ANNEXURE - X TO THE DIRECTORS' REPORT**
**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/ associate companies/ joint ventures**
**Part "A": Subsidiaries**

SL NO		Name of the Subsidiaries										(Amounts in ₹ Crore)	
		Power System Operation Corporation Limited	Powergrid NM Transmission Limited	Powergrid Vizag Transmission Limited	Powergrid Vemagiri 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 System Limited	Grid Conductors Limited	
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
2	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
3	Share capital	30.64	24.00	54.73	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.00*
4	Reserves & surplus	258.84	(0.00)	2.97	(19.42)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.07)
5	Total assets	1360.18	729.68	1108.69	0.00	42.53	32.65	21.30	33.92	24.65	36.35	36.35	0.02
6	Total Liabilities	1070.70	705.68	1050.99	19.37	42.48	32.60	21.25	33.87	24.60	36.30	36.30	0.09
7	Investments	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
8	Turnover	231.65	NIL	7.90	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
9	Profit before taxation	81.40	NIL	5.30	(0.01)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	(0.07)
10	Provision for taxation	25.68	NIL	2.33	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
11	Profit after taxation	55.72	NIL	2.97	(0.01)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	(0.07)
12	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
13	% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0.00%*

- Share Capital of ₹ 0.05 crs in Grid Conductor Limited has been paid in April 2016. However based on control of composition of board of directors by Power Grid Corporation of India Limited, the company has been considered as wholly owned subsidiary company.

**1. Names of subsidiaries which are yet to commence operations:**

Following Subsidiaries are yet to Commence operation

- Powergrid NM Transmission Limited
- Powergrid Vemagiri 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
- Grid Conductors Limited

**2. Names of subsidiaries which have been liquidated or sold during the year.**
**NIL**



**Part "B": Associates and Joint Ventures**  
**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

(Amount in ₹ Crore)

Name of Associates/ Joint Ventures	Powerlinks Trans- mission Limited	Torrent Power Grid Limited	Jaypee Powergrid Limited	Parbati Koldam Trans- mission Company Limited	Teestaval- ley Power Trans- mission Limited	North East Trans- mission Company Limited	National High Power Test Laboratory Private Limited	Energy Efficiency Services Limited	Kalinga Vidyut Prasaran Nigam Private Limited	Bihar Grid Company Limited	Cross Bor- der Power Trans- mission Company Limited	RINL Pow- ergrid TLT Pvt. Ltd.	Power Transmis- sion Company Nepal Ltd
<b>1. Latest audited Balance Sheet Date</b>	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	5th May 2016	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>2. Shares of Associate/Joint Ventures held by the company on the year end</b>	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A		
No.	229320000	23400000	78000000	70937620	67115620	106964000	23900000	22500000	5000	40309000	10322000	100000	780000
Amount of Investment in Associates/Joint Venture	229.32	23.40	78.00	70.94	67.12	106.96	23.90	22.50	0.01	40.31	10.32	0.10	4.88
Extend of Holding %	49%	26%	26%	26%	26%	26%	21.64%	13.63%	50%	50%	26%	50%	26%
<b>3. Description of how there is significant influence</b>	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%	Controlling in Board of Directors	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%
<b>4. Reason why the associate/ joint venture is not consolidated</b>	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
<b>5. Net worth attributable to Shareholding as per latest audited Balance Sheet</b>	268.13	28.87	97.34	75.54	66.10	91.78	23.41	55.90	0.01	40.31	10.78	0.10	4.88
<b>6. Profit / Loss for the year</b>													
i. Considered in Consolidation	53.39	2.01	13.10	3.94	(0.07)	(35.08)	NIL	3.65	NIL	NIL	0.55	NIL	NIL
i. 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	N.A

**1. Names of associates or joint ventures which are yet to commence operations****Following Joint Ventures are yet to commence operation**

- I. Teestavalley Power Transmission Limited
- II. National High Power Test Laboratory Private Limited
- III. Kalinga Vidyut Prasaran Nigam Private Limited
- IV. Bihar Grid Company Limited
- V. Cross Border Power Transmission Company Limited
- VI. Power Transmission Company Nepal Ltd
- VII. RINL Powergrid TLT Pvt. Ltd.

**2. 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**

<b>Sd/-</b> <b>(Divya Tandon)</b> Company Secretary	<b>Sd/-</b> <b>(R. T. Agarwal)</b> Director (Finance)	<b>Sd/-</b> <b>(I. S. Jha)</b> Chairman & Managing Director
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**As per our report of even date**

<b>For S.K. Mittal &amp; Co.</b> Chartered Accountants Firm Regn No. 001135N	<b>For R.G.N.Price &amp; Co.</b> Chartered Accountants Firm Regn No. 002785S	<b>For Kothari &amp; Co.</b> Chartered Accountants Firm Regn No. 301178E	<b>For Parakh &amp; Co.</b> Chartered Accountants Firm Regn No. 001475C
<b>Sd/-</b> <b>(CA. Gaurav Mittal)</b> Partner M.No. 099387	<b>Sd/-</b> <b>( CA. R.Rangarajan )</b> Partner M.No. 041883	<b>Sd/-</b> <b>( CA.Manaswy Kothari )</b> Partner M.No. 064601	<b>Sd/-</b> <b>( CA.Indra Pal Singh )</b> Partner M.No. 410433

Place: New Delhi

Date: 26<sup>th</sup> May, 2016



## 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 307<sup>th</sup> meeting held on 11.11.2014 and was modified in its 323<sup>rd</sup> meeting held on 30<sup>th</sup> 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 [www.powergridindia.com/administrator/Lists/Menu/Attachments/172/CSR\\_Policy\\_2015.pdf](http://www.powergridindia.com/administrator/Lists/Menu/Attachments/172/CSR_Policy_2015.pdf)

**The main features of the Policy are:**

The Policy is renamed 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.

Shri I. S. Jha	-	CMD, Chairman of the Committee – w.e.f. 01.10.2015
Shri R. T. Agarwal	-	Director
Shri Ravi P Singh	-	Director
Ms. Jyoti Arora	-	Director (Govt. representative)
Prof. R. K. Gupta	-	Director (Independent)      Tenure completed
Dr. K. Ramalingam	-	Director (Independent)      on 15.01.2016
Shri Mahesh Shah	-	Director (Independent)      w.e.f. 17.11.2015
Shri Jagdish Ishwarbhai Patel	-	Director (Independent)

\* Shri R.N.Nayak former CMD was the Chairman of the Committee till 30.09.2015





**2. The composition of the CSR Committee.**

3. Average Net Profit of the company for last three financial years : ₹ 60,897,086,200.

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

CSR @ 2% for FY 2015-16 : ₹ 1,217,941,724

**5. Details of CSR spent during the financial year :**

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

₹ 1,217,941,724/-

**b. Amount unspent, if any**

₹ 6.01 Crore.

c. Manner in which the amount spent during the financial year.

Amount spent during the year is attached at Annexure-I.

6. The shortfall of ₹ 6.01 Crore (₹ 121.79 cr. - ₹ 115.78 cr.) is due to following reasons:-

a. Majority of the projects were of Infrastructure Development in rural area, which involved long implementation period.

b. The implementing agencies took longer time in mobilization and execution of work.

7. It is to state that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**Sd/-**  
**(Chief Executive Officer or Managing**  
**Director or Director)**

**Sd/-**  
**(Chairman CSR Committee)**

**Sd/-**  
**(Person specified under clause (d) of sub-**  
**section (1) of section 380 of the Act)**

## Annexure I to the Annual Report on CSR for FY 2015-16

S.No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount outlay (Rs./lakhs)	Amount spent on the project or programme during 2015-16	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
1	Supply & Installation of 67 nos. submersible pumps	Drinking Water	Local	Agra	U.P.	99.24	31.63	31.63	UP State Agro
2	Supply and installation of 200 nos. hand pumps	Drinking Water	Local	Phoolpur, Allahabad	U.P.	82.60	41.60	41.60	UP Jal Nigam
3	Cleaning drive in Varanasi city	Env. Sustainability	Local	Varanasi	U.P.	190.80	190.80	190.80	Govt. of UP
4	Promotion of traditional art, handicraft and culture	Art & Culture	Local	Agra	U.P.	4.58	4.58	4.58	POWERGRID
5	Supply and erection of 100 nos. Solar Lights	Env. Sustainability	Local	Bagpat	U.P.	23.65	23.65	23.65	UPNEDA
6	Supply & Installation of 40 nos. Hand pumps in 40 villages	Drinking Water	Local	Kanpur	U.P.	18.67	18.64	18.64	UP Jal Nigam
7	Supply & installation of 12 nos. of hand pump	Drinking Water	Local	Bilsarayan	U.P.	5.60	4.20	4.20	UP Jal Nigam
8	Community Development works	Rural Dev	Local	Manesar	Haryana	259.25	194.43	194.43	IronISL
9	Supply of Ceiling Fan, Table, Chairs and desk with Bench for Primary & junior high school	Promotion of Education	Local	Kanpur	U.P.	8.81	8.81	8.81	POWERGRID
10	Construction of classrooms and renovation of Schools	Promotion of Education	Local	Bassi	U.P.	23.63	1.47	22.56	POWERGRID
11	Construction of RCC culvert	Rural Dev	Others	Kabir Nagar,	U.P.	115.91	81.13	115.91	Govt. of UP
12	Distribution of 300 nos. cycles for meritorious students	Promotion of Education	Local	Lucknow	U.P.	10.00	10.00	10.00	POWERGRID
13	Construction of RCC Road in village	Rural Dev	Local	Bareilly	U.P.	33.19	6.46	31.81	POWERGRID
14	Construction of dry stone pitching pathway & cc pathway at villages	Rural Dev	Local	Koteshwar	Uttarakhand	10.42	6.69	9.51	POWERGRID
15	Construction of CC open drain	Rural Dev	Local	Dehradun	U.P.	97.13	6.42	93.83	POWERGRID
16	Supply of Bench , Chairs and staff table in school.	Promotion of Education	Local	Kotputli	Rajasthan	5.80	4.73	4.73	POWERGRID
17	Setting up of Community Radio Station	Promotion of Education	Local	Greater Noida	U.P.	30.76	2.50	30.76	NOIDA LOK MANCH

S.No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount outlay (Rs/lakhs)	Amount spent on the project or programme during 2015-16	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
18	Construction of link road and internal road in Village	Rural Dev	Local	Samba	J&K	124.75	<b>78.88</b>	101.53	Govt. of J&K
19	Augmentation of water distribution system for village Dhana Narsan	Drinking Water	Local	Bhiwani	Haryana	197.50	<b>0.00</b>	144.75	Govt. of Haryana
20	Construction of Pucca Nallah/drain at Abdullahpur.	Rural Dev	Local	Yamunanagar	Haryana	28.50	<b>14.32</b>	22.19	POWERGRID
21	Operation of MMU in 23 villages around Nalagarh	Health	Local	Solan/ Nalagarh	Himachal Pradesh	9.25	<b>2.00</b>	7.09	Ambuja Cement Foundation on cost sharing basis.
22	Medical camp	Health	Local	Kurukshetra	Haryana	1.10	<b>1.10</b>	1.10	POWERGRID
23	Supply & Installation of 5 Nos ring boring hand pump for SC/ST Habitat of project affected Village	Drinking Water	Local	Bara/Gaya	Bihar	3.62	<b>2.58</b>	3.62	POWERGRID
24	Construction of 02 nos. of toilet blocks in two Govt. Schools and construction of 80 Nos of individual household toilets in khemanbiga/sultanpur	Sanitation	Local	Ekangarsarai	Bihar	34.01	<b>6.98</b>	23.82	Sulabh Sanitary Mission Foundation
25	Construction of Community Centre at Fatehpur Village	Rural Dev	Local	Fatehpur Village	Bihar	6.84	<b>0.56</b>	4.00	POWERGRID
26	Construction of Community Centre	Rural Dev	Local	Bagodar	Jharkhand	43.40	<b>43.40</b>	43.40	Govt. of Jharkhand
27	Providing furniture to 08 nos. Govt. Schools	Promotion of Education	Local	Patna	Bihar	56.07	<b>53.47</b>	53.47	POWERGRID
28	Installation of 50 Handpumps in various villages	Drinking Water	Local	Dhanbad	Jharkhand	34.80	<b>34.80</b>	34.80	POWERGRID
29	Installation of 25 nos. Hand Pumps	Drinking Water	Local	Banka	Bihar	12.00	<b>5.67</b>	7.61	POWERGRID
30	Supply of Eco friendly hand bag at Patna Zoo & Play Equipment at Rajdhani Vatika Park, Patna	Env. Sustainability & sports	Local	Patna	Bihar	38.85	<b>27.02</b>	27.02	POWERGRID
31	Health check up camp	Health	Local	Purnea	Bihar	1.90	<b>1.90</b>	1.90	POWERGRID
32	Construction of PCC road	Rural Dev	Local	Patna	Bihar	45.00	<b>3.11</b>	21.76	POWERGRID
33	Construction of brick soling road	Rural Dev	Local	Purnea	Bihar	14.13	<b>13.31</b>	13.31	POWERGRID

S.No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount outlay (Rs/lakhs)	Amount spent on the project or programme during 2015-16	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
34	Construction of play- ground Stadium	Sports	Local	Patna	Bihar	50.00	25.00	25.00	BSPCL
35	Beautification of boundary wall of Ramana Maidan	Rural Dev	Local	Ara	Bihar	0.00	-15.79	-15.79	Refunded by DM ,Ara
36	Imparting Skill Development Training to 360 youths	Skill Dev	Local	Jamshedpur	Bihar & Jharkhand	199.92	99.96	99.96	Indo-Danish Tool Room
37	Supply & Installation of 500 nos. Solar Lights	Env. Sustainability	Local	Badhoi	U.P.	126.90	125.10	125.10	REINL
38	Supply & installation of 1 no. Ultrasound Machine in General Hospital, Birpara	Health	Local	Jalpaiguri	West Bengal	6.82	6.81	6.81	POWERGRID
39	Supply & installation of 1 no. Digital X-Ray Machine in Primary Health Centre.	Health	Local	Jalpaiguri	West Bengal	1.99	1.80	1.80	POWERGRID
40	Construction of additional Patient's ward, Laboratory Room, X-Ray Room, Dressing Room Nurse's Room and Waiting Hall for patients in Govt. Hospital	Health	Local	Jalpaiguri	West Bengal	23.43	2.82	2.82	POWERGRID
41	Supply & Installation of Water Treatment Plant	Drinking Water	Local	Jalpaiguri	West Bengal	6.49	6.49	6.49	POWERGRID
42	Construction of two nos. children play ground	Sports	Local	Bardhaman	West Bengal	13.62	4.60	13.60	Govt. of West Bengal
43	Construction of Community Hall	Rural Dev	Local	Jalpaiguri	West Bengal	29.54	12.27	12.27	POWERGRID
44	Providing drinking water facility	Drinking Water	Local	Malda	West Bengal	3.20	3.20	3.20	POWERGRID
45	Adoption of pregnant mothers working for their health, nutrition	Health	Local	South 24 pgn.	West Bengal	15.00	1.65	10.65	CINI
46	Providing Furniture and Biology Lab equipments to School	Promotion of Education	Local	South 24 pgn.	West Bengal	11.03	5.98	5.98	POWERGRID
47	Organising Badminton Tournament	Sports	Local	South Sikkim	Sikkim	1.00	1.00	1.00	POWERGRID
48	Construction of 01 no. Library cum class room and 02 nos. of classrooms	Promotion of Education	Local	Nagaon District	Assam	20.40	12.34	12.34	POWERGRID

S.No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount outlay (Rs/lakhs)	Amount spent on the project or programme during 2015-16	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
49	Setting up of Toll Free help line and a website for students	Promotion of Education	Local	Entire Assam	Assam	50.00	<b>32.00</b>	32.00	Govt. of Assam
50	Construction of Open Stage	Rural Dev	Local	Sonitpur	Assam	6.93	<b>6.92</b>	6.92	POWERGRID
51	Providing Water Supply in School Complex	Promotion of Education	Local	Unakoti	Tripura	9.75	<b>9.69</b>	9.69	POWERGRID
52	Construction of 4 nos of bus passenger waiting sheds at villages	Rural Dev	Local	Senapati & Tamenglong District	Manipur	6.64	<b>6.64</b>	6.64	POWERGRID
53	Preventive Health Care Medical Camp at Nongkasen	Health	Local	West Khasi Hill	Meghalaya	2.75	<b>2.74</b>	2.74	POWERGRID
54	Construction of waiting shed cum store in graveyard	Rural Dev	Local	Aizwal	Mizoram	3.42	<b>3.42</b>	3.42	POWERGRID
55	Construction of 182 mts. open drain	Rural Dev	Local	Lower Dibang Valley	Arunachal Pradesh	12.70	<b>6.76</b>	11.84	Govt. of Arunachal Pradesh
56	Construction of Overhead water tank & construction of Cycle Stand	Promotion of Education	Local	Lower Dibang Valley	Arunachal Pradesh	12.00	<b>4.21</b>	9.20	Govt. of Arunachal Pradesh
57	Construction of market shed	Rural Dev	Local	Senapati	Manipur	7.68	<b>7.68</b>	7.68	POWERGRID
58	Construction of Compound Wall Fencing at High School	Promotion of Education	Local	Jiribam	Assam	9.97	<b>0.82</b>	9.62	POWERGRID
59	Plantation and maintenance of 50,000 saplings	Env. Sustainability	Local	Kokrajhar	Assam	40.27	<b>8.04</b>	40.27	Eco task force (Indian Army)
60	Construction of Hume Pipe Culvert Bridge	Rural Dev	Local	Dimapur	Nagaland	9.04	<b>2.38</b>	9.04	POWERGRID
61	Construction of Boundary Wall & Waiting shed near graveyard	Rural Dev	Local	Cachar	Assam	7.51	<b>7.51</b>	7.51	POWERGRID
62	Construction of open stage in Kokakuli School	Promotion of Education	Local	Sonitpur	Assam	7.78	<b>2.87</b>	2.87	POWERGRID
63	Training on System of Rice Intensification method of cultivation	Skill Dev	Local	Kamroop	Assam	14.70	<b>5.46</b>	14.70	Rashtriya Gramin Vikas Nidhi
64	Construction of Drain & Culvert	Rural Dev	Local	Dimapur	Nagaland	12.00	<b>2.57</b>	9.51	POWERGRID
65	Construction of School Building	Promotion of Education	Local	Nagaon	Assam	20.40	<b>2.63</b>	11.79	POWERGRID
66	Integrated Watershed Mangement	Rural Dev	Local	Kurnool	Andhra Pradesh	901.00	<b>98.07</b>	433.20	ICRISAT

S.No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount outlay (Rs/lakhs)	Amount spent on the project or programme during 2015-16	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
67	Vocational Training for 500 rural woman on Fruit and Vegetable processing	Skill Dev	Local	Kadapa	Andhra Pradesh	19.66	6.84	6.84	Krishi Vigyan Kendra
68	Construction of Side Drains	Sanitation	Local	Nellore	Andhra Pradesh	6.00	6.00	6.00	Govt. of A.P.
69	Construction of CC Roads	Rural Dev	Local	Nellore	Andhra Pradesh	10.00	9.99	9.99	Govt. of A.P.
70	Construction of overhead water storage tank	Drinking Water	Local	Nellore	Andhra Pradesh	23.00	23.00	23.00	Govt. of A.P.
71	Construction of overhead water storage tank	Drinking Water	Local	Nellore	Andhra Pradesh	23.00	21.16	21.16	Govt. of A.P.
72	Providing of dual desk to schools	Promotion of Education	Local	Visakhapatnam	Andhra Pradesh	61.36	61.35	61.35	POWERGRID
73	Construction of overhead water tank	Drinking Water	Local	Kurnool	Andhra Pradesh	16.00	15.12	15.20	POWERGRID
74	Supply & installation of Highmast light	Env. Sustainability	Local	Alapuzha	Kerala	6.20	5.70	5.70	POWERGRID
75	Construction of School building	Promotion of Education	Local	Dharmapuri	Tamil Nadu	39.50	19.75	39.50	Govt. of Tamil Nadu
79	Construction of community hall	Rural Dev	Local	Yalahanka	Karnataka	75.00	15.00	30.00	Bangalore Nirmiti Kendra
80	Construction of compound wall in Govt. School	Promotion of Education	Local	Sriperumbudur	Tamil Nadu	13.20	2.30	4.23	POWERGRID
81	Imparting Skill Development training to youth	Skill Dev	Local	Various districts	Tamilnadu & Karnataka	64.76	12.98	64.76	M/s JTCOT, Chennai
82	Supply and installation of 25KVA DG Set	Health	Local	Angul	Odisha	7.80	5.60	5.60	POWERGRID
83	Construction of Hostel for Integral Development of Children	Promotion of Education	Local	Nagpur	Maharashtra	48.00	14.40	14.40	Nagpur Improvement Trust
84	Development of 1400 m internal drain road of 3m width with paver blocks	Rural Dev	Local	Padghe, Thane	Maharashtra	54.50	37.54	37.54	POWERGRID
85	Development works in Kadegaon	Rural Dev	Local	Sangli & Pune	Maharashtra	50.97	27.34	27.34	POWERGRID
86	Construction of 2.85 Km road at Burenjewadi / Shikrapur Village	Rural Dev	Local	Pune	Maharashtra	92.80	63.67	63.67	POWERGRID
87	Development of Road	Rural Dev	Local	Sangli & Pune	Maharashtra	74.81	7.90	7.90	POWERGRID

S.No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount outlay (Rs/lakhs)	Amount spent on the project or programme during 2015-16	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
88	Construction of Auditorium	Art & Culture	Local	Solapur	Maharashtra	207.01	25.60	199.15	POWERGRID
89	construction of community hall - completion of balance work	Rural Dev	Local	Aurangabad	Maharashtra	3.00	3.00	3.00	POWERGRID
90	Construction of Shed and other development works in Shamshanghat	Rural Dev	Local	Pune	Maharashtra	19.36	5.81	5.81	POWERGRID
91	Construction of Roads & Digging of Borewell	Rural Dev	Local	Gondia	Maharashtra	45.00	5.70	41.48	POWERGRID
92	Community Development works at Bhendra and Barpali Villages.	Rural Dev	Local	Raigarh	Chattisgarh	33.00	1.46	1.46	POWERGRID
93	Construction of a Boys Hostel	Promotion of Education	Local	Raipur	Chattisgarh	354.94	327.20	335.00	POWERGRID
94	construction of building for school cum hostel building for physically challenged children	Promotion of Education	Local	Rajnandgaon	Chattisgarh	350.00	35.00	35.00	POWERGRID
95	Supply & Installation of 03 nos. water ATMs	Drinking Water	Local	Jashpur	Chattisgarh	22.50	11.25	11.25	POWERGRID
96	Supply of 2 nos. battery operated vehicles	Env. Sustainability	Local	Raipur	Chattisgarh	13.00	13.00	13.00	POWERGRID
97	Construction of Community Centre	Rural Dev	Local	Durg	Chattisgarh	30.00	22.02	22.02	POWERGRID
98	Conducting "Ringi Chingi Summer Camp"	Promotion of Education	Local	Raipur	Chattisgarh	2.00	2.00	2.00	POWERGRID
99	Construction of Community Centre	Rural Dev	Local	Seoni	Madhya Pradesh	4.05	4.03	4.03	POWERGRID
100	Construction of Community Centres	Rural Dev	Local	Palghar	Maharashtra	143.27	88.56	133.56	Zila parishad, Palghar
101	Project Sanjeevani - Medical Treatment of 250 malnourished children	Health	Local	Bina	Madhya Pradesh	7.85	3.85	7.85	POWERGRID
102	Supply & Installation of 100 KWP SPV power plant	Env. Sustainability	Local	Bhopal	Madhya Pradesh	58.00	29.00	29.00	POWERGRID
103	Rural development works	Rural Dev	Local	Betul	Madhya Pradesh	134.19	14.32	14.32	POWERGRID

S.No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount outlay (Rs/lakhs)	Amount spent on the project or programme during 2015-16	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
104	Imparting Skill Development Training	Skill Dev	Local	M.P. & Gujarat	Madhya Pradesh & Gujarat	145.63	<b>43.69</b>	43.69	Indo German Tool Room, Indore
105	Fabrication and erection of shed	Rural Dev	Local	vapi	Gujarat	3.59	<b>3.59</b>	3.59	POWERGRID
106	Construction of two nos. RCC overhead water tanks	Drinking Water	Local	Anjar, Kutch	Gujarat	11.74	<b>6.75</b>	6.75	POWERGRID
107	Construction of multipurpose Community Building	Rural Dev	Local	Narsinghpur	Madhya Pradesh	26.23	<b>25.47</b>	25.47	POWERGRID
108	Construction of parking platform and boundary wall for panchayat bhavan	Rural Dev	Local	Surat	Gujarat	18.20	<b>16.07</b>	16.07	POWERGRID
109	Construction of Mid-Day meal building for School	Promotion of Education	Local	Gandhinagar	Gujarat	8.55	<b>1.93</b>	6.18	POWERGRID
110	Construction of RCC Road	Rural Dev	Local	Gandhinagar	Gujarat	51.28	<b>32.86</b>	32.86	POWERGRID
111	Supply of 10 wheel mounted tractor pull-able 4KL capacity water tankers to villages	Drinking Water	Local	Khandwa	Madhya Pradesh	14.74	<b>14.74</b>	14.74	POWERGRID
112	Construction of Boundary wall of the Primary School building	Promotion of Education	Local	Damoh	Gujarat	13.54	<b>0.80</b>	13.54	POWERGRID
113	Construction of crematorium	Rural Dev	Local	Ankalas	Gujarat	4.53	<b>4.21</b>	4.21	POWERGRID
114	Supply of mobile dental van	Health	Local	Daman & Diu	Dadar Nagar Haveli (UT)	21.89	<b>21.89</b>	21.89	POWERGRID
115	Renovation of Katta (Pond), construction of boundary wall and approach road to school	Rural Dev	Local	Jharsuguda	Odisha	11.00	<b>11.00</b>	11.00	Govt. of Odisha
116	Supply & installation of Medical Equipments to Sub-Divisional Hospital	Health	Local	Jeypore	Odisha	12.65	<b>3.28</b>	3.28	POWERGRID
117	Construction of Pachari (steps) for Common pond	Rural Dev	Local	Sundergarh	Odisha	4.27	<b>1.43</b>	1.43	POWERGRID
118	Construction of boundary wall at Sudam Charan Degree College	Promotion of Education	Local	Bolangir	Odisha	9.17	<b>2.01</b>	2.01	POWERGRID
119	Construction of Water supply system	Drinking Water	Local	Rengali	Odisha	1.63	<b>1.43</b>	1.43	POWERGRID



S.No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount outlay (Rs/lakhs)	Amount spent on the project or programme during 2015-16	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
120	Construction of 02 Nos Class Room each in 04 Schools	Promotion of Education	Local	B.Chariali	Assam	40.00	<b>2.13</b>	11.36	POWERGRID
121	Construction of 03 Resting shed	Rural Dev	Local	Sonitpur	Assam	7.50	<b>0.19</b>	5.60	POWERGRID
122	Construction of Boundary wall & Room in Crematorium	Rural Dev	Local	B.Chariali	Assam	10.00	<b>3.00</b>	9.50	POWERGRID
123	Construction of Village Haat	Rural Dev	Local	B.Chariali	Assam	10.00	<b>6.03</b>	9.04	NEITCO
124	Supply & installation of Medical equipment in Govt. Hospital	Health	Local	Alipurdwar	West Bengal	29.50	<b>15.49</b>	27.99	POWERGRID
125	Const. of 02 Multi-purpose room	Rural Dev	Local	B.Chariali	Assam	13.45	<b>0.39</b>	13.16	POWERGRID
126	Conducting "Five months certificate programme in Tailoring for under-privilege children	Skill Dev	Local	Gurgaon	Haryana	4.28	<b>2.36</b>	2.36	POWERGRID
127	Promoting Energy conservation - Painting Competition for students	Env. Sustainability	Local	various parts of the country	various parts of the country	139.65	<b>48.77</b>	48.77	POWERGRID
128	Restoration of Monument at Tauru	National Heritage	Local	Nuh-Mewat	Haryana	21.17	<b>3.70</b>	21.17	INTACH
129	Participation in "Namami Gange" an integrated river conservation mission.	Env. Sustainability	Local	Various districts	Various states through which Ganga flows	200.00	<b>200.00</b>	200.00	Govt. of India
130	Scholarship for Education of 1315 children	Promotion of Education	Local	Assam & Manipur	Assam & Manipur	166.50	<b>166.50</b>	166.50	NFCH
131	Imparting Skill Development training to 5000 youths in 33 locations"	Skill Dev	Local	various parts of the country	various parts of the country	653.00	<b>56.84</b>	56.84	NSDC
132	Scholarship for Education of 4166 children of Armed Forces veterans and War-widows	Promotion of Education	Local	various parts of the country	various parts of the country	499.92	<b>499.92</b>	499.92	Kendriya Sainik Board
133	Community Development initiatives	Promotion of Education	Local	Lucknow	U.P.	18.21	<b>1.08</b>	16.91	Samarpan Trust

S.No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount outlay (Rs/lakhs)	Amount spent on the project or programme during 2015-16	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
134	Construction of Dharamshala at Jai Prakash Narayan Apex Trauma Centre, AIIMS	Health	Local	Delhi	Delhi	2,900.00	<b>1,714.66</b>	2,000.00	AIIMS
135	Distribution of aids and appliances to Persons with Disabilities"	Health	Local	various parts of the country	various parts of the country	198.00	<b>165.83</b>	185.63	ALIMCO
136	Imparting Skill Development training on Transmission Line tower erection	Skill Dev	Local	Bardhaman, Jalpaiguri, Malda, Nagaon, Kokrajhar, Imphal, Jorhat, Nagpur & Kanchipuram	west Bengal, Assam, Manipur, Maharashtra, Tamil Nadu	576.37	<b>146.03</b>	240.71	POWERGRID
137	Health camps at 30 locations	Health	Local	various parts of the country	various parts of the country	86.00	<b>58.86</b>	66.45	HLL Lifecare Ltd.
138	Construction of toilet blocks in various locations across the country	Promotion of Education	Local	various parts of the country	Andhra Pradesh, Assam, Bihar, Chattisgarh, Madhya Pradesh, Odisha, Uttar Pradesh	10,800.00	<b>5,228.57</b>	5,246.17	HPL/IrconISL/ GVT
139	Distribution of 10,000 Nos. Solar Lanterns to students of Govt. School	Env. Sustainability	Local	Various districts	Bihar, Jharkhand & Odisha	195.8	<b>154.86</b>	174.44	TERI
140	Swachh Bharat Abhiyan (Cleaning Drive)	Health	Local	various parts of the country	various parts of the country	10.36	<b>7.20</b>	7.20	POWERGRID
141	Supply of 55 nos. ambulance to Govt. Hospitals and Primary Health Centres	Health	Local	various parts of the country	Assam, Bihar, Chattisgarh, Arunachal Pradesh, Gujarat, West Bengal	452.72	<b>345.71</b>	345.71	POWERGRID



S.No.	CSR Projects or activity identified	Sector in which the project is covered	Local Area or other	District	State	Amount outlay (Rs/lakhs)	Amount spent on the project or programme during 2015-16	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
142	Overheads (capacity building, administration etc.)	Overheads					181.05	181.05	POWERGRID
<b>Total</b>							<b>11,578.24</b>		

\* \* \*



## Balance Sheet as at 31<sup>st</sup> March, 2016

(₹ in Crore)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2.1	5231.59	5231.59
(b) Reserves and surplus	2.2	37502.38	32935.00
		<b>42733.97</b>	38166.59
<b>Deferred revenue</b>	2.3	<b>5723.85</b>	4762.91
<b>Non-current liabilities</b>			
(a) Long-term borrowings	2.4	100239.75	89375.84
(b) Deferred tax liabilities (Net)	2.5	2489.37	2472.15
(c) Other long term liabilities	2.6	1337.96	1078.64
(d) Long-term provisions	2.7	650.45	580.23
		<b>104717.53</b>	93506.86
<b>Current liabilities</b>			
(a) Short-term borrowings	2.8	2000.00	1200.00
(b) Trade payables	2.9	313.89	392.97
(c) Other current liabilities	2.10	21391.30	19059.60
(d) Short-term provisions	2.11	1548.38	1211.95
		<b>25253.57</b>	21864.52
<b>Total</b>		<b>178428.92</b>	158300.88
<b>II.ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	2.12	114207.36	88902.51
(ii) Intangible assets	2.13	950.54	783.70
(iii) Capital work in progress	2.14	33778.58	39670.90
(iv) Intangible assets under development	2.15	172.11	211.29
		<b>149108.59</b>	129568.40
(b) Construction stores	2.16		13041.96
(c) Non-current investments	2.17	771.28	740.99
(d) Deferred foreign currency fluctuation asset		3831.75	2803.82
(e) Regulatory Assets		37.67	37.72
(f) Long-term loans and advances	2.18	4838.56	4177.89
		<b>9479.26</b>	7760.42
<b>Current assets</b>			
(a) Current investments	2.19	35.64	185.43
(b) Inventories	2.20	823.68	717.75
(c) Trade receivables	2.21	2737.97	2118.65
(d) Cash and Bank balances	2.22	2453.72	2062.98
(e) Short-term loans and advances	2.23	794.00	566.42
(f) Other current assets	2.24	3136.79	2278.87
		<b>9981.80</b>	7930.10
<b>Total</b>		<b>178428.92</b>	158300.88
Accounting Policies	1		
Notes on Accounts	2		
Notes referred above are integral part of the Balance Sheet			

### For and on behalf of the Board of Directors

(Divya Tandon)  
Company Secretary

(R.T. Agarwal)  
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. M.K. Juneja)  
Partner  
M.No. 013117

**For R.G.N.Price & Co.**  
Chartered Accountants  
Firm Regn No. 002785S

( CA. R.Rangarajan)  
Partner  
M.No. 041883

**For Kothari & Co.**  
Chartered Accountants  
Firm Regn No. 301178E

( CA.Manaswy Kothari )  
Partner  
M.No. 064601

**For Parakh & Co.**  
Chartered Accountants  
Firm Regn No. 001475C

( CA.Indra Pal Singh )  
Partner  
M.No. 410433

Place: New Delhi  
Date: 26<sup>th</sup> May, 2016

**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2016**

(₹ in Crore)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
I. Revenue from operations	2.25	<b>20802.22</b>	17177.23
II. Other income	2.26	<b>478.96</b>	602.81
<b>III. Total Revenue (I + II)</b>		<b>21281.18</b>	17780.04
IV. Expenses:			
Employee benefits expense	2.27	<b>980.54</b>	1023.65
Finance costs	2.28	<b>5022.97</b>	3979.32
Depreciation and amortization expense	2.29	<b>6182.76</b>	5085.41
Transmission, administration and other Expenses	2.30	<b>1540.87</b>	1355.16
Prior period items (net)	2.31	<b>(64.74)</b>	47.12
<b>Total expenses</b>		<b>13662.40</b>	11490.66
<b>V. Profit before tax and Rate Regulated Activities (III-IV)</b>		<b>7618.78</b>	6289.38
VI. Add:Regulatory Income/(Expense)		<b>(0.05)</b>	-
<b>VII. Profit before tax (V+VI)</b>		<b>7618.73</b>	6289.38
<b>VIII. Tax expense:</b>			
(1) Current tax -Current Year	1574.81		1281.25
-Earlier years	(0.02)		(0.26)
	1574.79		1280.99
(2) Deferred tax-	1827.26		824.25
Less: Deferred Asset for deferred tax liability	2.5 1810.04		795.03
	17.22		29.22
<b>IX. Profit for the year (VII-VIII)</b>		<b>1592.01</b>	1310.21
<b>X. Earnings per equity share</b>		<b>6026.72</b>	4979.17
<b>(Par value ₹ 10/- each):</b>	2.46		
Basic & Diluted (₹)		<b>11.52</b>	9.52
Accounting Policies	1		
Notes on Accounts	2		
Notes referred above are integral part of the Statement of Profit and Loss			
There are no exceptional or extraordinary items in the above periods			

**For and on behalf of the Board of Directors****(Divya Tandon)**  
Company Secretary**(R.T. Agarwal)**  
Director (Finance)**( I. S. Jha)**  
Chairman & Managing Director**As per our report of even date****For S.K. Mittal & Co.**  
Chartered Accountants  
Firm Regn No. 001135N**For R.G.N.Price & Co.**  
Chartered Accountants  
Firm Regn No. 002785S**For Kothari & Co.**  
Chartered Accountants  
Firm Regn No. 301178E**For Parakh & Co.**  
Chartered Accountants  
Firm Regn No. 001475C**( CA. M.K. Juneja)**  
Partner  
M.No. 013117**( CA. R.Rangarajan)**  
Partner  
M.No. 041883**( CA.Manaswy Kothari )**  
Partner  
M.No. 064601**( CA.Indra Pal Singh )**  
Partner  
M.No. 410433

Place: New Delhi

Date: 26<sup>th</sup> May, 2016



## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2016

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	<b>7618.73</b>	6289.38
Less: Rate Regulated Income / (Expense)	<b>(0.05)</b>	-
	<b>7618.78</b>	6289.38
<b>Adjustment for :</b>		
Depreciation (including prior period)	6122.69	5085.41
Transfer from Grants in Aid	(21.96)	(21.95)
Receipt of Grant	58.00	-
Deferred revenue - Advance against Depreciation	(143.00)	(79.50)
Provisions	7.50	43.95
Transfer from Self Insurance Reserve	(5.29)	(20.21)
Net Loss on Disposal / Write off of Fixed Assets	(1.10)	(1.64)
Interest and Finance Charges	5022.97	3979.32
Provisions Written Back	(3.90)	(5.50)
FERV loss / (gain)	4.56	-
Interest earned on Deposits, Bonds and loans to State Govts.	(74.55)	(260.28)
Dividend received	(84.77)	(97.77)
	<b>10881.15</b>	8621.83
<b>Operating profit before Working Capital Changes</b>	<b>18499.93</b>	14911.21
<b>Adjustment for :</b>		
(Increase)/Decrease in Inventories	(105.93)	(25.24)
(Increase)/Decrease in Trade Receivables	(621.61)	(560.27)
(Increase)/Decrease in Loans and Advances	(279.93)	(84.50)
(Increase)/Decrease in Other current assets	(866.29)	(619.50)
Increase/(Decrease) in Liabilities & Provisions	703.60	2392.87
(Increase)/Decrease in Deferred Foreign Currency		
Fluctuation Asset/Liability(Net)	236.93	153.68
(Increase)/Decrease in Rate Regulated Assets	(0.00)	-
	<b>(933.23)</b>	1257.04
<b>Cash generated from operations</b>	<b>17566.70</b>	16168.25
Direct taxes paid	<b>(1415.59)</b>	(1126.48)
<b>Net Cash from operating activities</b>	<b>16151.11</b>	15041.77
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed assets (including incidental expenditure during construction)	(443.96)	(1153.45)
Capital work in progress	(23573.75)	(28156.76)
Construction Stores & Advances for Capital Expenditure	3529.93	5067.73
(Increase)/Decrease in Investments	119.50	72.26
(Increase)/Decrease in Long Term Loans under Securitisation Scheme	15.43	23.14
Loans & Advances to Subsidiaries	(930.02)	(229.70)
Lease receivables	(32.43)	97.93
Interest earned on Bonds and loans to State Govts.	82.92	337.63
Dividend received	84.77	97.77
Net cash used in investing activities	<b>(21147.61)</b>	(23843.45)

**Cash Flow Statement for the year ended 31<sup>st</sup> March, 2016 (contd.)**

Particulars	(₹ in Crore)	
	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loans raised during the year	17199.23	17756.54
Loans repaid during the year	(5772.15)	(6398.68)
Interest and Finance Charges Paid	(4714.84)	(3678.70)
Dividend paid	(1103.87)	(1046.32)
Dividend Tax paid	(221.13)	(185.70)
<b>Net Cash from Financing Activities</b>	<b>5387.24</b>	<b>6447.14</b>
D. Net change in Cash and Cash equivalents(A+B+C)	<b>390.74</b>	(2354.54)
E. Cash and Cash equivalents(Opening balance)	<b>2062.98</b>	4417.52
F. Cash and Cash equivalents(Closing balance)	<b>2453.72</b>	2062.98

Notes:

**Cash and cash equivalents consists of Cash in hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of following balance sheet amounts as per Note 2.22.**

Cash and cash equivalents	<b>1,540.64</b>	2,052.59
Other Bank balances (*)	<b>913.08</b>	10.39
	<b>2,453.72</b>	2,062.98

(\*) Break up of Other Bank balances

1. Earmarked balance with Bank#	<b>10.29</b>	10.39
2. In Term Deposits having maturity over 3 months	<b>902.79</b>	-
	<b>913.08</b>	10.39

#Earmarked balance with Bank includes unpaid dividend and refund of FPO proceeds

**Previous year figures have been re-grouped / re-arranged wherever necessary.****For and on behalf of the Board of Directors**

**(Divya Tandon)**  
Company Secretary

**(R.T. Agarwal)**  
Director (Finance)

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

**As per our report of even date**

**For S.K. Mittal & Co.**  
Chartered Accountants  
Firm Regn No. 001135N

**For R.G.N.Price & Co.**  
Chartered Accountants  
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**( CA. M.K. Juneja )**  
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**( CA.Manaswy Kothari )**  
Partner  
M.No. 064601

**( CA.Indra Pal Singh )**  
Partner  
M.No. 410433

Place: New Delhi

Date: 26<sup>th</sup> May, 2016



## ACCOUNTING POLICIES FOR THE FINANCIAL YEAR 2015-16

### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared on accrual basis of accounting under the historical cost convention, in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

### 1.2 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 and assumptions and such differences are recognized in the period in which the results are crystallized.

### 1.3 RESERVES AND SURPLUS

Self insurance reserve is created @ 0.1% p.a. on Gross Block of Fixed Assets (except assets covered under mega insurance policy) as at the end of the year by appropriating current year profit towards future losses which may arise from un-insured risks. The same is shown as "Self insurance reserve" under 'Reserves & Surplus'.

### 1.4 GRANTS-IN-AID

1.4.1 Grants-in-aid received from Central Government or other authorities towards capital expenditure for projects, betterment of transmission systems and specific depreciable assets are shown as "grants-in-aid" till the utilization of grant.

1.4.2 On capitalization of related assets, grants received for specific depreciable assets are treated as deferred income and recognized in the Statement of Profit and Loss over the useful life of related asset and in proportion to which depreciation on these assets is provided.

### 1.5 RATE REGULATED ASSETS & LIABILITIES

Certain expenses and income, allowed under CERC regulations to be reimbursed/passed on by/to from beneficiaries in future, are to be accounted in the statement of Profit and Loss as per the provisions of accounting standards and practices. Such expenses and income, to the extent allowable/payable under CERC regulations, are treated as regulated assets and liabilities.

### 1.6 SEGMENT REPORTING

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment asset and liabilities are identified on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relates to the company as a whole and not allocable to segment on reasonable basis are included under unallocated revenue/expenses/assets/liabilities.

### 1.7 CASH FLOW STATEMENT

Cash Flow statement is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard.

### 1.8 FIXED ASSETS

1.8.1 Fixed assets are shown at historical cost comprising of purchase price and any attributable cost of bringing the assets to its working condition for its intended use less accumulated depreciation/amortization.

1.8.2 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.

1.8.3 Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates/ assessments.

1.8.4 Transmission system assets are considered when they are 'Ready for intended use', for the purpose of capitalization, after test charging/successful commissioning of the systems/assets and on completion of stabilization period wherever technically required.

1.8.5 The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

1.8.6 Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

1.8.7 Insurance spares, which can be used only in connection with an item of fixed asset and whose use is expected to be at irregular intervals and Mandatory spares in the nature of sub-station equipments /capital spares i.e. stand-by/service/rotational equipment and unit assemblies, are capitalized and depreciated over the residual useful life of the related plant & machinery. In case the year of purchase and consumption is same, amount of such spares are charged to revenue.

### 1.9 CAPITAL WORK-IN-PROGRESS (CWIP)

1.9.1 Cost of material consumed and erection charges thereon along with other related expenses incurred for the projects are shown as CWIP till the date of capitalization.

1.9.2 Cost of material for construction of Substation (including HVDC) is being transferred to Capital Work in Progress during the progress of erection work.

1.9.3 Expenditure of Corporate office, Regional Offices and Projects, attributable to construction of fixed assets are identified and allocated on a systematic basis to the cost of the related assets.

1.9.4 Interest during construction and expenditure (net) allocated to construction as per policy No. 1.9.3 above (allocated to the projects on prorated basis to their capital expenditure), are apportioned to capital work in progress (CWIP) on the closing balance of specific asset or part of asset being capitalized. Balance, if any, left after such capitalization is kept as a separate item under the CWIP Schedule.

1.9.5 Deposit works/cost-plus contracts are accounted for on the basis of statement received from the contractors or technical assessment of work completed.

1.9.6 Unsettled liability for price variation/ exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.





#### **1.10 INTANGIBLE ASSETS**

- 1.10.1 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 assets in the books of accounts when the same is ready for its use.
- 1.10.2 Afforestation charges paid for acquiring right-of-way for laying transmission lines are accounted for as intangible assets and same are amortized over the period of thirty five years following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulation.
- 1.10.3 Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as "Intangible Assets under Development" where such assets are not yet ready for their intended use.
- 1.10.4 Expenditure incurred on the development of new technology is kept under "Intangible assets under development" till its completion. After satisfactory completion of development stage, the expenditure kept under as "Intangible Assets" to be included in the project cost of new assets.

#### **1.11 CONSTRUCTION STORES**

Construction stores are valued at cost.

#### **1.12 BORROWING COST**

- 1.12.1 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.
- 1.12.2 The borrowing costs so allocated are capitalised or charged to revenue, based on whether the project is under construction or in operation.

#### **1.13 TRANSACTION IN FOREIGN CURRENCY**

- 1.13.1 Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of 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.
- 1.13.2 Foreign Exchange Rate Variation (FERV) arising on settlement / translation of foreign currency loans relating to fixed assets/ capital work-in-progress are adjusted to the carrying cost of related assets.
- 1.13.3 FERV accounted for as per policy no 1.13.2 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) which ever is later. The above FERV to the extent recoverable or payable as per the CERC norms is accounted for as follows:
  - a) FERV recoverable/payable adjusted to carrying cost of fixed assets 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'.
  - b) 'Deferred income/expenditure from foreign currency fluctuation a/c' is amortized in the proportion in which depreciation is charged on such FERV.
  - c) 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.
- 1.13.4 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' in the following manner:
  - i) Depreciation component of transmission charges (being 90% of such FERV) is adjusted against Deferred foreign currency fluctuation asset/liability a/c in the transmission charges.
  - ii) Balance 10% of Deferred foreign currency fluctuation asset/liability a/c is amortised over the tenure of respective loans.
- 1.13.5 FERV arising out of settlement/translation of long term monetary items (other than foreign currency loans) relating to fixed assets/ CWIP are adjusted in the carrying cost of related assets.
- 1.13.6 FERV arising during the construction period from settlement/translation of monetary items denominated in foreign currency (other than long term) to the extent recoverable/payable to the beneficiaries as capital cost as per CERC tariff Regulation are accounted as 'Deferred foreign currency fluctuation asset/liability a/c'. Transmission charges recognised on such amount is adjusted against above account.
- 1.13.7 Other exchange differences are recognized as income or expenses in the period in which they arise.

#### **1.14 INVESTMENTS**

- 1.14.1 Current investments are valued at lower of cost and market value determined on an individual investment basis.
- 1.14.2 Long term investments are carried at cost. Provision is made for diminution other than temporary, in the value of such investments.

#### **1.15 INVENTORIES**

- 1.15.1 Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.
- 1.15.2 Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.
- 1.15.3 Mandatory spares of consumable nature and transmission line items are treated as inventory after commissioning of the system.
- 1.15.4 Surplus materials as determined by the management are held for intended use and are included in the inventory.
- 1.15.5 The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

#### **1.16 REVENUE RECOGNITION**

- 1.16.1 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 norms and other amendments notified by the CERC in similar cases. Difference, if any, is adjusted based on issuance of final notification of tariff orders by the CERC. Transmission Income in

respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on actual expenditure incurred on year to year basis as per tariff norms of the CERC.

- 1.16.2 The Transmission system Incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the norms notified / approved by the CERC.
- 1.16.3.1 Advance against depreciation (AAD), forming part of tariff pertaining upto the block period 2004-09, to facilitate repayment of loans, is reduced from transmission income and considered as deferred income to be included in transmission income in subsequent years.
- 1.16.3.2 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.
- 1.16.4 Surcharge recoverable from trade receivables and liquidated damages / warranty claims / interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.
- 1.16.5 Income from Telecom Services are accounted for on the basis of terms of agreements/ purchase orders from the customers.
- 1.16.6 Income from sole consultancy contracts are accounted for on technical assessment of progress of services rendered.
- 1.16.7 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:
- 10% on the issue of Notice Inviting Tender for execution
  - 5% on the Award of Contracts for execution
  - Balance 85% on the basis of actual progress of work including supplies
- 1.16.8 Income from Sale of Goods is recognized on the transfer of significant risks and reward of ownership to the buyer.
- 1.16.9 Application Fees received on account of Long Term Open Access (LTOA) Charges is accounted for as and when received in accordance with CERC Guidelines.
- 1.16.10 Scrap other than steel scrap & conductor scrap are accounted for as and when sold.
- 1.16.11 Dividend income is recognized when right to receive payment is established.

#### **1.17 LEASED ASSETS**

- 1.17.1 State sector unified load dispatch centre (ULDC)/ Fiber Optic Communication Assets (FOC) assets leased to the beneficiaries are considered as Finance Lease. Net investment in such leased assets along with accretion in subsequent years is accounted for as Lease Receivables under Long Term Loans & Advances. Wherever grant-in-aid is received for construction of State Sector ULDC, lease receivable is accounted for net of such grant.
- 1.17.2 Finance income on leased assets are recognised based on a pattern reflecting a constant periodic rate of return on the net investment as per the tariff notified/to be notified by the CERC.
- 1.17.3 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.

#### **1.18 DEPRECIATION / AMORTIZATION**

- 1.18.1 Depreciation / amortization 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.
- 1.18.2 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 is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff.
- 1.18.3 Depreciation on assets of telecom and consultancy business is provided for on straight line method as per useful life specified in Schedule II of the Companies Act, 2013.
- 1.18.4 Depreciation on following assets is provided based on estimated useful life as evaluated by the management.

a. Computers & Peripherals	3 years
b. Servers & Network Components	5 years

Residual value of above assets is considered as Nil.

- 1.18.5 Cost of Softwares capitalized as Intangible Asset is amortized over the period of legal right to use or 3 years, whichever is less with Nil residual value.
- 1.18.6 Mobile phones are charged off in the year of purchase.
- 1.18.7 Depreciation/ Amortization on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/upto the date on which the asset is available for use/disposal
- 1.18.8 Where the cost of depreciable fixed asset 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 assets where residual life is determined on the basis of useful life of fixed asset as specified in Schedule II of the Companies Act, 2013.
- 1.18.9 Plant and machinery, loose tools and items of scientific appliances, included under different heads of fixed assets, costing ₹5,000/- or less, or where the written down value is ₹ 5,000/- or less as at the beginning of the year, are charged off to revenue.
- 1.18.10 Other fixed assets costing upto ₹5,000/- are fully depreciated in the year of acquisition.
- 1.18.11 Leasehold Land is fully amortized over 25 years or lease period whichever is lower in accordance with the rates and methodology specified in the Central Electricity Regulatory Commission (CERC) Tariff Regulation . Lease hold Land acquired on perpetual lease is not amortised.



- 1.18.12 In the case of fixed assets 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.

**1.19 PRIOR PERIOD ITEMS**

Pre-paid/prior-period expenses/Income of items up to ₹100,000/- are charged to natural heads of account.

**1.20 IMPAIRMENT OF ASSETS**

Cash generating units as defined in Accounting Standard -28 on 'Impairment of Assets' are identified at the balance sheet date with respect to carrying amount vis-à-vis recoverable amount thereof and impairment loss, if any, is recognised in Statement of profit & loss. Impairment loss, if need to be reversed subsequently, is accounted for in the year of reversal.

**1.21 EMPLOYEE BENEFITS**

- 1.21.1 Company contribution paid/payable during the year to defined pension contribution scheme and provident fund scheme is recognized in the Statement of Profit and Loss. The same is paid to a fund and administered through a separate trust.
- 1.21.2 The liability for retirement benefits of employees in respect of Gratuity, is ascertained annually on actuarial valuation at the year end, is provided and funded separately.
- 1.21.3 The liabilities for compensated absences, leave encashment, post retirement medical benefits, settlement allowance & long service awards to employees are ascertained annually on actuarial valuation at the year end and provided for.
- 1.21.4 Short term employee benefits are recognized at the undiscounted amount in the Statement of Profit and Loss in the year in which the related services are rendered.
- 1.21.5 Actuarial gains/losses are recognized immediately in the Statement of Profit & Loss.

**1.22 PROVISIONS AND CONTINGENT LIABILITIES**

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to its present value. No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainties. Such contingent liabilities are not recognized but are disclosed on the basis of judgment of the management / independent expert. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

**1.23 TAXES ON INCOME**

Income Tax comprises of current and deferred tax. Current income taxes are measured at the amount expected to be paid to income tax authorities in accordance with the provisions of Income Tax Act, 1961. Deferred tax resulting from timing difference between accounting and taxable profit is accounted for using the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**1.24 OTHERS**

- 1.24.1 Expenditure of research and development, other than Capital Expenditure, are charged to revenue in the year of incurrence.
- 1.24.2 Capital expenditure on assets not owned by the company is charged off to revenue as and when incurred.



## Note 2.1/Share capital

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Equity Share Capital</b>		
<b>Authorised</b>		
1000,00,00,000 (Previous year 1000,00,00,000 ) equity shares of ₹ 10/- each at par	<b>10000.00</b>	10000.00
<b>Issued, subscribed and paid up</b>		
523,15,89,648 (Previous Year 523,15,89,648) equity shares of ₹ 10/-each at par fully paid up	<b>5231.59</b>	5231.59
<b>Total</b>	<b>5231.59</b>	5231.59

### Further Notes:

- 1) Reconciliation of Number and amount of share capital outstanding at the beginning and at the end of the reporting period

Particulars	For the year ended 31 <sup>st</sup> March, 2016		For the year ended 31 <sup>st</sup> March, 2016	
	No.of Shares	Amount ( ₹ in crore)	No.of Shares	Amount ( ₹ in crore)
Shares outstanding at the beginning of the year	<b>5231589648</b>	<b>5231.59</b>	5231589648	5231.59
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>5231589648</b>	<b>5231.59</b>	5231589648	5231.59

- 2) The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at meetings of the Shareholders.
- 3) Shareholders holding more than 5% equity shares of the Company

Particulars	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	No.of Shares	% of holding	No.of Shares	% of holding
i) Government of India	<b>3028835198</b>	<b>57.90</b>	3028835198	57.90
ii) Europacific Growth Fund	-	-	296023422	5.66

## Note 2.2/Reserves and surplus

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Securities Premium Account</b>		
As per last balance sheet	9578.29	9578.29
Closing Balance	<b>9578.29</b>	9578.29
<b>Bonds Redemption Reserve</b>		
As per last balance sheet	5870.47	4886.61
Additions during the year	1719.88	1600.44
Deductions during the year	697.93	616.58
Closing Balance	<b>6892.42</b>	5870.47
<b>Self Insurance Reserve</b>		
<b>Through appropriation</b>		
As per last balance sheet	348.18	268.40
Additions during the year	102.43	79.78
Deductions during the year	-	-
Closing Balance	450.61	348.18
<b>Through charge to Profit</b>		
As per last balance sheet	39.00	59.21
Additions during the year	-	-
Deductions during the year	5.29	20.21
Closing Balance	33.71	39.00
	<b>484.32</b>	387.18

**Note 2.2/Reserves and surplus (contd.)**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Corporate Social Responsibility( CSR) Activity Reserve</b>		
As per last balance sheet	129.52	46.74
Additions during the year	6.01	82.78
Deductions/Adjustments during the year	-	-
Closing Balance	<b>135.53</b>	129.52
<b>General Reserve</b>		
As per last balance sheet	16773.12	14373.17
Additions during the year	3500.00	2400.00
Deductions during the year	-	0.05
Closing Balance	<b>20273.12</b>	16773.12
	<b>37363.68</b>	32738.58
<b>Surplus( Balance in statement of Profit and Loss )</b>		
As per last balance sheet	196.42	15.62
Add: Additions		
Profit after tax as per Statement of Profit & Loss	6026.72	4979.17
Transfer from Bond Redemption Reserve	697.93	616.58
Dividend tax adjusted	0.28	1.93
Less: Appropriations		
Bonds Redemption Reserve	1719.88	1600.44
CSR Activities Reserve	6.01	82.78
Self Insurance Reserve	102.43	79.78
General Reserve	3500.00	2400.00
Interim dividend paid	418.53	360.98
Tax on Interim dividend	85.01	71.16
Proposed Dividend	789.97	685.34
Tax on proposed Dividend	160.82	136.40
Closing Balance	<b>138.70</b>	196.42
<b>TOTAL</b>	<b>37502.38</b>	32935.00

**Note 2.3/Deferred Revenue**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
a) Advance against depreciation	<b>1795.57</b>	1938.57
b) Grants in aid		
As per last Balance Sheet	73.12	95.07
Received during the year*	58.00	-
Adjustments during the year	21.96	21.95
Closing balance	<b>109.16</b>	73.12
c) Deferred income from foreign currency fluctuation(Net)	<b>3819.12</b>	2751.22
<b>TOTAL</b>	<b>5723.85</b>	4762.91

**Further Notes:**

\*Grant received during the year for scheme of Unified Real Time Dynamic State Measurement.



## Note 2.4/Long-term borrowings

(₹ in Crore)

Description		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A)</b>	<b>BONDS</b>		
<b>A1)</b>	<b>Secured (Taxable, Redeemable, Non-Cumulative, Non-Convertible)</b>		
<b>A1.1</b>	i) Bonds of ₹10 Lakh each		
	<b>XXXIX Issue- 9.40% redeemable at par on 29.03.2027</b>	1800.00	1800.00
	<b>XXXVIII Issue- 9.25% redeemable at par on 09.03.2027</b>	855.00	855.00
	<b>XLII Issue-8.80% redeemable at par on 13.03.2023</b>	1990.00	1,990.00
	ii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of Rs 10 lakh each redeemable at par in 3( Three) equal installments on 23.12.2020,23.12.2025 and 23.12.2030		
	<b>LII Issue-8.32% redeemable w.e.f. 23.12.2020</b>	1398.00	-
	iii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of Rs 10 lakh each redeemable at par in 3( Three) equal installments on 09.03.2020,09.03.2025 and 09.03.2030		
	<b>XLIX Issue-8.15% redeemable w.e.f. 09.03.2020</b>	1305.00	1305.00
	iv) Bonds of ₹40 Lakh each consisting of 4 STRPPs of Rs 10 lakh each redeemable at par in 4( Four) equal installments on 23.01.2020,23.01.2022,23.01.2025 and 23.01.2030		
	<b>XLVIII Issue-8.20% redeemable w.e.f. 23.01.2020</b>	2580.00	2580.00
	v) Bonds of ₹1.20 crore each consisting of 12 STRPPs of Rs 10 lakh each redeemable at par in 12(twelve) equal installments		
	<b>LI Issue-8.40% redeemable w.e.f. 14.09.2019</b>	3000.00	-
	vi) Bonds of ₹30 Lakh each consisting of 3 STRPPs of Rs 10 lakh each redeemable at par in 3( Three) equal installments on 04.09.2019,4.09.2024 and 04.09.2029		
	<b>XLVI Issue-9.30% redeemable w.e.f. 04.09.2019</b>	4362.00	4362.00
	vii) Bonds of ₹1.20 crore each consisting of 12 STRPPs of Rs 10 lakh each redeemable at par in 12(twelve) equal installments		
	<b>L Issue-8.40% redeemable w.e.f. 27.05.2019</b>	2928.00	-
	viii) Bonds of ₹ 1.20 crore each consisting of 12 STRPPs of Rs 10 lakh each redeemable at par in 12( Twelve) equal installments		
	<b>XLVII Issue-8.93% redeemable w.e.f 20.10.2018</b>	2640.00	2640.00
	ix) Bonds of ₹10 Lakh each redeemable at par in 3 equal instalments on 15.07.2018,15.07.2023 and 15.07.2028		
	<b>XLIV Issue-8.70% redeemable w.e.f. 15.07.2018</b>	3966.00	3,966.00
	x) Bonds of ₹1.2 crores each consisting of 12 STRPPs of ₹ 10 lakhs each redeemable at par in 12 (twelve) equal annual instalments		
	<b>XLV Issue-9.65% redeemable w.e.f. 28.02.2018</b>	1999.20	1,999.20
	<b>XLIII Issue-7.93% redeemable w.e.f. 20.05.2017</b>	3126.00	3,126.00
	xi) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (twelve) equal annual instalments.		
	<b>XLI Issue-8.85% redeemable w.e.f. 19.10.2016</b>	2605.62	2,842.50
	xii) Bonds of ₹1.50 crores each, consisting of 15 STRPPs of ₹10.00 Lakhs each redeemable at par in 15 (fifteen) equal annual instalments		



## Note 2.4/Long-term borrowings (contd.)

(₹ in Crore)

Description		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
	<b>XXXVI Issue- 9.35% redeemable w.e.f. 29.08.2016</b>	2884.00	3090.00
xiii)	Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (twelve) equal annual instalments.		
	<b>XL Issue-9.30% redeemable w.e.f. 28.06.2016</b>	3664.37	3,997.50
	<b>XXXVII Issue- 9.25% redeemable w.e.f 26.12.2015</b>	1662.50	1828.75
	<b>XXXV Issue- 9.64% redeemable w.e.f 31.05.2015</b>	1631.25	1794.38
	<b>XXXIV Issue- 8.84% redeemable w.e.f 21.10.2014</b>	2615.62	2906.25
	<b>XXXIII Issue- 8.64% redeemable w.e.f 08.07.2014</b>	2160.00	2400.00
	<b>XXXII Issue- 8.84% redeemable w.e.f 29.03.2014</b>	690.00	776.25
	<b>XXXI Issue- 8.90% redeemable w.e.f 25.02.2014</b>	1365.00	1535.62
	<b>XXX Issue- 8.80% redeemable w.e.f 29.09.2013</b>	1555.00	1749.38
	<b>XXIX Issue- 9.20% redeemable w.e.f 12.03.2013</b>	756.88	865.00
	<b>XXVIII Issue- 9.33% redeemable w.e.f 15.12.2012</b>	1400.00	1600.00
	<b>XXVII Issue- 9.47% redeemable w.e.f 31.03.2012</b>	352.50	411.25
	<b>XXVI Issue- 9.30% redeemable w.e.f 07.03.2012</b>	499.50	582.75
	<b>XXV Issue- 10.10% redeemable w.e.f 12.06.2011</b>	532.50	621.25
	<b>XXIV Issue- 9.95% redeemable w.e.f 26.03.2011</b>	333.13	399.75
	<b>XXIII Issue- 9.25% redeemable w.e.f 09.02.2011</b>	128.12	153.75
	<b>XXII Issue- 8.68% redeemable w.e.f 07.12.2010</b>	287.50	345.00
	<b>XXI Issue- 8.73% redeemable w.e.f 11.10.2010</b>	212.50	255.00
	<b>XX Issue- 8.93% redeemable w.e.f 07.09.2010</b>	625.00	750.00
	<b>XIX Issue- 9.25% redeemable w.e.f 24.07.2010</b>	206.25	247.50
	<b>XVIII Issue- 8.15% redeemable w.e.f 09.03.2010</b>	333.00	416.25
xiv)	Bonds of ₹1.00 crores each, consisting of 10 STRPPs of ₹10.00 Lakhs each redeemable at par in 10 (ten) equal annual instalments.		
	<b>XVII Issue- 7.39% redeemable w.e.f 22.09.2009</b>	200.00	300.00
	<b>XVI Issue- 7.10% redeemable w.e.f 18.02.2009</b>	75.00	150.00
xv)	Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (twelve) equal annual instalments.		
	<b>XV Issue-6.68% redeemable w.e.f. 23.02.2008</b>	150.00	225.00
	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.		
<b>A1.2</b>	Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 lakh each redeemable at par in 12 (twelve) equal annual instalments		
	<b>XIII issue-8.63% redeemable w.e.f 31.07.2006</b>	67.50	135.00
	Secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage & hypothecation on assets of Kishenpur Moga & Dulhasti Contingency Transmission System		



## Note 2.4/Long-term borrowings (contd.)

(₹ in Crore)

Description		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A1.3</b>	Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 lakh each redeemable at par in 12 (twelve) equal annual instalments		
	<b>XII issue-.9.70% redeemable w.e.f 28.03.2006</b>	-	15.38
	Secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage and hypothecation on assets of Kayamkulam & Ramagundam Hyderabad Transmission System		
<b>A1.4</b>	Bonds of ₹3 crores each consisting of 12 STRPPs of ₹25 lakh each redeemable at par in 12 (twelve) equal annual instalments		
	<b>XI issue-9.80% redeemable w.e.f 07-12-2005</b>	-	45.25
	Secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage & hypothecation on assets of Anta,Auriya, Moga-Bhiwani, Chamera-Kishenpur, Sasaram-Allahbad, LILO of Singraulli-Kanpur and Allahabad Sub-Station		
<b>A2)</b>	<b>Unsecured</b>	<b>58941.94</b>	55061.96
<b>A2.1</b>	Redeemable Foreign Currency Bonds		
	<b>3.875% Foreign Currency Bonds to be redeemed at par on 17.01.2023</b>	<b>3345.00</b>	3,159.50
	<b>Total (A)</b>	<b>62286.94</b>	58221.46
<b>B)</b>	<b>Term loans from Banks</b>		
<b>B1)</b>	<b>Rupee Loan (Secured)</b>		
<b>B1.1</b>	<b>Line of Credit (LOC) from State Bank of India -I</b>	4546.00	5000.00
	<b>Line of Credit (LOC) from State Bank of India -II</b>	7485.00	2600.00
	Secured by way of pari passu charge on assets of the company except investments, Land and Buildings, roads and bridges, water supply , drainage and sewerage and Current Assets.		
<b>Total (B1)</b>		12031.00	7600.00
<b>B2)</b>	<b>Foreign Currency Loans(Secured)</b>		
<b>B2.1</b>	<b>Bank of India Cayman Islands</b>	211.26	232.80
	Secured by a Floating charge on the immovable properties of the company		
<b>B2.2</b>	<b>i) Nordic Investment Bank (PIL5120)</b>	452.86	505.71
	Secured by way of pari passu charge on movable assets of the company except investments and Current Assets.		
	<b>ii) ADB-VIII (2788-IND)</b>	1080.42	530.35
	<b>iii) International Finance Corporation</b>	669.00	1,011.04
	<b>iv) ICF Debt Pool LLP</b>	334.50	315.95
	Secured by way of pari passu charge on assets of the company except investments, Land and Buildings, roads and bridges, water supply , drainage and sewerage and Current Assets.		
<b>B2.3</b>	<b>Guaranteed by Government of India</b>		
	From Asian Development Bank (ADB)		
	<b>ADB-II (1764-IND)</b>	710.32	801.43





## Note 2.4/Long-term borrowings (contd.)

(₹ in Crore)

Description	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>ADB-III (2152-IND)</b>	1822.66	1869.95
<b>ADB-IV (2415-IND)</b>	2475.75	2387.71
<b>ADB-V (2510-IND)</b>	786.59	668.94
<b>ADB-VI (2823-IND)</b>	341.19	307.94
<b>ADB-VII (2787-IND)</b>	1125.28	903.18
From International Bank for Reconstruction and Development (IBRD)		
<b>PSDP-II (4603-IN)</b>	1188.86	1332.41
<b>PSDP-III (4813-IN)</b>	1804.63	1856.74
<b>PSDP-IV (4890-IN)</b>	3201.64	3202.56
<b>PSDP-IV (Addl.) (7593-IN)</b>	2290.86	2253.74
<b>PSDP-V (7787-IN)</b>	4707.42	3711.41
Secured by pari passu interest in the lien created on the assets as security for the debts.		
<b>Total B2</b>	23203.24	21891.86
<b>B3) Foreign currency Loans (Unsecured)</b>		
<b>B3.1 Skandinaviska Enskilda Banken AB(publ) Sweden</b>	-	19.42
<b>AB Svensk Exportkredit, Sweden</b>	2120.84	1458.64
<b>B3.2 Guaranteed by Government of India</b>		
<b>Natixis Banque (Formerly Credit National) France</b>	78.05	78.79
<b>Japan International Cooperation Agency(Formerly Japan Bank for International Cooperation ) Japan</b>	108.61	105.45
<b>KFW</b>	411.07	-
<b>Total (B3)</b>	2718.57	1662.30
<b>Total B</b>	<b>37952.81</b>	<b>31154.16</b>
<b>C Term Loan From Others</b>		
<b>Rupee Loans (Secured)</b>		
<b>C1 Life Insurance Corporation of India-III</b>	-	0.22
Secured by a floating charge on the fixed assets of the Company.		-
<b>TOTAL (A to C)</b>	<b>100239.75</b>	<b>89375.84</b>

### Further notes:

The Term loans are repayable in installments as per the terms of respective agreement generally over the period of 10 to 20 years after the moratorium period of 3 to 5 years.



## Note 2.5/Deferred tax liabilities (Net)

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Deferred Tax Liability</b>		
Towards Fixed Assets( Net) (A)	<b>8556.83</b>	6779.74
<b>Deferred Tax Assets</b>		
Income during Construction Period	<b>92.34</b>	110.25
Self Insurance Reserve	<b>11.67</b>	13.49
Provisions allowable on payment basis	<b>135.58</b>	113.07
Advance Against Depreciation	<b>621.41</b>	670.90
Others	<b>3.38</b>	6.84
<b>Sub-total (B)</b>	<b>864.38</b>	914.55
Deferred Tax Liability (Net) ( A-B)	<b>7692.45</b>	5865.19
Less:Deferred assets for deferred tax liability	<b>5203.08</b>	3393.04
<b>Net Deferred Tax Liability</b>	<b>2489.37</b>	2472.15

### Further Note:

- Charge of ₹ 17.22 crore( Previous year ₹ 29.22 crore) has been made in the statement of Profit & Loss .
- The tariff norms for the block period 2014-2019 notified by the CERC provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax provided during the year ended 31st March, 2016 on the transmission income is accounted as 'Deferred Assets against Deferred Tax Liability'. Deferred Assets against Deferred Tax Liability for the year will be reversed in future years (including tax holiday period )when the related deferred tax liability forms a part of current tax.This is in line with Guidance Note on Rate Regulated Activities, issued by ICAI.

## Note 2.6/Other Long term liabilities

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Other liabilities</b>		
i) Deposits /Retention money from contractors and others	<b>906.33</b>	654.69
ii) Advance from customers (Consultancy/Telecom contracts)	<b>431.21</b>	401.03
iii) Dues for Capital Expenditure	<b>0.04</b>	22.88
iv) Others*	<b>0.38</b>	0.04
<b>Total</b>	<b>1337.96</b>	1078.64

### 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.2.43

\*Others include amount recoverable from contractors for payment of compensation, PF Loan & Interest Recovery Payable etc.

## Note 2.7/Long-term provisions

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Employee Benefits</b>		
As per last balance sheet	580.23	524.37
Additions/(adjustments) during the year	70.22	55.86
Closing Balance	<b>650.45</b>	580.23
<b>Total</b>	<b>650.45</b>	580.23

## Note 2.8/Short-term borrowings

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Short Term Loans (Unsecured)</b>		
From Banks	<b>2000.00</b>	1200.00
<b>Total</b>	<b>2000.00</b>	1200.00



## Note 2.9/Trade payables

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
For goods and services	<b>313.89</b>	392.97
<b>Total</b>	<b>313.89</b>	392.97

### Further Notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No.2.43

## Note 2.10/Other current liabilities

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A) Current maturities of long term borrowings</b>		
<b>Secured</b>		
Bonds	3446.00	2791.71
Rupee Term Loans	454.23	101.72
Foreign Currency Loans	<u>1906.71</u>	<u>1489.18</u>
	5806.94	4382.61
<b>Un-secured</b>		
Foreign Currency Loans	<u>274.72</u>	<u>86.10</u>
	<b>6081.66</b>	4468.71
<b>B) Interest accrued but not due on borrowings from</b>		
Indian Banks, Financial Institutions & Corporations	-	5.78
Foreign Banks & Financial Institutions	69.18	39.30
Secured/Unsecured redeemable Bonds	<u>2600.02</u>	<u>2315.99</u>
	<b>2669.20</b>	2361.07
<b>C) Others</b>		
i) Dues for capital expenditure	4173.00	4647.30
ii) Employee related liabilities	84.96	116.09
iii) Unclaimed dividends*	9.31	10.39
iv) Deposits/Retention money from contractors and others.	4501.90	4814.79
vi) Advances from customers	3431.49	2229.62
vii) Statutory dues	101.08	188.47
viii) Related parties**	56.25	51.84
ix) Others#	<u>282.45</u>	<u>171.32</u>
	<b>12640.44</b>	12229.82
<b>Total</b>	<b>21391.30</b>	19059.60

### 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 2.43

\* No amount is due for payment to Investor Education and Protection Fund

\*\*Breakup of related parties is provided in Note2.47(b)

#Others include liability for dead cheques, Price variation, LTA etc



## Note 2.11/Short-term provisions

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A) Employee Benefits</b>		
<b>i) Transmission incentive/special incentive</b>		
As per last balance sheet	198.87	121.13
Addition during the year	160.31	106.45
Amount paid/adjusted during the year	176.66	28.71
Closing Balance	182.52	198.87
<b>ii) Other Employee Benefits</b>		
<b>( Leave Encashment, Settlement Allowance and Long Service Award etc.)</b>		
As per last balance sheet	40.71	37.78
Additions/(adjustments) during the year	5.85	2.93
Closing Balance	46.56	40.71
<b>Total (A)</b>	<b>229.08</b>	<b>239.58</b>
<b>B) Others</b>		
<b>i) Taxation (Including interest on tax)</b>		
As per last balance sheet	140.47	-
Additions during the year	1574.81	1281.25
Amount adjusted during the year	(2417.69)	(3221.97)
Net off against taxes paid (Note 2.18)	3833.30	4362.75
Closing Balance	299.67	140.47
<b>ii) Proposed Dividend</b>		
As per last balance sheet	685.34	685.34
Additions during the year	789.97	685.34
Amounts paid during the year	685.34	685.34
Closing Balance	789.97	685.34
<b>iii) Tax on proposed Dividend</b>		
As per last balance sheet	136.40	116.47
Additions during the year	160.82	136.40
Amounts paid/adjusted during the year	136.40	116.47
Closing Balance	160.82	136.40
<b>iv) Downtime Service Credit-Telecom</b>		
As per last balance sheet	6.78	5.23
Additions during the year	4.06	2.15
Amounts adjusted/paid during the year	0.75	0.60
Closing Balance	10.09	6.78
<b>v) Provision Others</b>		
As per last balance sheet	3.38	2.07
Additions/(adjustments) during the year	55.37	1.31
Closing Balance	58.75	3.38
<b>Total (B)</b>	<b>1319.30</b>	<b>972.37</b>
<b>Total (A+B)</b>	<b>1548.38</b>	<b>1211.95</b>

## Note 2.12/Tangible assets

(₹ in Crore)

Particulars	Gross Block				Depreciation/Amortisation				Net Block		
	As at 1 <sup>st</sup> April, 2015	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2016	Upto 31 <sup>st</sup> March, 2015	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Land</b>											
a) Freehold	1809.52	191.32	-	(3.80)	<b>2004.64</b>	-	-	-	-	<b>2004.64</b>	1809.52
b) Leasehold	277.98	5.31	0.36	0.74	<b>282.19</b>	46.74	9.53	-	2.03	<b>54.24</b>	231.24
<b>Buildings</b>											
a) Sub-Stations & Office	721.74	195.72	-	3.18	<b>914.28</b>	217.74	26.28	-	1.18	<b>242.84</b>	504.00
b) Township	525.12	38.10	-	(0.06)	<b>563.28</b>	155.11	20.70	-	1.63	<b>174.18</b>	370.01
Temporary Erection	10.43	0.39	-	-	<b>10.82</b>	10.41	0.40	-	-	<b>10.81</b>	0.02
Roads & Bridges	179.19	16.94	-	-	<b>196.13</b>	54.34	7.42	-	1.57	<b>60.19</b>	124.85
Water Supply Drainage & Sewerage	110.58	5.52	-	(0.10)	<b>116.20</b>	34.88	4.21	-	0.49	<b>38.60</b>	75.70
<b>Plant &amp; Equipment</b>											
a) Transmission	72501.33	22333.35	36.93	(1014.86)	<b>95812.61</b>	16495.33	4054.07	8.26	34.49	<b>20506.65</b>	56006.00
b) Substation	38313.35	7036.99	21.91	(358.83)	<b>45687.26</b>	10048.19	2008.75	4.21	15.65	<b>12037.08</b>	28265.16
c) Unified Load Despatch & Communication	646.38	215.71	-	(0.11)	<b>862.20</b>	376.77	39.83	-	-	<b>416.60</b>	269.61
d) Telecom	1431.22	40.81	-	(0.16)	<b>1472.19</b>	636.57	96.39	-	-	<b>732.96</b>	794.65
Furniture Fixtures	96.50	27.30	0.08	0.11	<b>123.61</b>	45.34	5.39	0.03	0.12	<b>50.58</b>	51.16
Office equipment	111.48	35.65	4.86	0.23	<b>142.04</b>	48.74	6.45	4.32	0.03	<b>50.84</b>	62.74
Electronic Data Processing & Word Processing Machines	117.05	11.20	0.05	0.04	<b>128.16</b>	86.49	20.31	0.38	0.46	<b>105.96</b>	30.56
Vehicles	4.60	0.01	0.03	0.22	<b>4.36</b>	2.60	0.34	0.10	-	<b>2.84</b>	2.00
Construction and Workshop equipment	216.61	43.57	-	-	<b>260.18</b>	49.07	12.09	-	0.24	<b>60.92</b>	167.54
Electrical Installation	127.31	2.27	-	0.14	<b>129.44</b>	49.06	5.91	-	0.09	<b>54.88</b>	78.25
Laboratory Equipments	75.59	0.04	0.03	(0.09)	<b>75.69</b>	37.20	3.24	0.24	0.23	<b>39.97</b>	38.39
Workshop & Testing Equipments	39.47	43.37	-	-	<b>82.84</b>	16.68	2.27	-	0.02	<b>18.93</b>	22.79
Miscellaneous Assets/ Equipments	0.11	-	-	(0.01)	<b>0.12</b>	0.07	-	-	-	<b>0.07</b>	0.04
<b>Total</b>	117315.56	30243.57	64.25	(1373.36)	<b>148868.24</b>	28411.33	6323.58	17.54	58.23	<b>34659.14</b>	88904.23
Less: Provision for assets discarded	10.33	0.07	-	-	<b>10.40</b>	8.61	0.05	-	-	<b>8.66</b>	1.72
<b>Grand Total</b>	117305.23	30243.50	64.25	(1373.36)	<b>148857.84</b>	28402.72	6323.53	17.54	58.23	<b>34650.48</b>	88902.51
Previous Year Total	95740.51	20949.10	9.63	(635.58)	117315.56	23236.82	5208.00	1.32	32.17	28411.33	88904.23
Less: Provision for assets discarded	10.40	-	-	0.07	10.33	8.66	-	-	0.05	8.61	1.72
Previous Year Grand Total	95730.11	20949.10	9.63	(635.65)	117305.23	23228.16	5208.00	1.32	32.12	28402.72	88902.51

## Note 2.12/Tangible assets (contd.)

### Further Notes:

- a) The company owns 7003 hectare (previous Year 6647 hectare) of land amounting to ₹ 2286.83 crore (previous Year ₹ 2087.50 crore) which has been classified into freehold ₹2004.64 crore (previous year ₹ 1809.52 crore) and leasehold ₹ 282.19 crore (previous year ₹ 277.98 crore) based on available documentation
- b) i) The land classified as leasehold land held in the State of Jammu and Kashmir amounting to ₹ 68.53 crore (Previous Year ₹ 68.53 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 1<sup>st</sup> April 1993 from National Hydroelectric Power Corporation of India Ltd. (NHPC) upon mutually agreed terms pending completion of legal formalities.
- c) Freehold land includes ₹ 191.39 crore (previous year ₹ 33.71 crore) in respect of land acquired by the Company for which conveyance deed in favour of the Company is pending and ₹ 305.74 crore (previous year ₹ 192.08 crore) in respect of land acquired by the Company for which mutation in revenue records is pending.
- d) Leasehold land includes ₹ 7.64 crore (previous year ₹ 7.64 crore) in respect of land acquired for office complex on perpetual lease basis with an unlimited useful life at Katwaria Sarai, New Delhi and hence not amortised.
- e) Leasehold land includes ₹ 13.97 crore (previous year ₹ 13.97 crore) in respect of land in chamba (HP) acquired from NHPC by the company for which legal formalities are pending.
- f) Township buildings includes ₹ 7.27 crore (previous year ₹ 7.27 crore) for 28 flats at Mumbai, for which registration in favour of the company is pending.
- g) Land at Bina Sub-station measuring 13.90 acres (Previous year 13.90 acres) having value of Rs ₹ 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) Free hold land includes ₹21.21 crores paid in respect of Tumkur (Madhugiri SS) land acquired by the company through lease cum sale agreement for which all the conditions related to transfer of title from KIADB have been fulfilled and conveyance deed/ title in favour of the company and mutation in revenue records are pending.

## Note 2.13/Intangible assets

(₹ in Crore)

Particulars	Gross Block				Depreciation/Amortisation					Net Block		
	As at 1 <sup>st</sup> April, 2015	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2016	Upto 31 <sup>st</sup> March, 2015	Additions during the year	Sale/ Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Electronic Data Processing Software	49.05	2.00	-		51.05	14.08	14.71	-	0.04	28.75	22.30	34.97
Right of Way-Afforestation Expenses	909.98	98.16	-	(134.89)	1143.03	161.25	53.54	-	-	214.79	928.24	748.73
<b>Total</b>	<b>959.03</b>	<b>100.16</b>	<b>-</b>	<b>(134.89)</b>	<b>1194.08</b>	<b>175.33</b>	<b>68.25</b>	<b>-</b>	<b>0.04</b>	<b>243.54</b>	<b>950.54</b>	<b>783.70</b>
<b>Previous Year Total</b>	<b>773.55</b>	<b>184.95</b>	<b>-</b>	<b>(0.53)</b>	<b>959.03</b>	<b>121.43</b>	<b>47.80</b>	<b>-</b>	<b>(6.10)</b>	<b>175.33</b>	<b>783.70</b>	

## Note 2.14/Capital work in progress

(₹ in Crore)

Particulars	As at 1 <sup>st</sup> April, 2015	Additions during the year	Adjustments	Capitalised during the year	As at 31 <sup>st</sup> March, 2016
<b>Land</b>					
Development of land	4.34	58.41	-	54.96	7.79
<b>Buildings</b>					
a) Sub-Stations & Office	303.75	306.22	75.50	195.92	338.55
b) Township	62.54	44.06	(19.30)	37.85	88.05
Temporary erection	0.02	-	-	0.02	-
Roads & Bridges	5.94	10.45	-	0.78	15.61
Water Supply Drainage and Sewerage	2.26	0.04	-	-	2.30
<b>Plant &amp; Equipments (including associated civil works)</b>					
a) Transmission	26446.78	12648.93	-	18974.83	20120.88
b) Sub-Station	6225.24	7367.55	-	5981.82	7610.97
c) Unified Load Despatch & Communication	352.30	143.81	17.44	202.26	276.41
d) Telecom	47.67	12.90	-	20.61	39.96
Furniture & Fixtures	0.15	-	0.15	-	0.00
Other office equipments	5.04	17.56	-	6.50	16.10



## Note 2.14/Capital work in progress (contd.)

(₹ in Crore)

Particulars	As at 1 <sup>st</sup> April, 2015	Additions during the year	Adjustments	Capitalised during the year	As at 31 <sup>st</sup> March, 2016
<b>Expenditure pending allocation</b>			-		
i) Survey, investigation, consultancy & supervision Charges	25.79	6.32	-	11.20	<b>20.91</b>
ii) Difference in Exchange on foreign currency loans	817.05	525.95	-	702.05	<b>640.95</b>
iii) Expenditure during construction period(net) (Note 2.32)	5375.67	2825.29	(146.74)	3,743.96	<b>4603.74</b>
<b>TOTAL</b>	39674.54	23967.49	(72.95)	29932.76	<b>33782.22</b>
Less: Provision for unserviceable Assets	3.64	-	-	-	<b>3.64</b>
<b>Grand Total</b>	39670.90	23967.49	(72.95)	29932.76	<b>33778.58</b>
<b>Previous Year</b>	31502.41	30088.33	2053.11	19863.09	<b>39674.54</b>
Less: Provision for unasserviceable Assets	-	-	-	-	<b>3.64</b>
<b>Total</b>	31502.41	30088.33	2053.11	19863.09	<b>39670.90</b>

## Note 2.15/Intangible assets under development

(₹ in Crore)

Particulars	As at 1 <sup>st</sup> April, 2015	Additions	Adjustments	Capitalised during the year	As at 31 <sup>st</sup> March, 2016
Electronic Data Processing Software	0.09	1.67	-	0.30	<b>1.46</b>
Right of Way-Afforestation expenses	137.45	52.88	-	98.14	<b>92.19</b>
Development Expenditure	73.75	10.97	6.26	-	<b>78.46</b>
<b>Total</b>	211.29	65.52	6.26	98.44	<b>172.11</b>
Previous Year Total	349.00	33.17	(12.12)	183.00	<b>211.29</b>

## Note 2.16/Construction stores

(For mode of valuation refer note 1.11)

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Towers	1811.68	2461.98
Conductors	1770.88	3386.47
Other Line Materials	1183.60	1576.19
Sub-Station Equipments	2182.43	2523.66
High Voltage Direct Current (HVDC) Equipments	2650.37	2850.07
Unified Load Despatch & Communication(ULDC) Materials	186.98	200.78
Telecom Materials	15.54	8.39
Others	57.81	34.44
	<b>9859.29</b>	13041.98
Less: Provision for shortages and obsolete material	<b>0.02</b>	0.02
<b>TOTAL</b>	<b>9859.27</b>	13041.96
<b>Construction Stores include:</b>		
<b>i) Material in transit</b>		
Towers	<b>13.42</b>	6.39
Conductors	<b>2.23</b>	13.35
Other Line Materials	<b>82.53</b>	62.93
Sub-Station Equipments	<b>94.74</b>	794.03
High Voltage Direct Current (HVDC) Equipments	<b>267.35</b>	413.54
Unified Load Despatch & Communication(ULDC) Materials	-	11.68
Others	-	12.05
<b>Total</b>	<b>460.27</b>	1313.97



## Note 2.16/Construction stores (contd.)

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>ii) Material with Contractors</b>		
Towers	1798.26	2455.59
Conductors	1768.65	3373.12
Other Line Materials	1101.07	1513.26
Sub-Station Equipments	2087.69	1729.63
High Voltage Direct Current (HVDC) Equipments	2383.02	2436.53
Unified Load Despatch & Communication(ULDC) Materials	186.98	189.10
Telecom Materials	15.54	8.39
Others	57.81	-
<b>Total</b>	<b>9399.02</b>	<b>11705.62</b>
<b>Grand total</b>	<b>9859.29</b>	<b>13019.59</b>

### Further Notes:

Pending reconciliation, materials amounting to ₹199.55 crore (previous year ₹112.34 crore) in commissioned lines is shown as construction stores lying with contractors.

## Note 2.17/Non-current investments

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>LONG TERM</b>		
<b>A. TRADE INVESTMENTS (AT COST)</b>		
<b>I. Equity Instruments-Fully Paid up :-</b>		
<b>Quoted</b>		
PTC India Limited		
12000006(Previous year 12000006) Shares of ₹10/- each	12.00	12.00
{Market Value ₹ 76.80 crore @ ₹ 64.00 (NSE) per share (Previous year ₹ 97.08 crore @ 80.90 (NSE) per share)}		
<b>Unquoted</b>		
<b>Subsidiary Companies</b>		
Power System Operation Corporation Limited		
30640000(Previous year 30640000) Shares of ₹ 10 each.(Refer Note No 2.39)	-	30.64
Powergrid NM Transmission Limited		
24000000(Previous year 24000000) Shares of ₹ 10 each.	24.00	24.00
Powergrid Vemagiri Transmission Limited		
50000(Previous year 50000) 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		
54730000(Previous year 54730000) Shares of ₹ 10 each.	54.73	54.73
Powergrid Unchahar Transmission Limited		
50000(Previous year 50000) Shares of ₹ 10 each.	0.05	0.05
Powergrid Kala Amb Transmission Limited		
50000(Previous year 50000) Shares of ₹ 10 each.	0.05	0.05
POWERGRID-Jabalpur Transmission Limited		
50000(Previous year 50000) Shares of ₹ 10 each.	0.05	0.05
POWERGRID Warora Transmission Limited		
50000(Previous year NIL) Shares of ₹ 10 each.	0.05	-
POWERGRID Parli Transmission Limited		
50000(Previous year NIL) Shares of ₹ 10 each.	0.05	-
POWERGRID Southern Interconnector Transmission System Limited		
50000(Previous year NIL) Shares of ₹ 10 each.	0.05	-



**Note 2.17/Non-current investments (contd.)**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Joint Venture Companies</b>		
Torrent Power Grid Limited		
23400000 (Previous year 23400000) Shares of ₹ 10/- each	23.40	23.40
Jaypee Powergrid Limited		
78000000 (Previous year 78000000) Shares of ₹ 10/- each	78.00	78.00
Parbati Koldam Transmission Company Limited		
70937620 (Previous year 70937620 ) Shares of ₹ 10/- each	70.94	70.94
Teestavalley Power Transmission Limited		
67115620 (Previous Year 41011762) Shares of ₹ 10/- each	67.11	41.01
Powerlinks Transmission Limited		
229320000 (Previous year 229320000) Shares of ₹ 10/- each	229.32	229.32
North East Transmission Company Limited		
106964000 (Previous year 106964000) Shares of ₹ 10/- each	106.96	106.96
Energy Efficiency Services Limited		
22500000 (Previous year 22500000)Shares of ₹ 10/- each	22.50	22.50
National High Power Test Laboratory Limited		
23900000 (Previous year 23900000) Shares of ₹ 10/- each	23.90	23.90
Cross Border Power Transmission Company Limited		
10322000 (Previous year 4940000) Shares of ₹ 10/- each	10.32	4.94
Kalinga Bidyut Prasaran Nigam Private Limited		
5000 (Previous year 5000) Shares of ₹ 10/- each	0.01	0.01
Bihar Grid Company Limited		
40309000 (Previous year 10025000) Shares of ₹ 10/- each	40.31	10.02
Power Transmission Company Nepal Ltd		
780000 (Previous year 156000) Shares of Nepali ₹ 100/- each	4.88	0.98
RINL POWERGRID TLT Pvt.Limited		
100000 (Previous year NIL) Shares of ₹ 10/- each	0.10	-
	<b>768.78</b>	<b>733.50</b>
<b>II. Govt.Securities ( Unquoted ):-</b>		
<b>8.5% Bonds redeemable in 20 half yearly instalments w.e.f. 1.10.2006</b>	<b>2.50</b>	<b>7.49</b>
<b>TOTAL (A)</b>	<b>771.28</b>	<b>740.99</b>
<b>B. Non-trade investments ( Unquoted )</b>		
<b>Equity shares-Fully paid-up</b>		
500 (Previous year 500) shares of ₹ 10/- each in Employees Co-op Society Limited Itarsi (₹ 5000/-)	<b>0.00</b>	0.00
500 (Previous year 500) shares of ₹ 10/- each in EmployeesCo-op Society Limited Nagpur (₹ 5000/-)	<b>0.00</b>	0.00
500 (Previous year 500) shares of ₹ 10/- each in Employees Co-op Society Limited Jabalpur (₹ 5000/-)	<b>0.00</b>	0.00
1 (Previous year 1) share of ₹ 10/- each in Bharat Broadband Network Ltd (₹ 10/-)	<b>0.00</b>	0.00
<b>Total (B )</b>		
<b>GRAND TOTAL (A+B)</b>	<b>771.28</b>	<b>740.99</b>
<b>Further notes:</b>		
1) Aggregate amount of Quoted Investments		
Book value	<b>12.00</b>	12.00
Market Value	<b>76.80</b>	97.08
Aggregate amount of Unquoted Investments	-	-
Book value	<b>759.28</b>	728.99
2) 229319997 shares (Previous year 229319997) of Powerlinks Transmission Ltd. held by the Company have been pledged as continuous security with consortium of financial institutions against financial assistance obtained by Powerlinks Transmission Limited.		
3) Investments have been valued as per accounting policy no 1.14		



## Note 2.18/Long-term loans and advances

(Unsecured considered good unless otherwise stated)

(₹ in Crore)

Particulars		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A) Advances for Capital Expenditure</b>			
i) Secured		-	0.26
ii) Unsecured			
a. Against bank guarantees	2824.61		2783.94
b. Others	195.59		583.24
iii) Unsecured considered doubtful	2.95		3.00
		3023.15	3370.18
Less: Provision for bad & doubtful Advances		2.95	3.00
		<b>3020.20</b>	<b>3367.18</b>
		<b>3020.20</b>	<b>3367.44</b>
<b>B) Loans</b>			
i) Employees (including interest accrued)			
Secured	174.98		169.74
Unsecured	13.40		7.82
		188.38	177.56
ii) Lease receivables		400.00	376.61
iii) Loans to Subsidiaries		1159.72	229.70
		<b>1748.10</b>	<b>783.87</b>
		<b>4.89</b>	<b>9.58</b>
<b>C) Security Deposits</b>			
<b>D) Advances to related parties*</b>			
i) Considered good		0.05	-
ii) Considered doubtful**		19.39	19.37
		19.44	19.37
Less: Provision for Doubtful advances**		19.39	19.37
		<b>0.05</b>	<b>-</b>
<b>E) Advances recoverable in cash or in kind or for value to be received</b>			
Contractors & Suppliers( including material issued on Loan)	0.33		1.05
Employees	10.00		12.75
Balance with Customs Port Trust and other authorities	20.82		-
Advance tax and Tax deducted at source	3833.30		4362.75
Less: Provision for taxation	3833.30		4362.75
		-	-
Others	34.17		3.20
	65.32		17.00
Considered doubtful	3.59		3.59
		68.91	20.59
Less: Provision for doubtful Advances		3.59	3.59
		<b>65.32</b>	<b>17.00</b>
<b>TOTAL</b>		<b>4838.56</b>	<b>4177.89</b>
Due from:			
Directors		<b>0.10</b>	0.11
Officers including key management personnel		<b>7.64</b>	6.31

### Further notes:

\*Breakup of advances to related parties is provided in Note 2.47(b)

\*\*CERC in its Order dated 06/04/2015 in Petition Nos. 127/2012, 128/TL/2012 & 156/MP/2012 has ordered that 80% of the acquisition price incurred by PGCIL for Vemagiri Transmission Company Limited (VSTL) shall be reimbursed by the two beneficiaries of LTA viz. SPL and SPGL to the company and the balance 20% and the expenditure incurred by VSTL from the date of acquisition till the liquidation of the Company shall be borne by company. The Company has filed a Review Petition dtd.28/05/2015 praying modification of the Order dtd. 06/04/2015

**Note 2.19/Current investments**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>CURRENT MATURITIES OF LONG TERM INVESTMENTS (AT COST)</b>		
<b>TRADE INVESTMENTS</b>		
<b>I. Equity Instruments-Fully Paid up :-</b>		
<b>Unquoted</b>		
Subsidiary Company		
Power System Operation Corporation Ltd.		
30640000(Previous year 30640000) Shares of ₹ 10 each.(Refer Note No 2.39)	<b>30.64</b>	-
<b>Govt.Securities ( Unquoted ):-</b>		
<b>8.5% Bonds redeemable in 20 half yearly instalments w.e.f. 1.10.2006</b>	<b>5.00</b>	185.43
<b>GRAND TOTAL</b>	<b>35.64</b>	185.43
<b>Further notes:</b>		
1) Aggregate amount of Unquoted Investments		
Book value	<b>35.64</b>	185.43
2) Investments have been valued as per accounting policy no 1.14 (Note No 1)		

**Note 2.20/Inventories**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>(As taken, valued and certified by the Management)</b>		
<b>(For mode of valuation refer Note 1.15)</b>		
Loose tools	<b>11.19</b>	10.64
Consumable stores	<b>5.99</b>	5.06
Components, Spares & other spare parts:		
Towers	<b>185.03</b>	167.46
Conductors	<b>67.00</b>	51.08
Other Line Materials	<b>250.02</b>	212.70
Sub-Station Equipments/Spares	<b>214.90</b>	187.32
High Voltage Direct Current Equipments/spares	<b>71.84</b>	82.13
Unified Load Despatch Centre Spares	<b>5.59</b>	3.79
Telecom Spares	<b>20.47</b>	5.70
Other Stores	<b>11.81</b>	12.03
	<b>843.84</b>	737.91
Less Provision for Shortages/damages etc	<b>20.16</b>	20.16
<b>TOTAL</b>	<b>823.68</b>	717.75
Inventories includes material in transit		
Towers	-	0.01
Other Line Materials	<b>1.96</b>	0.01
<b>Total</b>	<b>1.96</b>	0.02

**Note 2.21/Trade receivables****(Unsecured considered good unless otherwise stated)**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
i) Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	290.90	194.64
Considered doubtful	29.62	27.33
	<b>320.52</b>	221.97
ii) Others	<b>2447.07</b>	1924.01
	<b>2767.59</b>	2145.98
Less: Provision for bad & doubtful trade receivables	<b>29.62</b>	27.33
<b>TOTAL</b>	<b>2737.97</b>	2118.65

\*Breakup of Trade receivables from related parties is provided in Note 2.47(b)



## Note 2.22/Cash and Bank balances

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>1) Cash and Cash Equivalents</b>		
Balance with banks-		
- In Current accounts	866.06	1067.53
- In designated current accounts (to be utilised for consultancy assignments)	674.56	984.90
Drafts/Cheques in hand	-	-
Cash in hand	0.01	0.01
Stamps and Imprest	0.01	0.15
	<b>1540.64</b>	2052.59
<b>2) Other Bank Balances</b>		
- Earmarked balance with Bank*	<b>10.29</b>	10.39
- In Term Deposits having maturity over 3 months (to be utilised for consultancy assignments)	<b>902.79</b>	-
<b>TOTAL</b>	<b>2453.72</b>	2062.98

Further notes:

Balance with Banks in current accounts and designated current accounts under cash and cash equivalents above, includes liquid flexi term deposit ₹182.32 crore (previous year ₹442.62 crore) and ₹449.43 crore (previous year ₹982 crore) respectively. Interest on flexi deposit is credited to designated party accounts.

\*Earmarked balance with Bank includes unpaid dividend and refund of FPO proceeds

## Note 2.23/Short-term loans and advances

(Unsecured considered good unless otherwise stated)

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A) Loans</b>		
<b>a) Employees including interest accrued</b>		
i) Secured	18.06	15.06
ii) Unsecured	6.87	5.68
	24.93	20.74
<b>b) Others</b>		
Current maturities of Long Term Advances (Under securitisation Scheme)	7.71	23.14
Current Maturities of Lease Receivables	82.72	73.68
Others	-	0.03
	90.43	96.85
<b>Total(A)</b>	<b>115.36</b>	117.59
<b>B) Advances to related parties*</b>	<b>173.58</b>	151.63
<b>C) Advances recoverable in cash or in kind or for value to be received</b>		
<b>a) Employees</b>	13.74	14.95
<b>b) Others</b>		
Contractors & Suppliers (Including Material issued on loan)	158.84	27.78
Balance with Customs Port Trust and other authorities	88.17	31.98
Others#	244.34	222.49
	491.35	282.25
<b>Total (C)</b>	<b>505.09</b>	297.20
<b>Total(A+B+C)</b>	<b>794.03</b>	566.42
Less: Provision for doubtful Advances	<b>0.03</b>	-
<b>Total</b>	<b>794.00</b>	566.42
Directors	<b>0.08</b>	0.08
Officers including key management personnel	<b>2.40</b>	1.98

Further notes:

\*Breakup of advances to related parties is provided in Note 2.47(b)

Advances recoverable in cash or in kind or for value to be received -Others include amount recoverable from Gratuity, PF trust, prepaid expenses etc.

**Note 2.24/Other current assets**

(Unsecured considered good unless otherwise stated)

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
a) Unbilled Revenue	3023.89	2232.34
b) Interest accrued but not due		
Interest accrued on Investments (Bonds)	4.36	12.09
Interest accrued on Term/Fixed Deposits	0.22	0.86
Interest accrued on Others*	2.38	-
Interest accrued on Loan to Subsidiaries	25.45	-
c) Claims recoverable	5.80	3.85
d) Others#	74.69	29.73
	<b>3136.79</b>	<b>2278.87</b>
Less: Provision for doubtful claims	-	-
<b>TOTAL</b>	<b>3136.79</b>	<b>2278.87</b>

**Further notes:**

Unbilled revenue ₹1445.24 crore ( Previous year ₹947.31 Crore) represent amount for which the company is yet to raise bills in view of recognition of revenue as per CERC Tariff norms and also includes transmission charges for the month of March, 2016 amounting to 1578.65 crores (previous year ₹1285.03 crore ) billed to beneficiaries in the month of April, 2016 (Previous year April, 2015).

\*Interest accrued on Others include interest accrued on advances to contractors.

#Others include Other accrued income and recoverable from customers.

**Note 2.25/Revenue from operations**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>i) Transmission Business</b>		
Sales of services		
<b>Transmission Charges</b>	19734.16	16371.36
Add: Revenue recognised out of advance against depreciation	142.92	79.50
	19877.08	16450.86
<b>Other operating revenue</b>		
Interest on differential between Provisional and Final Tariff by CERC	67.43	70.88
	<b>19944.51</b>	<b>16521.74</b>
<b>ii) Telecom Business</b>		
Sales of services		
NLD	391.28	272.48
IP-1	8.28	8.44
ISP	2.09	2.77
Others	33.27	15.59
	434.92	299.28
<b>Less: Inter Divisional Transfer</b>		
NLD	37.27	18.97
IP-1	5.16	5.16
ISP	0.24	0.26
	42.67	24.39
	<b>392.25</b>	<b>274.89</b>
<b>iii) Consultancy Project Management and Supervision</b>		
Sales of services	465.46	380.60
	<b>465.46</b>	<b>380.60</b>
<b>Total</b>	<b>20802.22</b>	<b>17177.23</b>



## Note 2.25/Revenue from operations (contd.)

- 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:
- Rs. 3915.15 Crores (previous year Rs. 4272.76 Crore) for which provisional orders have been issued by the Central Electricity Regulatory Commission (CERC) allowing provisional billing upto 90% of the tariff claimed.
  - Rs. 12767.92 Crores (previous year Rs. Nil ) for which final tariff orders have been issued by CERC.
  - Rs. 3194.01 Crores (previous year Rs. 12178.10 Crore) based on CERC Tariff norms applicable for the tariff block 2014-19 for which tariff orders are yet to be issued by CERC. This also includes revenue from assets commissioned upto 31.03.2014.

## Note 2.26/Other income

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>A) Income from non-current Investments</b>		
<b>i) Dividend</b>		
Subsidiary	20.07	15.32
Others	64.70	82.45
<b>ii) Interest on Govt. securities</b>	14.03	28.11
<b>B) Other Interest</b>		
Loan to State Govt. in settlement of dues	-	2.95
Indian Banks	82.51	262.30
Interest from advances to contractors	57.06	150.99
Interest on loan to subsidiaries	49.23	-
Others*	11.90	12.90
	<b>299.50</b>	<b>555.02</b>
<b>C) Others</b>		
Profit on sale of Fixed Assets	<b>1.59</b>	1.90
Deferred Income (Transferred from Grants-in-aid)	<b>21.96</b>	21.95
Transfer from Insurance Reserve on A/c of Losses of Fixed Assets	<b>5.29</b>	20.21
Lease Income-State Sector ULDC	<b>34.76</b>	37.18
Surcharge	<b>92.91</b>	65.95
Hire charges for equipments	<b>0.03</b>	0.22
FERV gain	<b>0.05</b>	12.46
Rebate	<b>0.32</b>	0.34
Provisions written back	<b>3.90</b>	5.50
Miscellaneous income	<b>90.32</b>	74.76
	<b>550.63</b>	795.49
Less: Income transferred to expenditure during construction(Net)-Note 2.32	<b>71.67</b>	192.68
<b>TOTAL</b>	<b>478.96</b>	<b>602.81</b>

### Further Notes:

\* Other Interest-Others include interest on employee loans

## Note 2.27/Employee benefits expense

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
Salaries wages allowances & benefits	1155.84	1185.87
Contribution to provident and other funds	181.42	268.33
Staff Welfare expenses	146.63	145.56
	<b>1483.89</b>	1599.76
Less: Transferred to Expenditure during Construction(Net)-Note 2.32	<b>503.35</b>	576.11
<b>TOTAL</b>	<b>980.54</b>	<b>1023.65</b>

### Further notes:

- a) Employees' remuneration and benefits include the following for the whole time directors and Key Management personnel including chairman and managing director and excluding arrears paid to ex-directors.

**Note 2.27/Employee benefits expense (contd.)**

(₹ in Crore)

Particulars	Current Year	Previous year
Salaries and Allowances	2.31	1.95
Contribution to Provident Fund and other Funds, Gratuity and Group Insurance	0.35	0.24
Other benefits	0.41	0.71

- b) 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 dt. 21.01.2013.
- c) Pending approval of Ministry of Power and Department of Public Enterprises, special allowance up to 10% of Basic pay amounting to ₹17.67 crore for the financial year 2015-16 (Cumulative amounting to ₹114.01 crore upto 31.03.2016) 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 26-Nov-2008.
- d) Employee benefit expenses for the Fin. Year 2014-15 includes ₹87.28 crore as balance contribution towards Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme for the period 01.01.2007 to 31.03.2012.
- e) Salaries wages allowances & benefits includes ₹14.10 crore against excess provision written back of performance related pay written back.

**Note 2.28/Finance costs**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March,2016	For the year ended 31 <sup>st</sup> March,2015
<b>A) i) Interest on loans from</b>		
Indian Banks,Financial Institutions & Corporations	1092.82	1058.04
Foreign Banks and Financial Institutions	270.00	210.61
Secured/Unsecured redeemable Bonds	5381.89	4755.96
Foreign Currency Bonds	135.07	126.13
<b>ii) Interest-Others</b>	68.51	14.21
	<b>6948.29</b>	6164.95
<b>B) Other borrowing costs</b>		
Commitment charges	12.07	14.40
Guarantee Fee	259.49	238.52
Other finance charges	42.03	21.05
	<b>313.59</b>	273.97
	<b>7261.88</b>	6438.92
Less: Transferred to Expenditure during Construction(Net)-Note 2.32	<b>2238.91</b>	2459.60
<b>TOTAL</b>	<b>5022.97</b>	3979.32

**Note 2.29/Depreciation and amortization expense**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March,2016	For the year ended 31 <sup>st</sup> March,2015
Depreciation/amortisation on Tangible Assets	6323.58	5208.00
Amortisation of Intangible assets	68.25	47.80
	<b>6391.83</b>	5255.80
Less: Transferred to Expenditure During Construction(Net)-Note 2.32	<b>12.11</b>	12.64
	<b>6379.72</b>	5243.16
Less:Depreciation amortised due to FERV adjustment	<b>196.96</b>	157.75
Charged to the Statement of Profit & Loss	<b>6182.76</b>	5085.41

**Note 2.30/Transmission, Administration and other expenses**

(₹ in Crore)

Particulars		For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>Repair &amp; Maintenance</b>			
Buildings		47.59	45.82
Plant & Machinery			
Sub-Stations	266.93		226.27
Transmission lines	91.53		116.63
Telecom equipments	45.34		20.37
Others	25.32		12.95
		429.12	376.22
System and Market Operation Charges		11.13	17.57
Power charges	158.03		170.01
Less: Recovery from contractors	0.74		1.25
		157.29	168.76
Expenses of Diesel Generating sets		4.49	6.53
Stores consumed		4.59	1.02
Water charges		3.24	1.22
Right of Way charges(Telecom)		4.88	4.41
Patrolling Expenses-Telecom		1.92	1.99
Last Mile connectivity-Telecom		6.61	2.21
Training & Recruitment Expenses	28.23		24.31
Less:Fees for training and application	1.01		0.03
		27.22	24.28
Legal expenses		15.68	10.55
Professional charges(Including TA/DA)		12.27	11.52
Consultancy expenses(Including TA/DA)		1.60	4.59
Communication expenses		15.96	14.68
Travelling & Conv.exp.(excluding foreign travel)	101.06		107.45
Foreign travel	11.62		13.21
		112.68	120.66
Tender expenses	28.80		22.04
Less: Sale of tenders	4.19		5.04
		24.61	17.00
<b>Payments to Statutory Auditors</b>			
Audit Fees	0.59		0.57
Tax Audit Fees	0.06		0.11
In Other Capacity	0.72		1.13
Arrears	-		0.13
Out of pocket Expenses	0.94		0.78
		2.31	2.72
Advertisement and publicity		11.85	12.22
Printing and stationery		6.90	6.36
Books Periodicals and Journals		1.27	1.16
EDP hire and other charges		9.32	3.94
Entertainment expenses		1.62	2.09
Brokerage & Commission		0.41	0.36
Research & Development expenses		5.40	3.40
Cost Audit and Physical verification Fees		1.34	0.76
Rent		10.31	11.32
Capital Expenditure on assets not owned by the Company		0.62	3.93
CERC petition & Other charges		48.85	37.88
Miscellaneous expenses		61.50	59.81



**Note 2.30/Transmission, Administration and other expenses (contd.)**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2016
Horticulture Expenses	14.04	12.23
Security Expenses	119.87	103.28
Hiring of Vehicle	107.41	124.12
Insurance	84.34	72.38
Rates and taxes	6.35	7.85
License Fees to DOT	34.28	23.44
Bandwidth charges dark fibre lease charges (Telecom) etc	22.14	22.35
Expenditure on Corporate Social Responsibility (CSR) & Sustainable development	114.06	27.73
Transit Accommodation Expenses	11.21	9.17
Less : Income from Transit Accommodation	1.15	0.92
	10.06	8.25
Rebate to Customers*	115.70	114.29
Foreign Exchange Rate Variation (Net of FERV gain & amount recoverable)	4.56	-
<b>Provisions</b>		
Others	7.50	43.95
	7.50	43.95
	1682.89	1534.85
Less: Transferred to Expenditure during Construction(Net)-Note 2.32	142.51	179.95
	<b>1540.38</b>	1354.90
Loss on Disposal/Write off of Fixed Assets	<b>0.49</b>	0.26
<b>Total</b>	<b>1540.87</b>	1355.16
Stores consumption included in repair and maintenance	<b>178.78</b>	137.53

**Further Notes:**

\*The Company has allowed rebate against payment received through LC / cheques / RTGS for effecting better and timely recovery of dues from State Power Utilities on consistent basis.

**Note 2.31/Prior period items(Net)**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>Income</b>		
Transmission charges	<b>17.87</b>	1.74
Depreciation/amortisation written back	<b>60.07</b>	-
Others	<b>0.79</b>	(0.66)
	<b>78.73</b>	1.08
<b>Expenditure</b>		
Power charges	<b>0.66</b>	37.77
Rates and taxes	<b>0.25</b>	3.76
Interest	<b>11.92</b>	-
Others	<b>1.24</b>	5.96
	<b>14.07</b>	47.49
<b>Prior period expenditure/(income) (Net)</b>	<b>(64.66)</b>	46.41
Less: Transferred to Expenditure during Construction(Net)-Note 2.32	<b>0.08</b>	(0.71)
<b>Total</b>	<b>(64.74)</b>	47.12



## Note 2.32/ Expenditure during Construction (Net)

(₹ in Crore)

Particulars		For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2016
<b>A. Employees Remuneration &amp; Benefits</b>			
Salaries wages allowances and benefits	407.99		465.94
Contribution to provident and other funds	64.05		80.69
Welfare expenses	31.31		29.48
<b>Total(A)</b>		<b>503.35</b>	576.11
<b>B. Other Expenses</b>			
Repair and maintenance			
Buildings	4.22		4.40
Others	17.81		3.81
		22.03	8.21
Power charges	3.63		11.40
Less: Recovery from contractors	0.24		0.39
		3.39	11.01
Expenses on Diesel Generating sets		0.35	0.88
Water charges		0.80	0.50
Training & Recruitment Expenses		2.28	0.07
Legal expenses		2.27	2.74
Professional charges		4.89	2.59
Consultancy expenses		0.49	1.41
Communication expenses		1.97	2.43
Travelling & Conv.exp. (Including Foreign Travel)		33.60	46.28
Tender expenses	6.95		8.28
Less: Sale of tenders	4.03		4.49
		2.92	3.79
Payment to Auditors		0.13	0.06
Advertisement and Publicity		1.35	0.53
Printing and stationery		0.62	0.78
Books,Periodicals and Journals		0.02	0.02
EDP hire and other charges		0.28	1.07
Entertainment expenses		0.03	0.13
Brokerage and commission		0.07	0.07
Rent		3.11	4.91
Miscellaneous expenses		12.99	15.51
Horticulture Expenses		0.59	0.42
Security Expenses		16.77	19.47
Hiring of Vehicles		30.52	55.53
Insurance		0.04	0.61
Rates and taxes		0.40	0.23
Bandwidth charges, dark fibre lease charges(Telecom)		0.14	0.19
Transit Accomodation Expenses	0.47		0.54
Less : Income from Transit Accomodation	0.01		0.03
		0.46	0.51
Sub-total		<b>142.51</b>	179.95
Prior Period adjustment (net)		<b>0.08</b>	(0.71)
<b>Total(B)</b>		<b>142.59</b>	179.24
<b>C. Depreciation/Amortisation</b>		<b>12.11</b>	12.64

**Note 2.32/ Expenditure during Construction (Net) (contd.)**

(₹ in Crore)

Particulars			For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2016
<b>D. Finance Costs</b>				
<b>a) Interest on Loans from</b>				
Indian Banks, Financial Institutions and Corporations	541.73			557.31
Foreign Banks and Financial Institutions	94.23			107.15
Secured/Unsecured Redeemable Bonds	1449.31			1637.90
Foreign Currency Bonds	60.05			70.72
		2145.32		2373.08
<b>b) Other borrowing costs</b>				
Commitment charges	11.67			13.24
Guarantee fee	65.27			71.09
Other Finance Charges	16.65			2.19
		93.59		86.52
<b>Total ( D )</b>			<b>2238.91</b>	2459.60
<b>E. Less: Other Income</b>				
Interest from				
Indian banks	21.99			33.08
Contractors	45.80			147.22
Others	0.20			1.37
		67.99		181.67
Miscellaneous income		3.68		11.01
<b>Total (E)</b>			<b>71.67</b>	192.68
<b>GRAND TOTAL (A+B+C+D-E)</b>			<b>2825.29</b>	3034.91



## OTHER NOTES

- 2.33 Cash equivalent of deemed export benefits availed of ₹ 209.99 crore in respect of supplies effected for East South Inter Connector-II Transmission Project (ESI) and Sasaram Transmission Project (STP), were paid to the Customs and Central Excise Authorities in accordance with direction from Ministry of Power (Govt. of India) during 2002-03 due to non availability of World Bank loan for the entire supplies in respect of ESI project and for the supplies prior to March 2000 in respect of STP project and the same was capitalised in the books of accounts. Thereafter, World Bank had financed both the ESI project and STP project as originally envisaged and they became eligible for deemed export benefits. Consequently, the company has lodged claims with the Customs and Excise Authorities. In this regard the Cumulative amount received and de-capitalized upto 31<sup>st</sup> March 2016 is ₹ 12.12 crore (previous year ₹ 12.12 crore). The company continued to show the balance of ₹ 197.87 crore as at 31<sup>st</sup> March 2016 (previous year ₹ 197.87 crore) in the capital cost of the respective assets / projects pending receipt of the same from Customs and Excise Authorities.
- 2.34 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 fixed assets 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.
- 2.35 Information in respect of cost plus consultancy contracts, considering the same as consultancy business as required under Accounting Standard (AS)-7 (Revised 2002) "Construction Contracts " is provided as under :

(₹ in Crore)

Particulars		For the Year ended 31.03.2016	For the Year ended 31.03.2015
i)	The amount of revenue recognised on cost plus consultancy contract works	360.02	286.65
ii)	<b>The methods used to determine the contract revenue recognised</b> 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 -1.16.7	Accounting Policy -1.16.7
iii)	Cumulative amount of costs incurred on construction contracts	16057.72	13297.23
iv)	Cumulative amount of advance received from customers as at the year end	18167.29	15493.67
v)	Amount of retention money with customers as at the year end	14.95	31.70
vi)	Gross amount due from customers for contract works as an asset as at the year end	25.97	44.28
vii)	Gross amount due to customers for contract works as a liability as at the year end	2289.82	1312.14

- 2.36 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. 01<sup>st</sup> 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.
- 2.37 CERC issued tariff order dated 29.04.2011 in respect of Barh-Balia Transmission line considering the date of commercial operation (DOCO) 01.07.10 in line with their Regulation. Against this tariff order, one of the beneficiaries filed appeal before the Appellate Tribunal for Electricity (ATE) challenging the tariff approved by CERC based on above DOCO claimed by the company. The ATE vide its order dated 02.07.2012 observed that the DOCO of 01.07.2010 was not appropriate as the appellant had reported that the transmission line was put in regular service from August 2011 i.e. when it was put in regular service when the other end in the scope of the generating company viz. NTPC was completed i.e. August 2011 though Company had completed its scope as on 01.07.2010. Accordingly, the ATE remanded CERC for redetermination of DOCO and tariff of the Transmission line. Upon this, the company filed an appeal in the Supreme Court explaining that the DOCO of 01.07.2010 was as per CERC Regulations. The Hon'ble Supreme Court on 15.03.2013 had stayed all the proceedings before the CERC for the said Transmission System based on the appeal filed by the Company. The Company had also filed another petition on 28.02.2013 before the Central Electricity Regulatory Commission (CERC) for determination of revised transmission tariff on the basis of revised cost estimate approved by its Board of Directors. Subsequently on 08.10.2013, in its interim order, the Hon'ble Supreme Court has directed the CERC to proceed with determination of tariff for the said Transmission System pending disposal of the appeal regarding determination of DOCO date. The CERC has vide its order dated 30.06.2015 has re-determined the DOCO w.e.f 01.09.2011 and revised the tariff as per decision of the Honb'le ATE. The Honb'le Supreme Court, has vide its order dated 03.03.2016 has upheld the judgement of the Hon'ble ATE. Review application filed by the company against the order dt. 03.03.2016 has also been dismissed by Honb'le Supreme Court vide order dt. 12.05.2016. In accordance with the above order of the Hon'ble Supreme Court, revenue for this TL has been recognised w.e.f. 01.09.2011 in place of earlier DOCO of 01.07.2010 and transmission income for the period from 01.07.2010 to 31.08.2011 amounting to ₹112.57 crore (net of ₹18.63 crore recovered from NTPC as per order of CERC) has been reversed during the year.
- 2.38 As per CERC Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters Regulations, 2009 as amended from time to time, all transmission elements are constructed as per the requirement of the long term customers (LTA) up to 25 years and transmission charges are recoverable from such long term customers. For medium term open access

**OTHER NOTES (contd.)**

(MTOA), no additional transmission element is constructed but only the existing surplus transmission capacities are utilised. The charges recovered from the MTOA customers, upon utilisation of the surplus capacity which is very small and temporary in nature, are used to reduce the charges of the LTA customers. The company is revenue neutral.

One of the MTOA customer, signed an agreement for MTOA for a period of 3 years from 16.06.2013 but did not utilise the capacity. The company, however, billed the customer as per the agreement. But the MTOA customer defaulted on its dues of ₹15.64 crore billed during the period from 16.06.2013 to 31.01.2014. Due to non-recovery of dues, the company has cancelled the MTOA w.e.f. 01.02.2014 as per order of the ATE. The total transmission charges are being recovered from other customers since then. An application, filed by the company is pending before CERC for allowing recovery of the dues of such MTOA customer for the period from 16.06.2013 to 31.01.2014 from other customers during this period.

Due to default made by the same customer in their agreement with the company for LTA, the company has encashed during the year construction bank guarantees worth ₹48.00 crore, and adjusted the proceeds of the same against its dues of ₹ 15.64 crore and outstanding surcharge of ₹.6.80 crore up to 31.03.2016.

2.39 Pursuant to communication of ministry of Power vide office memorandum 18/2/2015-PG dated 25<sup>th</sup> March 2015 and 29<sup>th</sup> Dec 2015, Board of Directors in its meeting held on 9<sup>th</sup> march 2016 has approved to sell & transfer 30640000 equity shares ( 100% share holding) held by the company in Power System Operation Corporation Limited (POSOCO) to Govt. Of India. Cabinet has approved for transfer of shares of POSOCO to the Government of India. Board has further approved that purchase consideration be calculated based on the balance sheet of POSOCO as on date preceding the date of transfer. Shares are yet to be transferred.

2.40 (i) FERV Loss of ₹ 1841.03 crore (Previous Year ₹ 510.52 crore ) has been adjusted in the respective carrying amount of Fixed Assets/ Capital work in Progress (CWIP)/lease receivables.

(ii) FERV Loss of ₹ 4.56 crore (Previous Year FERV Gain ₹ 12.46 crore) has been recognised in the Statement of Profit and Loss.

**2.41 Change in accounting policy/accounting practice**

a) Cost of Mobile Phones which were hitherto capitalised and being depreciated over the useful life of the asset is now being charged to statement of profit and loss. The change has resulted in decrease in profit by ₹ 1.89 crore with corresponding decrease in Gross Block and Accumulated Depreciation by ₹ 7.13 crore and ₹ 5.24 crore respectively.

b) In Telecom and Consultancy Segment Residual Value in respect of Computer & Peripherals and Server & Network Components is considered as Nil instead of as specified in Schedule II of Companies Act 2013. The change has resulted in decrease in profit by ₹ 0.30 crore with corresponding increase in depreciation.

c) Cost of Server which were hitherto depreciated over the useful life of 3 years is now being depreciated over the useful life of 5 years. The change has resulted in increase in profit by ₹ 1.10 crore with corresponding decrease in depreciation.

2.42 Borrowing cost capitalised during the year is ₹ 2238.91 crore (previous year ₹ 2459.60 crore) as per AS 16- "Borrowing Costs".

2.43 Based on information available with the company, there are few suppliers/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by MSMED Act, 2006 is given as under:

(₹ in Crore)

Sr. No	Particulars	Current Year	Previous Year
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year: Principal Interest	Nil Nil	0.02 0.06
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	0.06
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	0.00

**2.44 Disclosures as per Accounting Standard AS 15 - "Employee Benefits"**

Defined employee benefit/ contribution schemes are as under:-

**A. 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 ₹ 84.57 crore(previous year ₹ 76.48 crore) has been recognized as expense and is charged to



## OTHER NOTES (contd.)

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 over all interest earning and cumulative surplus 'is more' than statutory interest payment requirement. Hence, no further provision is considered necessary.

### B. 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 recognised on the basis of actuarial valuation on annual basis on the Balance Sheet date.

### C. 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 ₹ 102.19 crore (previous year ₹ 73.11 crore) has been recognised as expense and is charged to statement of profit & loss.

### D. 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 recognised on the basis of actuarial valuation on annual basis on the Balance Sheet date.

### E. Leave Encashment

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 en-cashable while in service. Half-pay leaves (HPL) are en-cashable only on separation beyond the age of 55 years up to the maximum of 300 days (HPL). However, total amount 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 the same is recognised on the basis of actuarial valuation.

### F. Other Defined Retirement Benefits (ODRB)

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 recognised on the basis of actuarial valuation on annual basis on the Balance Sheet date.

The above schemes (D,E and F) are unfunded.

### G. The summarised position of various defined benefits recognized in the Statement of Profit & Loss and Balance Sheet is as under:-

#### a) Expenses recognised in Statement of profit and loss:

(₹ in Crore)

Description	GRATUITY		PRMF		Leave		ODRB	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	25.54	23.75	9.44	8.23	21.27	19.38	0.79	0.74
Interest cost on benefit obligation	37.51	36.48	20.55	18.64	26.62	25.06	1.21	1.21
Expected return on plan assets	(37.37)	(33.84)	-	-	-	-	-	-
Net actuarial (gain)/loss recognized in the year	(28.04)	0.93	16.22	16.29	48.85	52.53	(0.26)	(0.38)
Expenses recognized in the Statement of profit and loss	(2.36)	27.32	46.21	43.16	96.74	96.97	1.74	1.57

#### b) Actual return on plan assets is ₹ 41.42 crore (previous year ₹ 38.99 crore)

#### c) The amount recognized in the Balance Sheet:

(₹ in Crore)

Description	GRATUITY		PRMF		Leave		ODRB	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
(i) Present value of obligation as at the year end	477.48	468.86	295.36	256.79	369.61	332.79	16.02	15.14
(ii) Fair value of plan assets as at the year end	506.72	467.08	-	-	-	-	-	-
Difference (ii) – (i)	29.24	(1.78)	(295.36)	(256.79)	(369.61)	(332.79)	(16.02)	(15.14)
Net asset (liability) recognized in the Balance Sheet	29.24	(1.78)	(295.36)	(256.79)	(369.61)	(332.79)	(16.02)	(15.14)



## OTHER NOTES (contd.)

d) Changes in the present value of the defined benefit obligations:

(₹ in Crore)

Description	GRATUITY		PRMF		Leave		ODRB	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation as at the beginning of the year	468.85	429.21	256.80	219.33	332.80	313.26	15.14	14.26
Interest cost	37.51	36.48	20.54	18.64	26.62	25.06	1.21	1.21
Current Service Cost	25.54	23.75	9.44	8.23	21.27	19.38	0.78	0.74
Benefits paid	(30.44)	(26.66)	(7.65)	(5.70)	(59.94)	(77.44)	(0.85)	(0.69)
Net actuarial (gain)/loss on obligation	(23.98)	6.07	16.23	16.29	48.86	52.53	(0.26)	(0.38)
Present value of the defined benefit obligation as at the end of the year	477.48	468.85	295.36	256.79	369.61	332.79	16.02	15.14

e) Changes in the fair value of plan assets:

(₹ in Crore)

Description	GRATUITY	
	Current Year	Previous Year
Fair value of plan assets as at beginning of the year	467.08	423.01
Expected return on plan assets	37.37	33.84
Contribution by employer	28.66	31.74
Benefits paid	(30.44)	(26.65)
Actuarial gain/(loss)	4.05	5.14
Fair value of plan assets as at end of the year	506.72	467.08

### H. Other Employee Benefits

Provision for Long Service Award amounting to ₹ 0.95 crore (previous year ₹ 1.24 crore) has been made on the basis of actuarial valuation at the year end.

### I. Plan Asset (Gratuity)

The details of the plan assets at cost are as follows:-

(₹ in Crore)

Sr. No.	Description	(At Purchase Value)	
		As at 31 March 2016	As at 31 March 2015
i)	State Government Securities	104.05	96.14
ii)	Central Government Securities	129.44	121.24
iii)	Corporate Bonds/Debentures	279.58	254.32
iv)	RBI Special Deposit	5.13	5.13
v)	Other Assets	12.75	13.97
	<b>Total:-</b>	<b>530.95</b>	<b>490.80</b>
	Less : Share of POSOCO in the plan Assets	24.23	23.72
	<b>Grand Total</b>	<b>506.72</b>	<b>467.08</b>

### J. Actuarial Assumptions

Principal assumptions used for actuarial valuation are:

- Method used - Projected unit credit (PUC) (Previous Year (PUC))
- Discount rate - 8.00 % (previous year 8.00 %)
- Expected rate of return on assets (Gratuity only) – 8.00 % (previous year 8.00%)
- Future salary increase- 6.50 % (previous year 6.50%)

The estimate of future salary increases, considered in actuarial valuation, takes into account (i) inflation, (ii) Seniority (iii) Promotion and (iv) Other relevant factors, such as supply and demand in the employment market. Further the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets, assessed risk of asset management and historical return for plan assets.

**K.** The Company's best estimate of contribution towards gratuity for the financial year 2015-16 is Nil (previous year ₹ 1.51 crore)

**L.** The effect of the percentage point increase/decrease in the medical cost of PRMF will be as under:-



## OTHER NOTES (contd.)

(₹ in Crore)

Description	Increase by		Decrease by	
	Current Year	Previous Year	Current Year	Previous Year
Service and Interest Cost	8.30	5.26	(3.25)	(4.37)
Present value of obligation	68.68	60.24	(27.54)	(24.38)

### M. Experience Adjustments

(₹ in Crore)

Description	Current Year	Previous Year
Gratuity		
i) Plan assets – Loss/(Gain)	4.05	3.03
ii) Obligation- Loss/(Gain)	23.99	7.72
PRMF		
Obligation – Loss/(Gain)	(16.22)	(10.44)
ODRB		
Obligation – Loss/(Gain)	0.26	0.90
Leave		
Obligation – Loss/(Gain)	(48.85)	(50.97)

### 2.45 Disclosure as per AS 17-“ Segment Reporting”

- Business Segments  
The company's principal business is transmission of bulk power across different States of India. However, telecom and consultancy business are also treated as a reportable segment in accordance with para 28 of AS-17 “Segment Reporting”.
- Segment Revenue and Expense  
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 net fixed assets, current assets and loan and advances. Construction work-in-progress, construction stores & advances and investments are included in unallocated assets. Segment liabilities include operating liabilities and provisions.

### Segment Reporting

(₹ in crore)

	Transmission		Consultancy		Telecom		Elimination		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue:										
Revenue from Operations (including allocable other income)	20183.10	16742.40	473.34	387.73	393.23	276.56			21049.67	17406.69
Inter Segment Revenue					42.67	24.39	(42.67)	(24.39)		
Net Revenue from Operations	20183.10	16742.40	473.34	387.73	435.90	300.95	(42.67)	(24.39)	21049.67	17406.69
Segment results	11919.00	9579.20	340.56	252.82	162.55	63.33			12422.11	9895.35
Unallocated Interest and Other Income									231.51	373.35
Unallocated Finance Costs									5034.89	3979.32
Profit before Tax									7618.73	6289.38
Provision for Taxes									1592.01	1310.21
<b>Profit after Tax</b>									6026.72	4979.17
Other information:										
Segment Assets	126171.06	98916.96	1703.82	1099.30	816.71	800.82			129691.59	100817.08
Unallocated Assets									49737.33	57483.80
<b>Total Assets</b>									178428.92	158300.88
Segment Liabilities:	8272.46	6786.89	2776.46	1845.83	391.81	550.09			11440.73	9182.81





## OTHER NOTES (contd.)

	Transmission		Consultancy		Telecom		Elimination		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Unallocated Other Liabilities (including loans)									124254.22	110951.48
Total liabilities									135694.95	120134.29
Depreciation and Amortisation	6091.26	4994.34	0.90	0.77	90.60	90.30			6182.76	5085.41
Non-cash expenditure other than Depreciation	0.56	24.18	2.88	0.46	4.53	19.57			7.97	44.21
Capital Expenditure	25826.80	29740.87	1.10	0.26	28.00	53.82			25855.90	29794.95

d) The operation of the company mainly carried out within the country and therefore there is no reportable geographical segment.

### 2.46 Disclosure as per AS -20 "Earning Per Share"

The elements considered in calculation of Earnings Per Share (Basic and Diluted) is given as under:

Description	Current Year	Previous Year
Net Profit after tax used as numerator (₹ in crore)	6026.72	4979.17
Weighted average number of equity shares used a denominator	5231589648	5231589648
Earning per share (Basic & Diluted) (in ₹)	11.52	9.52
Face Value per share (in ₹)	10	10

### 2.47 Disclosure as per AS 18- "Related Party Disclosure"

#### a) List of Related Parties:-

##### i) Key Management Personnel

Sh. I.S. Jha	Chairman and Managing Director (w.e.f 10 <sup>th</sup> November 2015)
Sh. R.N. Nayak	Chairman and Managing Director (superannuated on 30 <sup>th</sup> September 2015)
Sh. R.T. Agarwal	Director (Finance)
Sh. Ravi P Singh	Director(Personnel)
Sh. R.P. Sasmal	Director(Operations)
Smt. Divya Tandon	Company Secretary

##### ii) Subsidiaries:- Wholly Owned

- Power System Operation Corporation Limited (POSOCO)
- 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 (erstwhile Vindhyachal Jabalpur Transmission Limited)
- Powergrid Warora Transmission Limited (erstwhile Gadarwada (A) Transco Limited)
- Powergrid Parli Transmission Limited (erstwhile Gadarwada (B) Transco Limited)
- Powergrid Southern Interconnector Transmission System Limited. (erstwhile Vemagiri II Transmission Limited)
- Grid Conductors Limited\*

\*Share Capital of ₹ 0.05 crs in Grid Conductors Limited has been paid in April 2016. However based on control of composition of board of directors by Power Grid Corporation of India Limited, the company has been considered as wholly owned subsidiary company.

##### iii) 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
- Energy Efficiency Services Limited.
- Bihar Grid Company Limited
- Kalinga Bidyut Prasaran Nigam Private Limited
- Cross Border Power Transmission Company Limited
- Power Transmission Company Nepal Ltd
- RINL Powergrid TLT Pvt. Ltd



## OTHER NOTES (contd.)

(₹ in Crore)

b) Transactions with the related parties at 2.47 (a) above during the year are as follows:

Description	Current Year		Previous Year	
Transactions for services received by the company		<b>12.94</b>		17.57
Power System Operation Corporation Limited	11.13		17.57	
National High Power Test Laboratory Private Limited	1.81		-	
Transactions for services provided by the company		<b>102.79</b>		52.60
Jaypee Powergrid Limited	-		0.19	
North East Transmission Company Limited	12.18		18.39	
National High Power Test Laboratory Private Limited	29.42		7.93	
Powerlinks Transmission Limited	0.08		-	
Energy Efficiency Services Limited	0.15		0.24	
Power System Operation Corporation Limited	7.07		4.90	
Cross Border Power Transmission Company Limited	3.94		3.94	
Bihar Grid Company Limited	30.38		16.76	
Kalinga Vidyut Prasaran Nigam Private Limited	-		0.25	
Teesta Valley Transmission Co Ltd	16.93		-	
Power Transmission Company Nepal Limited	2.41		-	
Power System Operation Corporation Limited	0.23		-	
Amount recoverable at the end of the year		<b>193.00</b>		200.29
Parbati Koldam Transmission Company Limited	-		0.01	
North East Transmission Company Limited	21.50		22.21	
National High Power Test Laboratory Private Limited	-		4.19	
Energy Efficiency Services Limited	0.13		0.25	
Bihar Grid Company Limited	9.19		7.08	
Kalinga Vidyut Prasaran Nigam Private Limited	0.85		0.84	
Power System Operation Corporation Limited	57.15		47.12	
Powergrid Vemagiri Transmission Limited	19.37		19.37	
Powergrid NM Transmission Limited	4.30		23.26	
Powergrid Vizag Transmission Limited	4.47		50.19	
Powergrid Unchahar Transmission Limited	0.42		2.95	
Cross Border Power Transmission Company Limited	-		0.30	
Powerlinks Transmission Limited	0.06		0.10	
Poweergrid Kala Amb Transmission Limited	0.04		4.08	
Powergrid Jabalpur Transmission Limited	18.71		18.34	
Power Transmission Company Nepal Limited	0.03		-	
Grid Conductors Limited	0.08		-	
Powergrid Warora Transmission Limited	18.57		-	
Powergrid Parli Transmission Limited	18.87		-	



## OTHER NOTES (contd.)

Description	Current Year		Previous Year	
Powergrid Southern Interconnector Transmission System Limited	19.18		-	
RINL Powergrid TLT Pvt. Ltd	0.08		-	
Amount payable at the end of the year		<b>56.25</b>		51.84
Parbati Koldam Transmission Company Limited	0.09		0.09	
National High Power Test Laboratory Private Limited	5.36		-	
Powerlinks Transmission Limited	2.78		2.78	
Bihar Grid Company Limited	-		3.28	
Cross Border Power Transmission Company Limited	7.58		1.70	
Power System Operation Corporation Limited	-		3.61	
Teestavalley Power Transmission Limited	40.44		40.38	
Investment made during the year				
Equity		<b>65.92</b>		113.45
Teestavalley Power Transmission Limited	26.11		-	
Parbati Koldam Transmission Company Limited	-		14.71	
Cross Border Power Transmission Company Limited	5.38		-	
Bihar Grid Company Limited	30.28		10.00	
National High Power Test Laboratory Private Limited	-		9.03	
Powergrid NM Transmission Limited	-		23.95	
Powergrid Vizag Transmission Limited	-		54.68	
Powergrid Kala Amb Transmission Limited	-		0.05	
Powergrid Jabalpur Transmission Limited	-		0.05	
Power Transmission Company Nepal Limited	3.90		0.98	
Powergrid Warora Transmission Limited	0.05		-	
Powergrid Parli Transmission Limited	0.05		-	
Powergrid Southern Interconnector Transmission System Limited	0.05		-	
RINL Powergrid TLT Pvt. Ltd	0.10		-	
Consultancy Income		<b>29.27</b>		-
Powergrid Unchahar Transmission Company Ltd	0.12		-	
Powergrid Kala Amb Transmission Limited	0.26		-	
Powergrid Jabalpur Transmission Limited	2.03		-	
Powergrid Warora Transmission Limited	7.48		-	
Powergrid Parli Transmission Limited	4.52		-	
Powergrid Southern Interconnector Transmission System Limited	14.86		-	
Loan Given		<b>1159.72</b>		229.70
Powergrid NM Transmission Limited	535.50		91.34	
Powergrid Vizag Transmission Limited	532.36		138.36	
Powergrid Unchahar Transmission Company Ltd	26.12		-	
Powergrid Kala Amb Transmission Limited	30.31		-	

**OTHER NOTES (contd.)**

Description	Current Year		Previous Year	
Powergrid Jabalpur Transmission Limited	2.34		-	
Powergrid Warora Transmission Limited	12.17		-	
Powergrid Parli Transmission Limited	5.28		-	
Powergrid Southern Interconnector Transmission System Limited	15.64		-	
Interest on Loan		<b>49.23</b>		3.41
Powergrid NM Transmission Limited	24.09		1.17	
Powergrid Vizag Transmission Limited	22.83		2.24	
Powergrid Unchahar Transmission Company Ltd	0.70		-	
Powergrid Kala Amb Transmission Limited	1.60		-	
Powergrid Jabalpur Transmission Limited	0.00		-	
Powergrid Warora Transmission Limited	0.00		-	
Powergrid Parli Transmission Limited	0.00		-	
Powergrid Southern Interconnector Transmission System Limited	0.01		-	
Interest Accrued on Loan		<b>25.45</b>		3.41
Powergrid NM Transmission Limited	14.29		1.17	
Powergrid Vizag Transmission Limited	9.08		2.24	
Powergrid Unchahar Transmission Company Ltd	0.63		-	
Powergrid Kala Amb Transmission Limited	1.44		-	
Powergrid Jabalpur Transmission Limited	0.00		-	
Powergrid Warora Transmission Limited	0.00		-	
Powergrid Parli Transmission Limited	0.00		-	
Powergrid Southern Interconnector Transmission System Limited	0.00		-	
Dividend Received		<b>82.13</b>		95.36
Powerlinks Transmission Limited	44.72		44.14	
Power System Operation Corporation Limited	20.07		15.32	
Jaypee Powergrid Limited	4.68		12.87	
Torrent Power Grid Limited	1.29		1.64	
North East Transmission Company Limited	10.69		21.39	
Energy Efficiency Services Limited	0.68		-	
Recovery for Deputation of Employees		<b>0.35</b>		0.67
Energy Efficiency Services Limited	-		0.02	
Bihar Grid Company Limited	-		0.35	
Cross Border Power Transmission Company Limited	0.35		0.30	

- c) As per Central Electricity Regulatory commission (CERC) (Sharing of Interstate Transmission charges and losses) Regulation 2010, the Company being the Central Transmission Utility (CTU) under the regulation is entrusted with the responsibility of the Billing, Collection and Disbursement of Transmission charges on behalf of all Inter State Transmission System (ISTS) licensee. Accordingly, the transactions of the company for collection made in capacity of CTU for the related parties is as under:

**OTHER NOTES (contd.)**

(₹ in Crore)

Description	Current Year		Previous Year	
Transactions of the company in capacity of CTU with the related parties		1054.89		789.29
Parbati Koldam Transmission Company Limited	163.13		21.73	
Torrent Power Grid Limited	57.62		55.70	
Jaypee Powergrid Limited	170.69		190.37	
North East Transmission Company Limited	401.29		261.91	
Powerlinks Transmission Limited	260.98		259.58	
Powergrid Vizag Transmission Limited	1.18		-	

d) Remuneration to whole time directors including chairman and managing director and Company Secretary is ₹ 3.00 crore (previous year ₹ 2.90 crore) and amount of dues outstanding to the company as on 31st March, 2016 are ₹ 0.18 crore (previous year ₹ 0.19 crore).

**2.48 Disclosure as per AS 19-"Leases"****a) Finance Leases :-**

Long Term Loans and Advances and Short Term Loans and Advances include lease receivables representing the present value of future lease rentals receivable on the finance lease transactions entered into by the company with the constituents in respect of State Sector ULDC. Disclosure requirements of Accounting Standard (AS) – 19 "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	Current Year	Previous Year
	Gross value of assets acquired and leased at the beginning of the year	1154.08	1099.56
Add	Adjustment for gross value of assets acquired prior to the beginning of the year	(18.13)	21.92
	Revised Gross value of the assets at the beginning of the year	1135.95	1121.48
Less	Capital recovery provided up to the beginning of the year	782.26	706.45
Add	Capital recovery for assets acquired prior to the beginning of the year	(1.30)	6.65
	Revised Capital recovery provided up to the beginning of the year	780.96	713.10
	Capital recovery outstanding as on 31st March of last financial year	354.99	408.38
Add	Gross value of assets acquired and leased during current financial year	75.95	32.60
Less	Capital recovery for the current year	74.54	69.16
	Lease receivables at end of the year	356.40	371.82

(ii) Details of gross investment in lease and present value of minimum lease payments receivables at the end of financial year is given as under:

(₹ in Crore)

Particulars	Current Year	Previous Year
Gross investment in Lease	466.75	529.24
Un-earned Finance Income	110.35	157.42
Present value of Minimum Lease Payment (MLP)	356.40	371.82

(iii) The unearned finance income as at 31<sup>st</sup> March, 2016 is ₹ 110.35 crore (previous year ₹ 157.42 crore).

(iv) The value of contractual maturity of such leases as per AS-19 are as under :

(₹ in Crore)

Particulars	Gross Investment in Lease		Present Value of MLPs	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Not later than one year	103.54	101.35	82.72	73.67
Later than one year and not later than five years	186.22	245.46	132.63	173.49
Later than five years	176.98	182.43	141.05	124.66
<b>Total</b>	<b>466.74</b>	<b>529.24</b>	<b>356.40</b>	<b>371.82</b>



## OTHER NOTES (contd.)

(v) 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 ₹ 68.52 crore (Previous Year ₹ 17.33 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 ₹ 57.79 crore (Previous Year ₹ 61.14 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 are usually renewable on mutually agreed terms but are not non-cancellable. Employees' remuneration and benefits include ₹ 40.59 crore (previous year ₹ 31.87 crore) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments of ₹ 10.31 crore (previous year ₹ 10.52 crore) in respect of premises for offices and guest house/transit camps are shown under the head Rent in Note 2.30 Transmission, Administration and Other expenses.

### 2.49 Disclosure as per AS-27- "Financial Reporting of Interest in Joint Ventures"

	Name of Joint Venture Entity	Proportion (%) of ownership as at	
		31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
<b>A</b>	<b>Joint Ventures Incorporated in India</b>		
1	Powerlinks Transmission Limited*	49%	49%
2	Torrent Power Grid Limited	26%	26%
3	Jaypee Powergrid Limited	26%	26%
4	Parbati Koldam Transmission Company Ltd	26%	26%
5	Teestavalley Power Transmission Limited	26%	26%
6	North East Transmission Company Limited	26%	26%
7	National High Power Test Laboratory Private Limited	21.64%	20%
8	Energy Efficiency Services Limited	13.63%	25%
9	Bihar Grid Company Limited	50%	50%
10	Kalinga Vidyut Prasaran Nigam Private Limited	50%	50%
11	Cross Border Power Transmission Company Limited	26%	26%
12	RINL Powergrid TLT Pvt. Ltd	50%	-
<b>B</b>	<b>Joint Ventures Incorporated Outside India</b>		
1	Power Transmission Company Nepal Limited	26%	26%

\*Refer note 2.52 (1) (v) (c)

The company's share in assets, liabilities, contingent liabilities and capital commitment as on 31<sup>st</sup> March 2016 and income and expenses for the year in respect of above joint venture entities based on their accounts are given below:-

(₹ in Crore)

		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
A.	Assets		
	• Non Current Assets		
	• Fixed Assets	2064.52	1766.63
	• Long term loans and advances	119.04	85.77
	• Current Assets	332.05	333.96
	<b>Total</b>	<b>2515.61</b>	<b>2186.36</b>
B.	Liabilities		
	• Non current liabilities	1364.46	1232.61
	• Current Liabilities	388.00	236.33
	<b>Total</b>	<b>1752.46</b>	<b>1468.94</b>
C.	Contingent Liabilities	40.48	31.55
D.	Capital Commitments	493.84	579.59
		<b>Current Year</b>	<b>Previous Year</b>
E.	Income	435.02	328.36
F.	Expenses( Including provision for taxes)	393.54	203.21

The above figures pertaining to FY 2015-16 are compiled based on unaudited accounts except National High Power Test Laboratory Private Limited.

**OTHER NOTES (contd.)****2.50 Disclosure as per AS 28- "Impairment of assets"**

In accordance with Accounting Standard (AS-28) "Impairment of Assets", the company has assessed as on the Balance Sheet date whether there are any indications with regard to impairment of any of the assets. Based on such assessment, it has been ascertained that no potential loss is present. Accordingly, no impairment loss has been provided in the books of accounts.

**2.51 Capital and Other Commitments**

- i) Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 23502.87 crore (previous year ₹ 24189.22 crore).
- ii) As at 31<sup>st</sup> March, 2016, the company has commitment of ₹ 336.24 crore (previous year ₹ 427.61 crore) towards further investment in joint venture entities.
- iii) As at 31<sup>st</sup> March, 2016, the company has commitment of ₹ 12260.25 crore (previous year ₹ 4261.42 crore) towards further investment in subsidiary companies.

**2.52 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 for ₹ 1666.86 crore (previous year ₹ 219.14 crore) 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. It is not practicable to make a realistic estimate of the outflow of resources, if any, for settlement of such claims pending resolution.

**(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 ₹ 4041.30 crore (previous year ₹ 2253.11 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 ₹ 28.66 crore (previous year ₹ 44.09 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 ₹ 359.03 crore (previous year ₹ 391.22 crore) are being contested before various Appellate Authorities. Many of these matters are disposed off in favour of the company but are disputed before higher authorities by the concerned departments.

**(v) Others**

- a) Other contingent liabilities amounts to ₹ 342.33 crore (previous year ₹ 303.56 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.
2. a) Special purpose vehicle (SPV) companies (wholly owned subsidiaries) namely Powergrid NM Transmission Company, Powergrid Vemagiri Transmission Company Ltd., 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 and Powergrid Southern Interconnector Transmission System Limited has been taken over to carry over the business awarded under Tariff based bidding. Details of Bank guarantees given by the company on behalf of SPV companies towards performance of the work awarded are as under:

(₹ in Crore)

Sr no	Name of SPV	31.03.2016	31.03.2015
1	Powergrid NM Transmission Company Ltd	45.00	45.00
2	Powergrid Vizag Transmission Company Ltd	45.00	45.00
3	Powergrid Unchahar Transmission Company Ltd	5.40	5.40
4	Powergrid Kala Amb Transmission Limited	5.96	5.96
5	Powergrid Jabalpur Transmission Limited	31.50	31.50
6	Powergrid Warora Transmission Limited	62.10	-
7	Powergrid Parli Transmission Limited	63.90	-
8	Powergrid Southern Interconnector Transmission System Limited	110.04	-



## OTHER NOTES (contd.)

b) The Company has given guarantee for the dues & punctual payment and discharge of the obligations amounting to ₹ 290 crore against bond issued by Powergrid Vizag Transmission Company Ltd.

### 2.53. Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise

Particulars		Amount in Foreign Currency (inCrore)		Amount (₹ in Crore)	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
Borrowings	USD	416.87	412.01	27888.87	26034.82
	EURO	11.17	4.33	848.22	297.12
	SEK	314.14	250.27	2591.68	1841.97
	JPY	199.95	218.13	119.47	115.04
Interest accrued but not due thereon including Agency Fee Commitment Fee & other Charges.					
	USD	1.33	0.94	88.86	59.54
	EURO	0.02	0.02	1.64	1.04
	SEK	0.60	1.16	4.97	8.51
	JPY	0.52	0.55	0.31	0.29
Trade Payables/deposits and retention money	USD	8.50	10.79	568.85	679.18
	EURO	1.70	7.92	128.85	543.53
	SEK	19.81	114.61	163.40	843.58
	CHF	0.00	0.03	0.00	1.51
	GBP	1.19	0.64	114.64	58.71
	USD	0.08	0.22	5.37	13.78
	NPR	0.09	0.07	0.06	0.04
	USD	49.79	23.44	3331.02	1480.92
Unexecuted amount of contracts remaining to be executed	EURO	8.15	10.00	618.45	685.64
	SEK	0.40	25.80	3.30	189.89
	CHF	0.12	0.90	8.62	54.14
	GBP	15.38	18.66	1481.71	1709.07

### 2.54 Guidance Note (GN) on Rate Regulated Activities issued by ICAI is applicable from the financial year 2015-16.

The company is mainly engaged in Transmission of power. The price to be charged by the company for transmission of power to its customer is determined by the CERC through tariff regulations. The tariff is based on cost like depreciation, interest, return on equity, operation and maintenance Expenses etc. This form of regulation is known as cost of service regulations which provides the company to recover its cost of providing the services plus stipulated return. The company has adopted GN in preparation of financial statements for the year, considering the provisions of tariff regulations issued by CERC.

The CERC tariff regulations provide that exchange differences arising from settlement/ translation of monetary items denominated in foreign currency (other than long term) are recoverable from or payable to the beneficiaries in subsequent periods. Such exchange differences are recognized as 'Regulatory Asset/Liability by credit/debit to 'Regulatory income/Expense' during construction period and adjusted from the year in which the same becomes recoverable from or payable to beneficiaries.

The regulated assets/liability recognized in the books to be recovered from or payable to the beneficiaries in future periods are as follows:

Particulars	Regulated Assets ( ₹ in crore )
A. Opening Balance as on 01.04.2015 *	37.72
B. Addition/(deduction) during the year	( 0.05)
C. Amount collected/refunded during the year	0.00
D. Regulated Income/(Expense) recognized in the statement of Profit and Loss ( B-C)	( 0.05)
E. Closing Balance as on 31.03.2016 ( A-D)	37.67





## OTHER NOTES (contd.)

\*Such exchange differences were hitherto accounted as 'Deferred foreign currency fluctuation asset/liability' in accordance with an opinion by the Expert Advisory committee of the ICAI. The related figures for the previous year have been regrouped.

### 2.55 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

(₹ in Crore)

Name of the Company	Outstanding balance as at		Maximum amount outstanding during	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Powergrid NM Transmission Limited	535.50	91.34	535.50	91.34
Powergrid Vizag Transmission Limited	532.36	138.36	532.36	138.36
Powergrid Unchahar Transmission Company Ltd	26.12	-	26.12	-
Powergrid Kala Amb Transmission Limited	30.31	-	30.31	-
Powergrid Jabalpur Transmission Limited	2.34	-	2.34	-
Powergrid Warora Transmission Limited	12.17	-	12.17	-
Powergrid Parli Transmission Limited	5.28	-	5.28	-
Powergrid Southern Interconnector Transmission System Limited	15.64	-	15.64	-

2. To firms/companies in which directors are interested : NIL

3. Where there is no repayment schedule or repayment beyond seven years or no interest or interest as per section 186 of The Companies Act 2013 : ₹ 1159.72 Crore ( Previous Year ₹ 229.70 Crore) (Repayment schedule beyond seven years)

B. Investment by the loanee (as detailed above) in the shares of Power Grid Corporation of India Ltd : NIL

### 2.56 Corporate Social Responsibility Expenses (CSR)

As per Section 135 of the Companies Act, 2013 along with Corporate Social Responsibility Rules, 2014 read with DPE guidelines no F.No.15 (13)/2013-DPE (GM) , the Company is required to spend, in every financial year, atleast two per cent of the average net profits of the Company made during the three immediately financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:-

(₹ in Crore)

PARTICULARS	AMOUNT
A. Amount required to be spent during 2015-16	121.79
B. Amount spent on CSR - Revenue expenses	88.17
- Capital Expenses	27.61
C. Shortfall amount appropriated to CSR Reserve	6.01
D. Break-up of the amount spent on CSR	
1. Education and Skill Development expenses (Note 2.30)	53.53
2. Ecology and Environment Expenses (Note 2.30)	4.44
3. Health and Sanitation expenses (Note 2.30)	27.71
4. Sports, Art and Culture expenses (Note 2.30)	0.46
5. Miscellaneous expenses (Note 2.30)	0.31
6. Salaries, wages and other benefits of Company's own CSR personnel limited to 5% of total amount required to be spent on CSR (Note 2.27)	1.72
7. Capital Expenditure	27.61
<b>TOTAL</b>	<b>115.78</b>
Amount spent on CSR	
E. Total amount of ₹ 115.78 crore, ₹ 115.26 crore has been spent in cash and the balance amount of ₹ 0.52 crore is yet to be paid in cash as at 31 <sup>st</sup> March, 2016	

2.57 In view of massive expansion of business considering uncertainty of paying normal tax MAT credit is not recognised as an asset



## OTHER NOTES (contd.)

### 2.58 a) VALUE OF IMPORTS CALCULATED ON CIF BASIS

(₹ in crore)

Particulars	Current Year	Previous Year
i) Capital Goods	2481.15	3718.56
ii) Spare Parts	16.23	13.28

### b) EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

(₹ in crore)

Particulars	Current Year	Previous Year
i) Interest	410.66	341.71
ii) Others	58.21	82.93

### c) VALUE OF COMPONENTS, STORES AND SPARE PARTS CONSUMED :

(₹ in crore)

Particulars	%	Current Year	%	Previous Year
i) Imported	7.70%	13.77	9.91%	13.63
ii) Indigenous (Including fuel)	92.30%	165.01	90.09%	123.90

### d) EARNINGS IN FOREIGN EXCHANGE

(₹ in crore)

Particulars	Current Year	Previous Year
Interest	0.01	0.19
Consultancy Fee	20.27	37.85

2.59 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)  
Company Secretary

(R.T. Agarwal)  
Director (Finance)

( I. S. Jha)  
Chairman & Managing Director

#### As per our report of even date

**For S.K. Mittal & Co.**  
Chartered Accountants  
Firm Regn No. 001135N

**For R.G.N.Price & Co.**  
Chartered Accountants  
Firm Regn No. 002785S

**For Kothari & Co.**  
Chartered Accountants  
Firm Regn No. 301178E

**For Parakh & Co.**  
Chartered Accountants  
Firm Regn No. 001475C

( CA. M.K. Juneja)  
Partner  
M.No. 013117

( CA. R.Rangarajan)  
Partner  
M.No. 041883

( CA.Manaswy Kothari )  
Partner  
M.No. 064601

( CA.Indra Pal Singh )  
Partner  
M.No. 410433

Place: New Delhi

Date: 26<sup>th</sup> May, 2016



## Independent Auditors' Report

To the Members of Power Grid Corporation of India Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Power Grid Corporation of India Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information,

### Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to the following matters in the Notes to the Financial Statements:

- (a) Note No. 2.25(b) in respect of provisional recognition of revenue from transmission charges.
- (b) Note No. 2.34(a) in respect of Balance confirmation, reconciliation and consequential adjustments, if any, of Trade Receivable and Recoverable and Trade and Other Payables.

Our opinion is not modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure '1'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the **Annexure '2'** a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure '3'**.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.38 and 2.52 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For S.K. Mittal & Co.**  
Chartered Accountants  
Firm Regn No. 001135N

**For Parakh & Co.**  
Chartered Accountants  
Firm Regn No. 001475C

**For Kothari & Co.**  
Chartered Accountants  
Firm Regn No. 301178E

**For R.G.N.Price & Co.**  
Chartered Accountants  
Firm Regn No. 002785S

**( CA. M.K.Juneja )**  
Partner  
M.No. 013117

**( CA.Indra Pal Singh )**  
Partner  
M.No. 410433

**( CA.Manaswy Kothari )**  
Partner  
M.No. 064601

**( CA. R.Rangarajan )**  
Partner  
M.No. 041883

Place : New Delhi  
Date : 26<sup>th</sup> May, 2016



## Annexure to the Independent Auditors' Report

### Annexure '1'

As referred to in our Independent Auditors' Report to the members of the **Power Grid Corporation of India Limited ('the Company')**, on the standalone financial statements for the year ended 31st March, 2016, we report that:

- (i) a) The Company has generally maintained records, showing full particulars including quantitative details and situation of Fixed Assets.
- b) The fixed assets 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	Gross Block	Net Block	Remarks
Leasehold Land	12	49.57	42.39	---
Freehold Land	36	212.60	212.60	---
Buildings	28	7.27	2.64	Flats in Mumbai

- (ii) The inventories have been physically verified by external agencies during the year. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to wholly owned subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - a) The terms and conditions on which loans have been granted to the borrower companies covered under section 189 of the Act are not, prima facie, prejudicial to the interest of the company.
  - b) The schedule of repayment of principal and payment of interest has been stipulated and the repayments and receipts are regular.
  - c) There are no overdue amounts of more than 90 days in respect of loans granted to the companies listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to information and explanation given to us, the company has complied with provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of the sections 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder. Accordingly, paragraph 3(v) of the order is not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013, in respect of Transmission & Telecom Operations of the Company and we are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31st March, 2016 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	10.23	2004-05, 2005-06, 2008-09, 2009-10, 2010-11	ITAT, Delhi
Income Tax Act, 1961	Income Tax	10.86	2008-09, 2009-10, 2011-12, 2012-13	CIT (A) Delhi
Income Tax Act, 1961	Income Tax	8.74	2007-08 to 2014-15	Jurisdictional Assessing Officers of TANS
Income Tax Act, 1961	Income Tax	1.15	2006-07, 2007-08, 2008-09, 2012-13, 2015-16	Jurisdictional Assessing Officer, Delhi
Finance Act, 1994	Service Tax	1.57	2003-04	CESTAT, Kolkata
Finance Act, 1994	Service Tax	1.89	2007-08, 2008-09	Commissioner (Central Excise), Bhubaneswar
J&K GST Act, 1962	Sales Tax	50.88	1995-96 to 2001-02	Sales Tax Appellate Tribunal, J&K



Name of the Statute	Nature of dues	Amount* (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
J&K GST Act, 1962	Sales Tax	72.99	2002-03 to 2010-11	Dy. Commissioner of Sales Tax (appeals) Jammu, J&K
Punjab Vat Act, 2005	Entry Tax	9.64	2011-12 to 2013-14	Hon'able High Court Punjab & Haryana,
Building and Other Construction Workers Welfare Cess Act, 1996	Cess	3.85	2007-08	Hon'able High Court, Himachal Pradesh, Shimla
<b>Total</b>		<b>171.80</b>		

\* 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 frauds has been committed on or by the Company during the year.
- (xi) According to the information and explanations given to us managerial remuneration has been paid or provided in accordance with the requisite approval mandated by the provisions of section 197 read with schedule V to the Act.
- (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 financial statements as required by the applicable 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.
- (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.
- (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  
Firm Regn No. 001135N

**For Parakh & Co.**  
Chartered Accountants  
Firm Regn No. 001475C

**For Kothari & Co.**  
Chartered Accountants  
Firm Regn No. 301178E

**For R.G.N.Price & Co.**  
Chartered Accountants  
Firm Regn No. 002785S

**( CA. M.K.Juneja )**  
Partner  
M.No. 013117

**( CA. Indra Pal Singh )**  
Partner  
M.No. 410433

**( CA. Manaswy Kothari )**  
Partner  
M.No. 064601

**( CA. R. Rangarajan )**  
Partner  
M.No. 041883

Place: New Delhi  
Date: 26<sup>th</sup> May, 2016

**Annexure '2'**

Annexure referred to in our report of even date to the members of **Power Grid Corporation of India Limited** ('the Company') on the account for the year ended 31<sup>st</sup> March 2016.

<b>S. No.</b>	<b>Directions</b>	<b>Auditor's comments</b>	<b>Action taken by management</b>	<b>Impact on financial statements</b>
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 and leasehold land except 452.04 hectares of freehold land valuing Rs. 212.60 Crores and 323.56 hectares acres of leasehold land valuing Rs. 49.57 Crores.	The company is taking appropriate steps for getting clear title for such freehold and leasehold land.	Nil
2.	Whether there are any cases of waiver / write off of debts / loans / interest etc. If yes, the reasons thereof and the amount involved.	According to the information and explanations given to us, there are no cases of waiver / write off of debts / loans / interest etc.	N.A.	Nil
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift, grant(s) from the Govt. or other authorities.	The company has maintained adequate records in respect of inventories lying with third parties and grant(s) received from the Govt. or other authorities. No assets have been received by the company as gift from Govt. or other authorities.	Proper records are maintained	Nil

**For S.K. Mittal & Co.**  
Chartered Accountants  
Firm Regn No. 001135N

**For Parakh & Co.**  
Chartered Accountants  
Firm Regn No. 001475C

**For Kothari & Co.**  
Chartered Accountants  
Firm Regn No. 301178E

**For R.G.N.Price & Co.**  
Chartered Accountants  
Firm Regn No. 002785S

**( CA. M.K.Juneja )**  
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**( CA.Indra Pal Singh )**  
Partner  
M.No. 410433

**( CA.Manaswy Kothari )**  
Partner  
M.No. 064601

**( CA. R.Rangarajan )**  
Partner  
M.No. 041883

Place: New Delhi  
Date: 26<sup>th</sup> May, 2016

**ANNEXURE – 3**

As referred to in our Independent Auditors' Report to the members of the **Power Grid Corporation of India Limited ('the Company')**, on the standalone financial statements for the year ended 31<sup>st</sup> March, 2016

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the act")**

We have audited the internal financial controls over financial reporting of the company as at March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, 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  
Firm Regn No. 001135N

**( CA. M.K.Juneja )**  
Partner  
M.No. 013117

**For Parakh & Co.**  
Chartered Accountants  
Firm Regn No. 001475C

**( CA.Indra Pal Singh )**  
Partner  
M.No. 410433

**For Kothari & Co.**  
Chartered Accountants  
Firm Regn No. 301178E

**( CA.Manaswy Kothari )**  
Partner  
M.No. 064601

**For R.G.N.Price & Co.**  
Chartered Accountants  
Firm Regn No. 002785S

**( CA. R.Rangarajan )**  
Partner  
M.No. 041883

Place: New Delhi  
Date: 26<sup>th</sup> May, 2016





## Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016

			(₹ in Crore)	
Particulars	Note No.		As At 31 <sup>st</sup> March, 2016	As At 31 <sup>st</sup> March, 2015
<b>I. EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
(a) Share capital	2.1	5231.59		5231.59
(b) Reserves and surplus	2.2	37736.09		33207.14
			<b>42967.68</b>	38438.73
<b>Deferred revenue</b>	2.3		<b>5773.29</b>	4812.59
<b>Non-current liabilities</b>				
(a) Long-term borrowings	2.4	101775.73		90492.47
(b) Deferred tax liabilities (Net)	2.5	2524.51		2490.45
(c) Other long term liabilities	2.6	1379.53		1110.15
(d) Long-term provisions	2.7	686.45		610.50
			<b>106366.22</b>	94703.57
<b>Current liabilities</b>				
(a) Short-term borrowings	2.8	2002.90		1206.49
(b) Trade payables	2.9	344.00		430.19
(c) Other current liabilities	2.10	23056.60		20016.60
(d) Short-term provisions	2.11	1408.85		1156.11
			<b>26812.35</b>	22809.39
<b>Total</b>			<b>181919.54</b>	160764.28
<b>II. ASSETS</b>				
<b>Non-current assets</b>				
(a) Fixed assets				
(i) Tangible assets	2.12	115876.14		90385.78
(ii) Intangible assets	2.13	1011.09		805.28
(iii) Capital work in progress	2.14	35610.74		40262.76
(iv) Intangible assets under development	2.15	172.11		213.28
			<b>152670.08</b>	131667.10
(b) Construction stores	2.16		<b>10350.69</b>	13205.24
(c) Non-current investments	2.17	14.50		19.49
(d) Deferred foreign currency fluctuation asset		3831.75		2803.82
(e) Regulatory Assets		37.67		37.72
(f) Long-term loans and advances	2.18	3886.72		4147.11
(g) Other non-current assets	2.18 A	1.55		0.02
			<b>7772.19</b>	7008.16
<b>Current assets</b>				
(a) Current investments	2.19	25.27		200.10
(b) Inventories	2.20	848.23		718.84
(c) Trade receivables	2.21	2822.11		2206.96
(d) Cash and Bank balances	2.22	3587.86		2988.55
(e) Short-term loans and advances	2.23	679.95		424.52
(f) Other current assets	2.24	3163.16		2344.81
			<b>11126.58</b>	8883.78
<b>Total</b>			<b>181919.54</b>	160764.28
Accounting Policies	1			
Notes on Accounts	2			
Notes referred above are integral part of the Balance Sheet				

### For and on behalf of the Board of Directors

(Divya Tandon)  
Company Secretary

(R.T. Agarwal)  
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  
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

Place: New Delhi

Date: 26<sup>th</sup> May, 2016



## Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2016

(₹ in Crore)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
I. Revenue from operations	2.25	21352.32	17658.51
II. Other income	2.26	428.44	574.53
<b>III. Total Revenue (I + II)</b>		<b>21780.76</b>	<b>18233.04</b>
<b>IV. Expenses:</b>			
Employee benefits expense	2.27	1084.61	1124.41
Finance costs	2.28	5085.95	4081.23
Depreciation and amortization expense	2.29	6302.18	5173.33
Transmission, administration and other Expenses	2.30	1662.15	1407.90
Prior period items (net)	2.31	0.87	47.19
<b>Total expenses</b>		<b>14135.76</b>	<b>11834.06</b>
<b>V. Profit before extraordinary items , Rate Regulated Activities and tax (III - IV)</b>		<b>7645.00</b>	<b>6398.98</b>
<b>VI. Extraordinary items-(Income)/Expenses</b>	2.37	-	(5.13)
<b>VII. Profit before tax and Rate Regulated Activities (V-VI)</b>		<b>7645.00</b>	<b>6404.11</b>
VIII. Add:Regulatory Income/(Expense)		(0.05)	-
<b>IX. Profit before tax (VII-VIII)</b>		<b>7644.95</b>	<b>6404.11</b>
<b>X. Tax expense:</b>			
(1) Current tax - Current Year		1598.21	1345.90
- Earlier years		(20.41)	(0.82)
(2) Credit for MAT entitlement		(11.12)	1345.08
(3) Deferred tax-			(24.21)
Less: Deferred Asset for deferred tax liability	2.5	1860.60	839.01
		1817.30	802.02
		43.30	36.99
		<b>1630.39</b>	<b>1357.86</b>
<b>VII. Profit for the year (V-VI)</b>		<b>6014.56</b>	<b>5046.25</b>
VIII. Earnings per equity share (Par value ₹ 10/- each):	2.48		
Basic & Diluted before extraordinary Item (₹)		11.50	9.64
Basic & Diluted after extraordinary Item (₹)		11.50	9.65
Accounting Policies	1		
Notes on Accounts	2		
Notes referred above are integral part of the Statement of Profit and Loss			

There are no exceptional or extraordinary items in the above periods

Total revenue, total expenses and Profit after Tax includes ₹435.02 crore (previous year ₹328.36 crore), ₹317.57 crore (previous year ₹187.23 crore) and ₹41.48 crore (previous year ₹125.16 crore) respectively towards share of jointly controlled entities.

### For and on behalf of the Board of Directors

(Divya Tandon)  
Company Secretary

(R.T. Agarwal)  
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  
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

Place: New Delhi  
Date: 26<sup>th</sup> May, 2016

**Consolidated Cash Flow Statement for the Year ended 31<sup>st</sup> March, 2016**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	<b>7644.95</b>	6404.11
Less: Rate Regulated Income / (Expenditure)	<b>(0.05)</b>	-
	<b>7645.00</b>	6404.11
<b>Adjustment for :</b>		
Depreciation (including prior period)	6242.11	5173.33
Transfer from Grants in Aid	(22.20)	(21.86)
Receipt of Grant	58.00	0.00
Deferred revenue - Advance against Depreciation	(143.00)	(79.50)
Provisions	7.50	43.95
Change in previous year profit of JVs and Subsidiaries after Audit	(47.56)	(20.98)
Transfer from Self Insurance Reserve	(5.29)	(20.21)
Net Loss on Disposal / Write off of Fixed Assets	(0.47)	(1.32)
Interest and Finance Charges	5097.87	4081.23
Provisions Written Back	(21.80)	(5.52)
FERV loss / (gain)	4.80	0.00
Interest earned on Deposits, Bonds and loans to State Govts.	(123.78)	(316.46)
Dividend received	(2.64)	(2.41)
	<b>11043.54</b>	8830.25
<b>Operating profit before Working Capital Changes</b>	<b>18688.54</b>	15234.36
<b>Adjustment for :</b>		
(Increase)/Decrease in Inventories	(129.39)	(25.29)
(Increase)/Decrease in Trade Receivables	(608.92)	(608.75)
(Increase)/Decrease in Loans and Advances	(333.00)	(30.82)
(Increase)/Decrease in Other current assets	(826.39)	(626.38)
Increase/(Decrease) in Liabilities & Provisions	1397.01	2855.18
(Increase)/Decrease in Deferred Foreign Currency Fluctuation Asset/Liability(Net)	236.93	153.68
(Increase)/Decrease in Rate Regulated Assets	0.05	
	<b>(263.71)</b>	1717.62
<b>Cash generated from operations</b>	<b>18424.83</b>	16951.98
Direct taxes paid	<b>(1524.83)</b>	(1151.90)
<b>Net Cash from operating activities</b>	<b>16900.00</b>	15800.08
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed assets (including incidental expenditure during construction)	(541.67)	(1205.78)
Capital work in progress	(25066.98)	(28653.99)
Construction Stores & Advances for Capital Expenditure	3208.02	4881.71
(Increase)/Decrease in Investments	179.82	203.85
(Increase)/Decrease in Long Term Loans under Securitisation Scheme	15.43	23.14
Lease receivables	(32.43)	97.93
Interest earned on Bonds and loans to State Govts.	131.80	386.03
Dividend from JV Companies (Adj. through Surplus Account)	82.13	80.04
Dividend received	2.64	2.41
<b>Net cash used in investing activities</b>	<b>(22021.24)</b>	(24184.66)



## Consolidated Cash Flow Statement for the Year ended 31<sup>st</sup> March, 2016 (contd...)

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loans raised during the year	17969.23	17968.04
Loans repaid during the year	(6093.09)	(6461.05)
Interest and Finance Charges Paid	(4767.67)	(3781.61)
Dividend paid	(1152.28)	(1123.64)
Dividend Tax paid	(235.64)	(202.98)
<b>Net Cash from Financing Activities</b>	<b>5720.55</b>	6398.76
D. Net change in Cash and Cash equivalents(A+B+C)	<b>599.31</b>	(1985.82)
E. Cash and Cash equivalents(Opening balance)	<b>2988.55</b>	4974.37
F. Cash and Cash equivalents(Closing balance)	<b>3587.86</b>	2988.55

Notes:

**Cash and cash equivalents consists of Cash in hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of following balance sheet amounts as per Note 2.22.**

Cash and cash equivalents	1940.68	2530.20
Other Bank balances (*)	1647.18	458.35
	<b>3587.86</b>	2988.55

(\*) Break up of Other Bank balances

1. Balance in current accounts (unclaimed dividend) #	10.29	10.39
2. In Current accounts / Flexi Deposits (Operated and maintained in terms of CERC regulations)	646.88	319.43
3. In term deposits having maturity over 3 months	990.01	128.53
	<b>1647.18</b>	458.35

#Earmarked balance with Bank includes unpaid dividend and refund of FPO proceeds

**Previous year figures have been re-grouped / re-arranged wherever necessary.**

For and on behalf of the Board of Directors

(Divya Tandon)  
Company secretary

(R.T. Agarwal)  
Director (Finance)

( I.S.Jha)  
Chairman & Managing Director

As per our report of even date

**For S.K. Mittal & Co.**  
Chartered Accountants  
Firm Regn No. 001135N

**For R.G.N.Price & Co.**  
Chartered Accountants  
Firm Regn No. 002785S

**For Kothari & Co.**  
Chartered Accountants  
Firm Regn No. 301178E

**For Parakh & Co.**  
Chartered Accountants  
Firm Regn No. 001475C

( CA. Gaurav Mittal)  
Partner  
M.No. 099387

( CA. R.Rangarajan )  
Partner  
M.No. 041883

( CA.Manaswy Kothari )  
Partner  
M.No. 064601

( CA.Indra Pal Singh )  
Partner  
M.No. 410433

Place: New Delhi

Date: 26<sup>th</sup> May, 2016



## CONSOLIDATED ACCOUNTING POLICIES FOR THE FINANCIAL YEAR 2015-16

### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared on accrual basis of accounting under the historical cost convention, in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

### 1.2 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 and assumptions and such differences are recognized in the period in which the results are crystallized.

### 1.3 RESERVES AND SURPLUS

Self insurance reserve is created @ 0.1% p.a. on Gross Block of Fixed Assets (except assets covered under mega insurance policy) as at the end of the year by appropriating current year profit towards future losses which may arise from un-insured risks. The same is shown as "Self insurance reserve" under 'Reserves & Surplus'.

### 1.4 GRANTS-IN-AID

1.4.1 Grants-in-aid received from Central Government or other authorities towards capital expenditure for projects, betterment of transmission systems and specific depreciable assets are shown as "grants-in-aid" till the utilization of grant.

1.4.2 On capitalization of related assets, grants received for specific depreciable assets are treated as deferred income and recognized in the Statement of Profit and Loss over the useful life of related asset and in proportion to which depreciation on these assets is provided.

### 1.5 RATE REGULATED ASSETS & LIABILITIES

Certain expenses and income, allowed under CERC regulations to be reimbursed/passed on by/to from beneficiaries in future, are to be accounted in the statement of Profit and Loss as per the provisions of accounting standards and practices. Such expenses and income, to the extent allowable/payable under CERC regulations, are treated as regulated assets and liabilities.

### 1.6 SEGMENT REPORTING

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment asset and liabilities are identified on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relates to the company as a whole and not allocable to segment on reasonable basis are included under unallocated revenue/expenses/assets/liabilities.

### 1.7 CASH FLOW STATEMENT

Cash Flow statement is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard.

### 1.8 FIXED ASSETS

1.8.1 Fixed assets are shown at historical cost comprising of purchase price and any attributable cost of bringing the assets to its working condition for its intended use less accumulated depreciation/amortization.

1.8.2 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.

1.8.3 Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates/ assessments

1.8.4 Transmission system assets are considered when they are 'Ready for intended use', for the purpose of capitalization, after test charging/successful commissioning of the systems/assets and on completion of stabilization period wherever technically required.

1.8.5 The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

1.8.6 Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

1.8.7 Insurance spares, which can be used only in connection with an item of fixed asset and whose use is expected to be at irregular intervals and Mandatory spares in the nature of sub-station equipments /capital spares i.e. stand-by/service/rotational equipment and unit assemblies, are capitalized and depreciated over the residual useful life of the related plant & machinery. In case the year of purchase and consumption is same, amount of such spares are charged to revenue.

### 1.9 CAPITAL WORK-IN-PROGRESS (CWIP)

1.9.1 Cost of material consumed and erection charges thereon along with other related expenses incurred for the projects are shown as CWIP till the date of capitalization.

1.9.2 Cost of material for construction of Substation (including HVDC) is being transferred to Capital Work in Progress during the progress of erection work.

1.9.3 Expenditure of Corporate office, Regional Offices and Projects, attributable to construction of fixed assets are identified and allocated on a systematic basis to the cost of the related assets.

1.9.4 Interest during construction and expenditure (net) allocated to construction as per policy No. 1.9.3 above (allocated to the projects on prorata basis to their capital expenditure), are apportioned to capital work in progress (CWIP) on the closing balance of specific asset or part of asset being capitalized. Balance, if any, left after such capitalization is kept as a separate item under the CWIP Schedule.

1.9.5 Deposit works/cost-plus contracts are accounted for on the basis of statement received from the contractors or technical assessment of work completed.

1.9.6 Unsettled liability for price variation/ exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.



### 1.10 INTANGIBLE ASSETS

- 1.10.1 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 assets in the books of accounts when the same is ready for its use.
- 1.10.2 Afforestation charges paid for acquiring right-of-way for laying transmission lines are accounted for as intangible assets and same are amortized over the period of thirty five years following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulation.
- 1.10.3 Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as "Intangible Assets under Development" where such assets are not yet ready for their intended use.
- 1.10.4 Expenditure incurred on the development of new technology is kept under "Intangible assets under development" till its completion. After satisfactory completion of development stage, the expenditure kept under as "Intangible Assets" to be included in the project cost of new assets.

### 1.11 CONSTRUCTION STORES

Construction stores are valued at cost.

### 1.12 BORROWING COST

- 1.12.1 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.
- 1.12.2 The borrowing costs so allocated are capitalised or charged to revenue, based on whether the project is under construction or in operation.

### 1.13 TRANSACTION IN FOREIGN CURRENCY

- 1.13.1 Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of 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.
- 1.13.2 Foreign Exchange Rate Variation (FERV) arising on settlement / translation of foreign currency loans relating to fixed assets/ capital work-in-progress are adjusted to the carrying cost of related assets.
- 1.13.3 FERV accounted for as per policy no 1.13.2 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) which ever is later. The above FERV to the extent recoverable or payable as per the CERC norms is accounted for as follows:
  - a) FERV recoverable/payable adjusted to carrying cost of fixed assets 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'.
  - b) 'Deferred income/expenditure from foreign currency fluctuation a/c' is amortized in the proportion in which depreciation is charged on such FERV.
  - c) 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.
- 1.13.4 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' in the following manner:
  - i) Depreciation component of transmission charges (being 90% of such FERV) is adjusted against Deferred foreign currency fluctuation asset/liability a/c in the transmission charges.
  - ii) Balance 10% of Deferred foreign currency fluctuation asset/liability a/c is amortised over the tenure of respective loans.
- 1.13.5 FERV arising out of settlement/translation of long term monetary items (other than foreign currency loans) relating to fixed assets/ CWIP are adjusted in the carrying cost of related assets.
- 1.13.6 FERV arising during the construction period from settlement/translation of monetary items denominated in foreign currency (other than long term) to the extent recoverable/payable to the beneficiaries as capital cost as per CERC tariff Regulation are accounted as 'Deferred foreign currency fluctuation asset/liability a/c'. Transmission charges recognised on such amount is adjusted against above account.
- 1.13.7 Other exchange differences are recognized as income or expenses in the period in which they arise.

### 1.14 INVESTMENTS

- 1.14.1 Current investments are valued at lower of cost and market value determined on an individual investment basis.
- 1.14.2 Long term investments are carried at cost. Provision is made for diminution other than temporary, in the value of such investments.

### 1.15 INVENTORIES

- 1.15.1 Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.
- 1.15.2 Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.
- 1.15.3 Mandatory spares of consumable nature and transmission line items are treated as inventory after commissioning of the system.
- 1.15.4 Surplus materials as determined by the management are held for intended use and are included in the inventory.
- 1.15.5 The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

### 1.16 REVENUE RECOGNITION

- 1.16.1 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 norms and other amendments notified by the CERC in similar cases. Difference, if any, is adjusted based on issuance of final notification of tariff orders by the CERC. Transmission Income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on actual expenditure incurred on year to year basis as per tariff norms of the CERC.



- 1.16.2 The Transmission system Incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the norms notified / approved by the CERC.
- 1.16.3.1 Advance against depreciation (AAD), forming part of tariff pertaining upto the block period 2004-09, to facilitate repayment of loans, is reduced from transmission income and considered as deferred income to be included in transmission income in subsequent years.
- 1.16.3.2 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.
- 1.16.4 Surcharge recoverable from trade receivables and liquidated damages / warranty claims / interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.
- 1.16.5 Income from Telecom Services are accounted for on the basis of terms of agreements/ purchase orders from the customers.
- 1.16.6 Income from sole consultancy contracts are accounted for on technical assessment of progress of services rendered.
- 1.16.7 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:
- 10% on the issue of Notice Inviting Tender for execution
  - 5% on the Award of Contracts for execution
  - Balance 85% on the basis of actual progress of work including supplies
- 1.16.8 Income from Sale of Goods is recognized on the transfer of significant risks and reward of ownership to the buyer.
- 1.16.9 Application Fees received on account of Long Term Open Access (LTOA) Charges is accounted for as and when received in accordance with CERC Guidelines.
- 1.16.10 Scrap other than steel scrap & conductor scrap are accounted for as and when sold.
- 1.16.11 Dividend income is recognized when right to receive payment is established.

#### 1.17 LEASED ASSETS

- 1.17.1 State sector unified load dispatch centre (ULDC)/ Fiber Optic Communication Assets (FOC) assets leased to the beneficiaries are considered as Finance Lease. Net investment in such leased assets along with accretion in subsequent years is accounted for as Lease Receivables under Long Term Loans & Advances. Wherever grant-in-aid is received for construction of State Sector ULDC, lease receivable is accounted for net of such grant.
- 1.17.2 Finance income on leased assets are recognised based on a pattern reflecting a constant periodic rate of return on the net investment as per the tariff notified/to be notified by the CERC.
- 1.17.3 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.

#### 1.18 DEPRECIATION / AMORTIZATION

- 1.18.1 Depreciation / amortization 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.
- 1.18.2 ULDC assets commissioned prior to 1<sup>st</sup> April 2014 are depreciated on Straight Line Method @ 6.67% per annum. Such assets commissioned on or after 1<sup>st</sup> April 2014 is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff.
- 1.18.3 Depreciation on assets of telecom and consultancy business is provided for on straight line method as per useful life specified in Schedule II of the Companies Act, 2013.
- 1.18.4 Depreciation on following assets is provided based on estimated useful life as evaluated by the management.

a. Computers & Peripherals	3 years
b. Servers & Network Components	5 years

Residual value of above assets is considered as Nil.

- 1.18.5 Cost of Softwares capitalized as Intangible Asset is amortized over the period of legal right to use or 3 years, whichever is less with Nil residual value.
- 1.18.6 Mobile phones are charged off in the year of purchase.
- 1.18.7 Depreciation/ Amortization on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/upto the date on which the asset is available for use/disposal
- 1.18.8 Where the cost of depreciable fixed asset 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 assets where residual life is determined on the basis of useful life of fixed asset as specified in Schedule II of the Companies Act, 2013.
- 1.18.9 Plant and machinery, loose tools and items of scientific appliances, included under different heads of fixed assets, costing ₹5,000/- or less, or where the written down value is ₹ 5,000/- or less as at the beginning of the year, are charged off to revenue.
- 1.18.10 Other fixed assets costing upto ₹5,000/- are fully depreciated in the year of acquisition.
- 1.18.11 Leasehold Land is fully amortized over 25 years or lease period whichever is lower in accordance with the rates and methodology specified in the Central Electricity Regulatory Commission (CERC) Tariff Regulation . Lease hold Land acquired on perpetual lease is not amortised.
- 1.18.12 In the case of fixed assets 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.

#### **1.19 PRIOR PERIOD ITEMS**

Pre-paid/prior-period expenses/Income of items up to ₹100,000/- are charged to natural heads of account.

#### **1.20 IMPAIRMENT OF ASSETS**

Cash generating units as defined in Accounting Standard -28 on 'Impairment of Assets' are identified at the balance sheet date with respect to carrying amount vis-à-vis recoverable amount thereof and impairment loss, if any, is recognised in Statement of profit & loss. Impairment loss, if need to be reversed subsequently, is accounted for in the year of reversal.

#### **1.21 EMPLOYEE BENEFITS**

1.21.1 Company contribution paid/payable during the year to defined pension contribution scheme and provident fund scheme is recognized in the Statement of Profit and Loss. The same is paid to a fund and administered through a separate trust.

1.21.2 The liability for retirement benefits of employees in respect of Gratuity, is ascertained annually on actuarial valuation at the year end, is provided and funded separately.

1.21.3 The liabilities for compensated absences, leave encashment, post retirement medical benefits, settlement allowance & long service awards to employees are ascertained annually on actuarial valuation at the year end and provided for.

1.21.4 Short term employee benefits are recognized at the undiscounted amount in the Statement of Profit and Loss in the year in which the related services are rendered.

1.21.5 Actuarial gains/losses are recognized immediately in the Statement of Profit & Loss.

#### **1.22 PROVISIONS AND CONTINGENT LIABILITIES**

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to its present value. No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainties. Such contingent liabilities are not recognized but are disclosed on the basis of judgment of the management / independent expert. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

#### **1.23 TAXES ON INCOME**

Income Tax comprises of current and deferred tax. Current income taxes are measured at the amount expected to be paid to income tax authorities in accordance with the provisions of Income Tax Act, 1961. Deferred tax resulting from timing difference between accounting and taxable profit is accounted for using the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

#### **1.24 OTHERS**

1.24.1 Expenditure of research and development, other than Capital Expenditure, are charged to revenue in the year of incurrence.

1.24.2 Capital expenditure on assets not owned by the company is charged off to revenue as and when incurred.



**Note 2.1/Share capital**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Equity Share Capital</b>		
<b>Authorised</b>		
1000,00,00,000 (Previous year 1000,00,00,000 ) equity shares of ₹ 10/- each at par	<b>10000.00</b>	10000.00
<b>Issued, subscribed and paid up</b>		
523,15,89,648 (Previous Year 523,15,89,648) equity shares of ₹ 10/-each at par fully paid up	<b>5231.59</b>	5231.59
<b>Total</b>	<b>5231.59</b>	5231.59

**Further Notes:**

- 1) Reconciliation of Number and amount of share capital outstanding at the beginning and at the end of the reporting period

Particulars	For the year ended 31 <sup>st</sup> March, 2016		For the year ended 31 <sup>st</sup> March, 2016	
	No.of Shares	Amount ( ₹ in crore)	No.of Shares	Amount ( ₹ in crore)
Shares outstanding at the beginning of the year	<b>5231589648</b>	<b>5231.59</b>	5231589648	5231.59
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>5231589648</b>	<b>5231.59</b>	5231589648	5231.59

- 2) The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at meetings of the Shareholders.
- 3) Shareholders holding more than 5% equity shares of the Company

Particulars	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	No.of Shares	% of holding	No.of Shares	% of holding
i) Government of India	<b>3028835198</b>	<b>57.90</b>	3028835198	57.90
ii) Europacific Growth Fund	-	-	296023422	5.66

**Note 2.2/Reserves and surplus**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Securities Premium Account</b>		
As per last balance sheet	9578.29	9578.29
Closing Balance	<b>9578.29</b>	9578.29
<b>Bonds Redemption Reserve</b>		
As per last balance sheet	5870.47	4886.61
Additions during the year	1720.62	1600.44
Deductions during the year	697.93	616.58
Closing Balance	<b>6893.16</b>	5870.47
<b>Self Insurance Reserve</b>		
<b>Through appropriation</b>		
As per last balance sheet	350.31	268.68
Additions during the year	104.21	81.30
Deductions during the year	-	(0.33)
Closing Balance	454.52	350.31
<b>Through charge to Profit</b>		
As per last balance sheet	43.67	63.87
Additions during the year	0.75	-
Deductions during the year	5.29	20.20
Closing Balance	39.13	43.67
	<b>493.65</b>	393.98



## Note 2.2/Reserves and surplus (contd.)

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Corporate Social Responsibility( CSR) Activity Reserve</b>		
As per last balance sheet	129.52	46.74
Additions during the year	6.19	82.78
Deductions/Adjustments during the year	(0.48)	
Closing Balance	<b>136.19</b>	129.52
<b>General Reserve</b>		
As per last balance sheet	16851.90	14461.13
Additions during the year	3507.31	2406.78
Deductions during the year	47.93	16.01
Closing Balance	<b>20311.28</b>	16851.90
<b>Load Despatch &amp; Communication (LDC) Development Fund</b>		
As per Last Balance Sheet	158.96	130.13
Additions during the year	78.49	34.20
Deductions during the year	80.86	5.37
Closing Balance	<b>156.59</b>	158.96
<b>REC Fund</b>		
As per Last Balance Sheet	10.64	8.46
Additions during the year	0.69	2.18
Deductions during the year	-	-
Closing Balance	<b>11.33</b>	10.64
<b>Capital Reserve</b>		
As per Last Balance Sheet	1.52	1.62
Additions during the year	-	-
Deductions during the year	0.11	0.10
Closing Balance	<b>1.41</b>	1.52
	<b>37581.90</b>	32995.28
<b>Surplus( Balance in statement of Profit and Loss )</b>		
As per last balance sheet	211.86	20.82
Add:Additions		
Profit after tax as per Statement of Profit & Loss	6014.56	5046.25
Transfer from Bond Redemption Reserve	697.93	616.58
Dividend Adjustment	82.13	80.04
Dividend tax adjusted	0.32	1.93
Less: Appropriations		
Bonds Redemption Reserve	1720.62	1600.44
CSR Activities Reserve	6.19	82.78
LDC Development Reserve	0.17	34.20
REC Fund	0.69	2.18
Self Insurance Reserve	104.96	81.30
General Reserve	3507.31	2406.78
Interim dividend paid	466.94	433.14
Tax on Interim dividend	94.87	86.51
Proposed Dividend	789.97	685.34
Tax on proposed Dividend	160.89	141.09
Closing Balance	<b>154.19</b>	211.86
<b>TOTAL#</b>	<b>37736.09</b>	33207.14

#Includes ₹ 58.41 crore (previous year ₹ 97.63 crore) share of jointly controlled entities.

**Note 2.3/Deferred Revenue**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
a) Advance against depreciation	<b>1843.95</b>	1986.95
b) Grants in aid		
As per last Balance Sheet	74.42	96.28
Received during the year*	58.00	-
Adjustments during the year	22.20	21.86
Closing balance	<b>110.22</b>	74.42
c) Deferred income from foreign currency fluctuation(Net)	<b>3819.12</b>	2751.22
<b>TOTAL #</b>	<b>5773.29</b>	<b>4812.59</b>

# Includes ₹48.38 crore (previous year ₹48.38 crore) share of jointly controlled entities.

\* Grant Received during the year for scheme of Unified Real Time Dynamic State Measurement.

**Note 2.4/Long-term borrowings**

(₹ in Crore)

Description	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A) BONDS</b>		
<b>A1) Secured (Taxable, Redeemable, Non-Cumulative, Non-Convertible)</b>		
<b>A1.1 i) Bonds of ₹10 Lakh each</b>		
<b>XXXIX Issue- 9.40% redeemable at par on 29.03.2027</b>	1800.00	1800.00
<b>XXXVIII Issue- 9.25% redeemable at par on 09.03.2027</b>	855.00	855.00
<b>XLII Issue-8.80% redeemable at par on 13.03.2023</b>	1990.00	1,990.00
ii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of Rs 10 lakh each redeemable at par in 3( Three) equal installments on 23.12.2020, 23.12.2025 and 23.12.2030		
<b>LII Issue-8.32% redeemable w.e.f. 23.12.2020</b>	1398.00	-
iii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of Rs 10 lakh each redeemable at par in 3( Three) equal installments on 09.03.2020,09.03.2025 and 09.03.2030		
<b>XLIX Issue-8.15% redeemable w.e.f. 09.03.2020</b>	1305.00	1305.00
iv) Bonds of ₹40 Lakh each consisting of 4 STRPPs of Rs 10 lakh each redeemable at par in 4( Four) equal installments on 23.01.2020, 23.01.2022,23.01.2025 and 23.01.2030		
<b>XLVIII Issue-8.20% redeemable w.e.f. 23.01.2020</b>	2580.00	2580.00
v) Bonds of ₹1.20 crore each consisting of 12 STRPPs of Rs 10 lakh each redeemable at par in 12(twelve) equal installments		
<b>LI Issue-8.40% redeemable w.e.f. 14.09.2019</b>	3000.00	-
vi) Bonds of ₹30 Lakh each consisting of 3 STRPPs of Rs 10 lakh each redeemable at par in 3( Three) equal installments on 04.09.2019, 4.09.2024 and 04.09.2029		
<b>XLVI Issue-9.30% redeemable w.e.f. 04.09.2019</b>	4362.00	4362.00
vii) Bonds of ₹1.20 crore each consisting of 12 STRPPs of Rs 10 lakh each redeemable at par in 12(twelve) equal installments		
<b>L Issue-8.40% redeemable w.e.f. 27.05.2019</b>	2928.00	-
viii) Bonds of ₹ 1.20 crore each consisting of 12 STRPPs of Rs 10 lakh each redeemable at par in 12( Twelve) equal installments		
<b>XLVII Issue-8.93% redeemable w.e.f 20.10.2018</b>	2640.00	2640.00
ix) Bonds of ₹10 Lakh each redeemable at par in 3 equal instalments on 15.07.2018,15.07.2023 and 15.07.2028		
<b>XLIV Issue-8.70% redeemable w.e.f. 15.07.2018</b>	3966.00	3,966.00



## Note 2.4/Long-term borrowings (contd.)

(₹ in Crore)

Description		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
x)	Bonds of ₹1.2 crores each consisting of 12 STRPPs of ₹ 10 lakhs each redeemable at par in 12 (twelve) equal annual instalments <b>XLV Issue-9.65% redeemable w.e.f. 28.02.2018</b> <b>XLIII Issue-7.93% redeemable w.e.f. 20.05.2017</b>	1999.20 3126.00	1,999.20 3,126.00
xi)	Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (twelve) equal annual instalments. <b>XLI Issue-8.85% redeemable w.e.f. 19.10.2016</b>	2605.62	2,842.50
xii)	Bonds of ₹1.50 crores each, consisting of 15 STRPPs of ₹10.00 Lakhs each redeemable at par in 15 (fifteen) equal annual instalments <b>XXXVI Issue- 9.35% redeemable w.e.f. 29.08.2016</b>	2884.00	3090.00
xiii)	Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (twelve) equal annual instalments. <b>XL Issue-9.30% redeemable w.e.f. 28.06.2016</b> <b>XXXVII Issue- 9.25% redeemable w.e.f 26.12.2015</b> <b>XXXV Issue- 9.64% redeemable w.e.f 31.05.2015</b> <b>XXXIV Issue- 8.84% redeemable w.e.f 21.10.2014</b> <b>XXXIII Issue- 8.64% redeemable w.e.f 08.07.2014</b> <b>XXXII Issue- 8.84% redeemable w.e.f 29.03.2014</b> <b>XXXI Issue- 8.90% redeemable w.e.f 25.02.2014</b> <b>XXX Issue- 8.80% redeemable w.e.f 29.09.2013</b> <b>XXIX Issue- 9.20% redeemable w.e.f 12.03.2013</b> <b>XXVIII Issue- 9.33% redeemable w.e.f 15.12.2012</b> <b>XXVII Issue- 9.47% redeemable w.e.f 31.03.2012</b> <b>XXVI Issue- 9.30% redeemable w.e.f 07.03.2012</b> <b>XXV Issue- 10.10% redeemable w.e.f 12.06.2011</b> <b>XXIV Issue- 9.95% redeemable w.e.f 26.03.2011</b> <b>XXIII Issue- 9.25% redeemable w.e.f 09.02.2011</b> <b>XXII Issue- 8.68% redeemable w.e.f 07.12.2010</b> <b>XXI Issue- 8.73% redeemable w.e.f 11.10.2010</b> <b>XX Issue- 8.93% redeemable w.e.f 07.09.2010</b> <b>XIX Issue- 9.25% redeemable w.e.f 24.07.2010</b> <b>XVIII Issue- 8.15% redeemable w.e.f 09.03.2010</b>	3664.37 1662.50 1631.25 2615.62 2160.00 690.00 1365.00 1555.00 756.88 1400.00 352.50 499.50 532.50 333.13 128.12 287.50 212.50 625.00 206.25 333.00	3,997.50 1828.75 1794.38 2906.25 2400.00 776.25 1535.62 1749.38 865.00 1600.00 411.25 582.75 621.25 399.75 153.75 345.00 255.00 750.00 247.50 416.25
xiv)	Bonds of ₹1.00 crores each, consisting of 10 STRPPs of ₹10.00 Lakhs each redeemable at par in 10 (ten) equal annual instalments. <b>XVII Issue- 7.39% redeemable w.e.f 22.09.2009</b> <b>XVI Issue- 7.10% redeemable w.e.f 18.02.2009</b>	200.00 75.00	300.00 150.00
xv)	Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (twelve) equal annual instalments. <b>XV Issue-6.68% redeemable w.e.f. 23.02.2008</b> 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.	150.00	225.00
<b>A1.2</b>	Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 lakh each redeemable at par in 12 (twelve) equal annual instalments		



## Note 2.4/Long-term borrowings (contd.)

(₹ in Crore)

Description	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>XIII issue-8.63% redeemable w.e.f 31.07.2006</b>	67.50	135.00
Secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage & hypothecation on assets of Kishenpur Moga & Dulhasti Contingency Transmission System		
<b>A1.3 Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 lakh each redeemable at par in 12 (twelve) equal annual instalments</b>		
<b>XII issue- 9.70% redeemable w.e.f 28.03.2006</b>	-	15.38
Secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage and hypothecation on assets of Kayamkulam & Ramagundam Hyderabad Transmission System		
<b>A1.4 Bonds of ₹3 crores each consisting of 12 STRPPs of ₹25 lakh each redeemable at par in 12 (twelve) equal annual instalments</b>		
<b>XI issue-9.80% redeemable w.e.f 07-12-2005</b>	-	45.25
Secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage & hypothecation on assets of Anta,Auriya, Moga-Bhiwani, Chamera-Kishenpur, Sasaram-Allahbad, LILO of Singraulli-Kanpur and Allahabad Sub-Station		
<b>A1.5 Bonds of ₹ 0.10 crores each redeemable at par at the end of 5th year i.e 2020.</b>		
<b>2900 Bond-8.90% redeemable on 5th March 2020</b>	290.00	-
Secured by way of flotting charge on all the Movable assets, tangible or intangible of the subsidiary company (Powergrid Vizag Transmission Ltd.)		
	<b>59231.94</b>	<b>55061.96</b>
<b>A2) Unsecured</b>		
<b>A2.1 Redeemable Foreign Currency Bonds</b>		
<b>3.875% Foreign Currency Bonds to be redeemed at par on 17.01.2023</b>	<b>3345.00</b>	<b>3,159.50</b>
<b>Total (A)</b>	<b>62576.94</b>	<b>58221.46</b>
<b>B) Term Loans from Banks</b>		
<b>B1) Rupee Loan (Secured)</b>		
<b>B1.1 i) Line of Credit (LOC) from State Bank of India -I</b>	4546.00	5000.00
<b>ii) Line of Credit (LOC) from State Bank of India -II</b>	7485.00	2600.00
Secured by way of pari passu charge on assets of the company except investments, Land and Buildings, roads and bridges, water supply , drainage and sewerage and Current Assets.		
<b>iii) State Bank of India</b>	59.97	74.19
<b>iv) Central Bank of India</b>	22.04	25.43
<b>v) Jammu and Kashmir Bank</b>	14.70	16.96
<b>vi) Punjab National Bank</b>	29.39	33.91
<b>vii) ICICI Bank Ltd.</b>	20.45	-
<b>viii) United Bank Of India</b>	20.80	19.37
<b>ix) Union Bank of India</b>	30.84	23.23
Secured by a Hypothecation of JV Companies (JayPee Power Grid Ltd and Powerlinks Transmission Ltd.)		



## Note 2.4/Long-term borrowings (contd.)

(₹ in Crore)

Description	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Teesta valley powerTransmission Limited) Tangible and Intangible Assets, Movable assets, and Current assets and Pledge of Share held by Teesta urja of JV co. Teesta valley powerTransmission Limited		
<b>ix) Bank of Baroda</b>	90.80	80.21
Secured by first pari passu charge over the Immovable, movable assets, Intangible Assets and equity shares held by Torrent Power Ltd of JV Company (Torrent Powergrid Ltd.) and Teesta Urja Ltd of JV Company (Teesta valley Power Transmission Ltd.)		
<b>x) Andhra Bank</b>	31.72	29.53
<b>xi) Bank of India</b>	20.80	19.36
Secured by First mortgage and charge on all the immovable and movable assets of and equity shares held by Teesta Urja Ltd of JV Company (Teesta valley Power Transmission Ltd.)		
<b>xii) Canara Bank</b>	13.63	-
<b>xiii) PFS</b>	13.63	-
<b>xiv) Indusind Bank</b>	4.77	-
<b>Total (B1)</b>	12404.54	7922.19
<b>B2) Foreign Currency Loans(Secured)</b>		
<b>B2.1 Bank of India Cayman Islands</b>	211.26	232.80
Secured by a Floating charge on the immovable properties of the company		
<b>B2.2 i) Nordic Investment Bank (PIL5120)</b>	452.86	505.71
Secured by way of pari passu charge on movable assets of the company except investments and Current Assets.		
<b>ii) ADB-VIII (2788-IND)</b>	1080.42	530.35
<b>iii) International Finance Corporation</b>	669.00	1011.04
<b>iv) ICF Debt Pool LLP</b>	334.50	315.95
Secured by way of pari passu charge on assets of the company except investments, Land and Buildings, roads and bridges, water supply , drainage and sewerage and Current Assets.		
<b>v) Asian Development Bank</b>	23.96	35.94
Secured by first paripasu charge on tangible/ intangible, all movable assets & current assets of JV Company ( Powerlinks Transmission Ltd.)		
<b>B2.3 Guaranteed by Government of India</b>		
From Asian Development Bank (ADB)		
<b>ADB-II (1764-IND)</b>	710.32	801.43
<b>ADB-III (2152-IND)</b>	1822.66	1869.95
<b>ADB-IV (2415-IND)</b>	2475.75	2387.71
<b>ADB-V (2510-IND)</b>	786.59	668.94
<b>ADB-VI (2823-IND)</b>	341.19	307.94
<b>ADB-VII (2787-IND)</b>	1125.28	903.18
From International Bank for Reconstruction and Development (IBRD)		
<b>PSDP-II (4603-IN)</b>	1188.86	1332.41
<b>PSDP-III (4813-IN)</b>	1804.63	1856.74
<b>PSDP-IV (4890-IN)</b>	3201.64	3202.56
<b>PSDP-IV (Addl.) (7593-IN)</b>	2290.86	2253.74



## Note 2.4/Long-term borrowings (contd.)

(₹ in Crore)

Description		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>PSDP-V (7787-IN)</b>	4707.42		3711.41
Secured by pari passu interest in the lien created on the assets as security for the debts.			
<b>Total B2</b>		23227.20	21927.80
<b>B3) Foreign currency Loans (Unsecured)</b>			
<b>B3.1 Skandinavska Enskilda Banken AB(publ) Sweden</b>	-		19.42
<b>AB Svensk Exportkredit, Sweden</b>	2120.84		1,458.64
<b>Exim Bank India</b>	11.30		3.71
<b>B3.2 Guaranteed by Government of India</b>			
<b>Natixis Banque (Formerly Credit National) France</b>	78.05		78.79
<b>Japan International Cooperation Agency (Formerly Japan Bank for International Cooperation ) Japan</b>	108.61		105.45
<b>KFW</b>	441.92		21.94
<b>Total (B3)</b>		2760.72	1687.95
<b>Total B</b>		<b>38392.46</b>	31537.94
<b>C Term Loan From Others</b>			
<b>Rupee Loans (Secured)</b>			
<b>C1 Life Insurance Corporation of India-III</b>	-		0.22
Secured by a floating charge on the fixed assets of the Company.		-	0.22
<b>International Finance Corporation</b>	26.95		40.42
<b>Infrastructure Development Finance Corporation</b>	-		30.37
<b>IDFC Infra Debt Fund Ltd</b>	20.25		-
Secured by way of first charge ranking paripasu on tangible/intangible on all movable assets & current assets of JV company (Powerlinks Transmission Ltd)			
<b>Power Finance Corporation Limited</b>	549.76		582.79
<b>Rural Electrification corporation</b>	209.37		79.27
Secured by First Mortgage of immovable properties and Hypothecation of all movable assets and current assets of JV companies (Parbati Koldam Transmission Company Ltd, North East Transmission Company Limited, National Highpower Test lab Pvt Ltd and Cross Border Power Transmission Company Limited)		<b>806.33</b>	733.07
<b>TOTAL (A to C)#</b>		<b>101775.73</b>	90492.47

# Includes ₹ 1245.98 crore (previous year ₹1116.63 crore) share of jointly controlled entities.

### Further notes:

The Term loans are repayable in installments as per the terms of respective agreement generally over the period of 10 to 20 years after the moratorium period of 3 to 5 years.



## Note 2.5/Deferred tax liabilities (Net)

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Deferred Tax liability</b>		
Towards Fixed Assets( Net) (A)	<b>8716.79</b>	6900.01
<b>Deferred Tax Assets</b>		
Income during Construction Period	<b>92.34</b>	110.25
Self Insurance Reserve	<b>11.67</b>	13.49
Provisions allowable on payment basis	<b>135.58</b>	113.07
Advance Against Depreciation	<b>621.41</b>	670.90
Others	<b>24.09</b>	39.47
<b>Sub-total (B)</b>	<b>885.09</b>	947.18
Deferred Tax Liability (Net) ( A-B)	<b>7831.70</b>	5952.83
Less:Deferred assets for deferred tax liability	<b>5307.19</b>	3462.38
<b>Net Deferred Tax Liability#</b>	<b>2524.51</b>	2490.45

# Includes ₹ 29.95 crore (previous year ₹ 36.91 crore) share of jointly controlled entities.

### Further Note:

- Charge of ₹ 43.30 crore( Previous year ₹ 36.98 crore) has been made in the statement of Profit & Loss account & Loss. Further Credit of ₹ 9.24 crore on account of difference in asset as per provisional accounts and audited accounts of JV/Subsidiary Companies for the last year is adjusted in reserves account.
- The tariff norms for the block period 2014-2019 notified by the CERC provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax provided during the year ended 31st March, 2016 on the transmission income is accounted as 'Deferred Assets against Deferred Tax Liability'. Deferred Assets against Deferred Tax Liability for the year will be reversed in future years (including tax holiday period )when the related deferred tax liability forms a part of current tax.This is in line with Guidance Note on Rate Regulated Activities, issued by ICAI.

## Note 2.6/Other Long term liabilities

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Other liabilities</b>		
i) Deposits /Retention money from contractors and others.	<b>916.06</b>	661.38
ii) Advance from customers (Consultancy/Telecom contracts)	<b>431.21</b>	401.03
iii) Dues for Capital Expenditure	<b>0.04</b>	22.88
iv) Others*	<b>32.22</b>	24.86
<b>Total#</b>	<b>1379.53</b>	1110.15

# Includes ₹ 39.21 crore (previous year ₹ 29.71 crore) share of jointly controlled entities.

### 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.2.45

\*Other include amount recoverable from contractors for payment of compensation, PF Loan & Interest Recovery Payable etc

## Note 2.7/Long-term provisions

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Employee Benefits</b>		
As per last balance sheet	610.50	554.97
Additions/(adjustments) during the year	75.95	55.53
Closing Balance	<b>686.45</b>	610.50
<b>TOTAL#</b>	<b>686.45</b>	610.50

# Includes ₹ 0.93 crore (previous year ₹0.99 crore) share of joint controlled entities.



**Note 2.8/Short-term borrowings**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Short Term Loans</b>		
<b>From Banks</b>		
Secured*	2.90	6.49
Unsecured	2000.00	1200.00
<b>Total#</b>	<b>2002.90</b>	<b>1206.49</b>

# Includes ₹ 2.90 crore (previous year ₹6.49 crore) share of jointly controlled entities.

\* Secured against movable assets of the JV company (JayPee Powergrid Limited) both present and future and a charge has been created ranking pari passu with the existing charges of Term Loan.

**Note 2.9/Trade payables**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
For goods and services	344.00	430.19
<b>Total#</b>	<b>344.00</b>	<b>430.19</b>

# Includes ₹ 30.11 crore (previous year ₹35.79 crore) share of joint controlled entities.

**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.2.45

**Note 2.10/Other current liabilities**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A) Current maturities of long term borrowings</b>		
<b>Secured</b>		
Bonds	3446.00	2791.71
Rupee Term Loans	551.29	177.46
Foreign Currency Loans	1918.69	1489.18
	5915.98	4458.35
<b>Un-secured</b>		
Foreign Currency Loans	274.72	86.10
	<b>6190.70</b>	<b>4544.45</b>
<b>B) Interest accrued but not due on borrowings from</b>		
Indian Banks, Financial Institutions & Corporations	14.59	19.40
Foreign Banks & Financial Institutions	69.41	39.30
Secured/Unsecured redeemable Bonds	2620.89	2315.99
	<b>2704.89</b>	<b>2374.69</b>
<b>C) Others</b>		
i) Dues for capital expenditure	4510.30	4746.11
ii) Employee related liabilities	85.39	116.59
iii) Unclaimed dividends*	9.31	10.39
iv) Deposits/Retention money from contractors and others.	4669.72	4870.77
v) Advances from customers	3593.18	2402.72
vi) Statutory dues	121.55	210.22
vii) Related parties**	56.25	34.26
viii) Liabilities in respect of designated a/c operated and maintained in terms of CERC Regulations	67.68	55.94
ix) Liability on account of Truing up	86.34	180.31
x) Liabilities in respect of Third Parties under		
i) Short Term open Access Regulations		
a) CTU	69.78	47.52
b) STU	45.70	38.13
ii) PSDF A/C	233.61	185.46
iii) PSDF Collection Account	246.13	-
xi) Others@	366.07	199.04



## Note 2.10/Other current liabilities (contd.)

(₹ in Crore)

Description	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Total #</b>	<b>14161.01</b>	13097.46
	<b>23056.60</b>	20016.60

# Includes ₹ 332.92 crore (previous year ₹ 167.73 crore) share of jointly controlled entities.

### 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 2.45

\* No amount is due for payment to Investor Education and Protection Fund

\*\*Breakup of related parties is provided in Note2.48(b)

@ Others-Others include liability for dead cheques, Price variation, LTA etc

## Note 2.11/Short-term provisions

(₹ in Crore)

Description	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A) Employee Benefits</b>		
<b>i) Transmission incentive/special incentive</b>		
As per last balance sheet	213.13	133.19
Addition during the year	171.27	117.12
Amount paid/adjusted during the year	187.32	37.18
Closing Balance	197.08	213.13
<b>ii) Other Employee Benefits (Leave Encashment, Settlement Allowance and Long Service Award etc.)</b>		
As per last balance sheet	43.63	40.96
Additions/(adjustments) during the year	6.07	2.67
Closing Balance	49.70	43.63
<b>Total (A)</b>	<b>246.78</b>	256.76
<b>B) Others</b>		
<b>i) Taxation (Including interest on tax)</b>		
As per last balance sheet	62.70	0.10
Additions during the year	1717.82	1345.90
Amount adjusted during the year	(2470.89)	(3287.19)
Net off against taxes paid (Note 2.18)	4126.45	4570.49
Closing Balance	124.96	62.70
<b>ii) Proposed Dividend</b>		
As per last balance sheet	685.34	690.50
Additions during the year	789.97	685.34
Amounts paid during the year	685.34	690.50
Closing Balance	789.97	685.34
<b>iii) Tax on proposed Dividend</b>		
As per last balance sheet	141.10	118.40
Additions during the year	161.85	141.10
Amounts paid/adjusted during the year	141.15	118.40
Closing Balance	161.80	141.10
<b>iv) Downtime Service Credit-Telecom</b>		
As per last balance sheet	6.78	5.23
Additions during the year	4.06	2.15
Amounts adjusted/paid during the year	0.75	0.60
Closing Balance	10.09	6.78
<b>v) Provision Others</b>		
As per last balance sheet	3.43	2.06
Additions/(adjustments) during the year	71.82	1.37
Closing Balance	75.25	3.43
<b>Total (B)</b>	<b>1162.07</b>	899.35
<b>Total (A+B) #</b>	<b>1408.85</b>	1156.11

# Includes ₹ 22.07 crore (previous year ₹ 26.32 crore) share of jointly controlled entities.

## Note 2.12/ Tangible assets

(₹ in Crore)

Particulars	Gross Block				Depreciation/Amortisation				Net Block		
	As at 1 <sup>st</sup> April, 2015	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2016	Upto 31 <sup>st</sup> March, 2015	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Land</b>											
a) Freehold	1811.94	197.06	-	(3.80)	<b>2012.80</b>	-	-	-	-	<b>2012.80</b>	1811.94
b) Leasehold	277.98	5.31	0.36	0.74	<b>282.19</b>	46.74	9.53	-	2.03	<b>54.24</b>	231.24
<b>Buildings</b>											
a) Sub-Stations & Office	737.86	195.84	-	3.18	<b>930.52</b>	219.91	26.88	-	1.18	<b>245.61</b>	517.95
b) Township	525.12	38.10	-	(0.06)	<b>563.28</b>	155.11	20.70	-	1.63	<b>174.18</b>	370.01
c) RLDC	13.28	0.34	-	-	<b>13.62</b>	2.66	0.47	-	-	<b>3.13</b>	10.62
Temporary Erection	10.49	0.40	0.04	-	<b>10.85</b>	10.47	0.40	0.04	-	<b>10.83</b>	0.02
Roads & Bridges	179.19	16.94	-	-	<b>196.13</b>	54.34	7.42	-	1.57	<b>60.19</b>	124.85
Water Supply Drainage & Sewerage	110.65	5.53	0.01	(0.10)	<b>116.27</b>	34.89	4.21	-	0.49	<b>38.61</b>	75.76
<b>Plant &amp; Equipment</b>											
a) Transmission	74367.12	22631.77	36.94	(960.55)	<b>97922.50</b>	16936.54	4159.79	8.26	40.76	<b>21047.31</b>	57430.58
b) Substation	38326.79	7037.04	21.92	(358.83)	<b>45700.74</b>	10050.52	2009.45	4.21	15.65	<b>12040.11</b>	28276.27
c) Unified Load Despatch & Communication	702.53	253.43	6.55	25.87	<b>923.54</b>	425.31	42.40	6.47	26.34	<b>434.90</b>	277.22
d) Telecom	1431.22	40.81	-	(0.16)	<b>1472.19</b>	636.58	96.39	-	-	<b>732.97</b>	794.64
Furniture Fixtures	104.71	28.05	0.33	0.22	<b>132.21</b>	49.91	5.88	0.24	0.23	<b>55.32</b>	54.80
Office equipment	115.56	36.37	4.96	0.68	<b>146.29</b>	50.38	6.74	4.39	0.28	<b>52.45</b>	65.18
Electronic Data Processing & Word Processing Machines	129.80	13.21	0.75	0.30	<b>141.96</b>	93.88	22.03	1.05	0.74	<b>114.12</b>	35.92
Vehicles	4.84	0.11	0.03	0.24	<b>4.68</b>	2.73	0.39	0.10	0.02	<b>3.00</b>	2.11
Construction and Workshop equipment	216.62	43.58	-	-	<b>260.20</b>	49.08	12.09	-	0.24	<b>60.93</b>	167.54
Electrical Installation	128.26	2.37	0.02	0.14	<b>130.47</b>	49.21	5.97	0.01	0.09	<b>55.08</b>	79.05
Laboratory Equipments	75.59	0.04	0.03	(0.09)	<b>75.69</b>	37.20	3.24	0.24	0.23	<b>39.97</b>	38.39
Workshop & Testing Equipments	39.47	43.37	-	-	<b>82.84</b>	16.68	2.28	-	0.04	<b>18.92</b>	22.79
Miscellaneous Assets/ Equipments	0.94	0.22	-	0.01	<b>1.15</b>	0.32	0.05	-	-	<b>0.37</b>	0.62
<b>Total</b>	119309.96	30589.89	71.94	(1292.21)	<b>151120.12</b>	28922.46	6436.31	25.01	91.52	<b>35242.24</b>	90387.50
Less: Provision for assets discarded	10.33	0.07	-	-	<b>10.40</b>	8.61	0.05	-	-	<b>8.66</b>	1.72
<b>Grand Total #</b>	119299.63	30589.82	71.94	(1292.21)	<b>151109.72</b>	28913.85	6436.26	25.01	91.52	<b>35233.58</b>	90385.78
Previous Year Total	97249.47	21521.63	9.86	(548.72)	119309.96	23663.73	5292.67	1.46	32.48	28922.46	90387.50
Less: Provision for assets discarded	10.40	-	-	0.07	10.33	8.66	-	-	0.05	8.61	1.72
Previous Year Grand Total	97239.07	21521.63	9.86	(548.79)	119299.63	23655.07	5292.67	1.46	32.43	28913.85	90385.78

# Net Block includes ₹ 1451.47 crore (previous year ₹ 1453.75 crore) share of jointly controlled entities.



## Note 2.12/Tangible assets (contd.)

### Further Notes:

- a) The company owns 7011 hectare (previous Year 6647 hectare) of land amounting to ₹ 2294.99 crore (previous Year ₹ 2089.92 crore) which has been classified into freehold ₹2012.80 crore (previous year ₹ 1811.94 crore) and leasehold ₹ 282.19 crore (previous year ₹ 277.98 crore) based on available documentation.
- b) i) The land classified as leasehold land held in the State of Jammu and Kashmir amounting to ₹ 68.53 crore (Previous Year ₹ 68.53 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 Ltd. (NHPC) upon mutually agreed terms pending completion of legal formalities.
- c) Freehold land includes ₹ 191.39 crore (previous year ₹ 33.71 crore) and ₹ 304.79 crore (previous year ₹ 192.08 crore) in respect of land acquired by the Company for which conveyance deed in favour of the Company and mutation in revenue records respectively is pending.
- d) Leasehold land includes ₹ 7.64 crore (previous year ₹ 7.64 crore) in respect of land acquired for office complex on perpetual lease basis with an unlimited useful life at Katwaria Sarai, New Delhi and hence not amortised
- e) Leasehold land includes ₹ 13.97 crore (previous year ₹ 13.97 crore ) in respect of land in chamba (HP) acquired from NHPC by the company for which legal formalities are pending.
- f) Township buildings includes ₹ 7.27 crore (previous year ₹ 7.27 crore) for 28 flats at Mumbai, for which registration in favour of the company is pending.
- g) Land at Bina Sub-station measuring 13.90 acres (Previous year 13.90 acres ) having value of Rs ₹ 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) Free hold land includes ₹ 20.64 crores paid in respect of Tumkur (Madhugiri SS) land acquired by the company through lease cum sale agreement for which all the conditions related to transfer of title from KIADB have been fulfilled and conveyance deed/ title in favour of the company and mutation in revenue records are pending.

## Note 2.13/Intangible assets

(₹ in Crore)

Particulars	Gross Block					Depreciation /Amortisation					Net Block	
	As at 1 <sup>st</sup> April, 2015	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2016	Upto 31 <sup>st</sup> March, 2015	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Electronic Data Processing Software	61.60	5.06	0.32	0.04	<b>66.30</b>	19.90	18.05	0.32	0.04	<b>37.59</b>	<b>28.71</b>	41.70
Right of Way-Afforestation Expenses	925.44	102.42	0.17	(167.48)	<b>1195.17</b>	162.71	56.09	-	(5.18)	<b>223.98</b>	<b>971.19</b>	762.73
SCADA Software	193.46	11.21	9.98	148.51	<b>46.18</b>	192.61	0.87	9.98	148.51	<b>34.99</b>	<b>11.19</b>	0.85
<b>Total#</b>	1180.50	118.69	10.47	(18.93)	<b>1307.65</b>	375.22	75.01	10.30	143.37	<b>296.56</b>	<b>1011.09</b>	805.28
Previous Year Total	985.60	194.39	0.12	(0.63)	1180.50	317.93	51.09	0.01	(6.21)	375.22	805.28	

# Net Block Includes ₹ **43.45 crore** (previous year ₹ 14.63 crore) share of jointly controlled entities.

## Note 2.14/Capital work in progress

(₹ in Crore)

Particulars	As at 1 <sup>st</sup> April, 2015	Additions during the year	Adjustments	Capitalised during the year	As at 31 <sup>st</sup> March, 2016
<b>Land</b>					
Development of land	4.34	59.51	-	54.97	<b>8.88</b>
<b>Buildings</b>					
a) Sub-Stations & Office	311.93	316.69	78.66	196.04	<b>353.92</b>
b) Township	62.54	44.06	(19.30)	37.85	<b>88.05</b>
Temporary erection	0.02			0.02	
Roads & Bridges	5.96	10.45	-	0.78	<b>15.63</b>
Water Supply Drainage and Sewerage	2.26	0.04	-	-	<b>2.30</b>
<b>Plant &amp; Equipments (including associated civil works)</b>					
a) Transmission	26871.07	13906.23	(11.96)	19165.65	<b>21623.61</b>
b) Sub-Station	6225.53	7384.35	-	5981.82	<b>7628.06</b>
c) Unified Load Despatch & Communication	397.54	157.50	18.08	247.28	<b>289.68</b>



## Note 2.14/Capital work in progress (contd.)

(₹ in Crore)

Particulars	As at 1 <sup>st</sup> April, 2015	Additions during the year	Adjustments	Capitalised during the year	As at 31 <sup>st</sup> March, 2016
d) Telecom	47.67	12.90	-	20.61	<b>39.96</b>
e) DELP Project Puducherry	2.31	13.11	1.05	-	<b>14.37</b>
Other office equipments	0.15	-	0.15	7.04	<b>(7.04)</b>
Electrical Installations	5.58	17.56	-	-	<b>23.14</b>
<b>Expenditure pending allocation</b>	0.01	-	-	-	<b>0.01</b>
i) Survey, investigation, consultancy & supervision Charges	40.61	8.15	(3.95)	11.20	<b>41.51</b>
ii) Difference in Exchange on foreign currency loans	817.05	525.95	-	702.05	<b>640.95</b>
iii) Expenditure during construction period(net) (Note 2.32)	5471.83	2951.40	(187.54)	3759.42	<b>4851.35</b>
<b>TOTAL</b>	40266.40	25407.90	(124.81)	30184.73	<b>35614.38</b>
Less: Provision for unserviceable Assets	3.64	-	-	-	<b>3.64</b>
<b>Grand Total #</b>	40262.76	25407.90	(124.81)	30184.73	<b>35610.74</b>
Previous Year	32036.20	30614.32	2082.16	20301.96	<b>40266.40</b>
Less: Provision for assets discarded	19.40	3.64	19.40	-	<b>3.64</b>
Total	32016.80	30610.68	2062.76	20301.96	<b>40262.76</b>

# Includes ₹ 427.86 crore (previous year ₹ 291.19 crore) share of jointly controlled entities.

## Note 2.15/Intangible assets under development

(₹ in Crore)

Particulars	As at 1 <sup>st</sup> April, 2015	Additions	Adjustments	Capitalised during the year	As at 31 <sup>st</sup> March, 2016
Electronic Data Processing Software	0.09	1.67	-	0.30	<b>1.46</b>
Right of Way-Afforestation expenses	139.44	53.84	-	101.09	<b>92.19</b>
Development Expenditure	73.75	10.97	6.26	-	<b>78.46</b>
<b>Total #</b>	213.28	66.48	6.26	101.39	<b>172.11</b>
Previous Year Total	374.34	36.75	10.57	187.24	<b>213.28</b>

# Includes ₹ Nil (previous year ₹ 1.99 crore) share of jointly controlled entities.

## Note 2.16/Construction stores

(For mode of valuation refer note 1.11)

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Tower	1940.30	2527.36
Conductors	1942.13	3400.65
Other Line Materials	1300.21	1655.27
Sub-Station Equipments	2254.99	2523.66
High Voltage Direct Current (HVDC) Equipments	2650.37	2850.07
Unified Load Despatch & Communication(ULDC) Materials	186.98	200.78
Telecom Materials	15.54	8.39
Others	60.19	39.08
	<b>10350.71</b>	13205.26
Less: Provision for shortages and obsolete material	<b>0.02</b>	0.02
<b>TOTAL#</b>	<b>10350.69</b>	13205.24
<b>Construction Stores include:</b>		
i) Material in transit		
Towers	<b>13.42</b>	6.39
Conductors	<b>2.23</b>	13.35
Other Line Materials	<b>82.53</b>	62.93
Sub-Station Equipments	<b>94.74</b>	794.03
High Voltage Direct Current (HVDC) Equipments	<b>267.35</b>	413.54
Unified Load Despatch & Communication(ULDC) Materials	-	11.68
Others	<b>1.57</b>	12.05
Total	<b>461.84</b>	1313.97



## Note 2.16/Construction stores (contd.)

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>ii) Material with Contractors</b>		
Towers	1863.83	2520.97
Conductors	1845.91	3387.30
Other Line Materials	1144.13	1592.34
Sub-Station Equipments	2087.69	1729.63
High Voltage Direct Current (HVDC) Equipments	2383.02	2436.53
Unified Load Despatch & Communication(ULDC) Materials	186.98	189.10
Telecom Materials	15.54	8.39
Others	57.81	4.65
Total	9584.91	11868.90
<b>Grand Total</b>	<b>10046.75</b>	<b>13182.87</b>

# Includes ₹ 141.75 crore (previous year ₹ 5.08 crore) share of jointly controlled entities.

### Further Notes:

Pending reconciliation, materials amounting to ₹199.55 crore (previous year ₹112.34 crore) in commissioned lines is shown as construction stores lying with contractors.

## Note 2.17/Non-current investments

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>LONG TERM</b>		
<b>A. TRADE INVESTMENTS (AT COST)</b>		
<b>I. Equity Instruments-Fully Paid up :-</b>		
<b>Quoted</b>		
PTC India Limited		
12000006(Previous year 12000006) Shares of ₹10/- each	12.00	12.00
{Market Value ₹ 76.80 crore @ ₹ 64.00 (NSE) per share(Previous year ₹ 97.08 crore @ 80.90 (NSE) per share)}		
<b>II. Govt.Securities ( Unquoted ):-</b>		
<b>8.5% Bonds redeemable in 20 half yearly instalments w.e.f. 1.10.2006</b>	2.50	7.49
<b>TOTAL (A)</b>	<b>14.50</b>	<b>19.49</b>
<b>B. Non-trade investments ( Unquoted )</b>		
<b>Equity shares-Fully paid-up</b>		
500 (Previous year 500) shares of ₹ 10/- each in Employees Co-op Society Limited Itarsi (₹ 5000/-)	0.00	0.00
500 (Previous year 500) shares of ₹ 10/- each in EmployeesCo-op Society Limited Nagpur (₹ 5000/-)	0.00	0.00
500 (Previous year 500) shares of ₹ 10/- each in Employees Co-op Society Limited Jabalpur (₹ 5000/-)	0.00	0.00
1 (Previous year 1) share of ₹ 10/- each in Bharat Broadband Network Ltd (₹ 10/-)	0.00	0.00
<b>Total (B)</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL (A+B)#</b>	<b>14.50</b>	<b>19.49</b>

# Includes ₹ Nil (previous year ₹ Nil) share of jointly controlled entities.

### Further notes:

- Aggregate amount of Quoted Investments
 

Book value	12.00	12.00
Market Value	76.80	97.08
- Aggregate amount of Unquoted Investments
 

Book value	2.50	7.49
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- Investments have been valued as per accounting policy no 1.14



## Note 2.18/Long-term loans and advances

(Unsecured considered good unless otherwise stated)

(₹ in Crore)

Particulars		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A) Advances for Capital Expenditure</b>			
i) Secured		-	0.26
ii) Unsecured			
a. Against bank guarantees	2859.87		2806.07
b. Others	255.02		662.03
iii) Unsecured considered doubtful	2.95		3.00
		3117.84	3471.10
Less: Provision for bad & doubtful Advances		2.95	3.00
		<b>3114.89</b>	3468.10
		<b>3114.89</b>	3468.36
<b>B) Loans</b>			
i) Employees (including interest accrued)			
Secured	183.36		177.69
Unsecured	13.74		8.13
		197.10	185.82
ii) Lease receivables		400.00	376.61
		<b>597.10</b>	562.43
<b>C) Security Deposits</b>		<b>5.59</b>	10.03
<b>D) Advances to related parties*</b>			
i) Considered good		<b>0.05</b>	-
<b>E) Advances recoverable in cash or in kind or for value to be received</b>			
Contractors & Suppliers( including material issued on Loan)		46.85	46.08
Employees		10.46	13.31
Balance with Customs Port Trust and other authorities		21.17	0.31
MAT Credit Entitlement		53.11	41.99
Advance tax and Tax deducted at source	4126.45		4570.49
Less: Provision for taxation	4126.45		4570.49
		-	-
Others		37.50	4.60
		169.09	106.29
Considered doubtful		3.59	3.72
		172.68	110.01
Less: Provision for doubtful Advances		3.59	3.72
		<b>169.09</b>	106.29
<b>TOTAL #</b>		<b>3886.72</b>	4147.11
Due from:			
Directors		<b>0.10</b>	0.11
Officers including key management personnel		<b>7.64</b>	6.72

# Includes ₹ 117.57 crore (previous year ₹ 85.75 crore) share of jointly controlled entities.

### Further notes:

\*Breakup of advances to related parties is provided in Note 2.49(b)

## Note 2.18 A/Other Non current assets

(Unsecured considered good unless otherwise stated)

(₹ in Crore)

Particulars		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
a) Fixed Deposits (Maturity More than 1 year)		1.46	-
b) Interest accrued but not due			
Interest accrued on Term/Fixed Deposits		0.07	-
c) Margin Money Deposit with Bank		0.02	0.02
		<b>1.55</b>	0.02
Less: Provision for doubtful claims		-	-
<b>TOTAL#</b>		<b>1.55</b>	0.02

# Includes ₹ 1.55 crore (previous year ₹ 0.02 crore) share of jointly controlled entities.



## Note 2.19/Current investments

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>CURRENT MATURITIES OF LONG TERM INVESTMENTS (AT COST)</b>		
<b>TRADE INVESTMENTS</b>		
<b>I) Govt.Securities ( Unquoted ):-</b>		
8.5% Bonds redeemable in 20 half yearly instalments w.e.f. 1.10.2006	5.00	185.43
<b>II) Mutual Funds (Unquoted)</b>		
ICICI Prudential Liquid Growth	0.37	-
UTI Liquid cash Plan Institutional Growth option	1.43	-
IDFC Cash Fund	4.83	1.68
Tata Money Market Fund Regular Plan - Growth	0.66	-
HDFC Cash Management Fund - Reg - Growth	12.20	-
J M High Liquidity - Growth	0.78	-
Religare Invesco Liquid Fund	-	10.17
Sundaram Money Fund Regular- Growth	-	2.82
<b>TOTAL#</b>	<b>25.27</b>	<b>200.10</b>

# Includes ₹ 20.27 crore (previous year ₹ 14.67 crore) share of jointly controlled entities.

### Further notes:

- 1) Aggregate amount of Unquoted Investments  
Book value 25.27 200.10
- 2) Investments have been valued as per accounting policy no 1.14 (Note No. 1)

## Note 2.20/Inventories

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>(As taken valued and certified by the Management)</b>		
<b>(For mode of valuation refer Note 1.15)</b>		
Loose tools	11.19	10.64
Consumable stores	5.99	5.06
Components,Spares & other spare parts:		
Towers	185.03	167.46
Conductors	67.00	51.08
Other Line Materials	250.02	212.70
Sub-Station Equipments/Spares	214.90	187.32
High Voltage Direct Current Equipments/spares	71.84	82.13
Unified Load Despatch Centre Spares	5.59	3.79
Telecom Spares	20.47	5.70
Other Stores	36.36	13.12
	<b>868.39</b>	<b>739.00</b>
Less Provision for Shortages/damages etc	20.16	20.16
<b>TOTAL#</b>	<b>848.23</b>	<b>718.84</b>

# Includes ₹ 24.55 crore (previous year ₹ 1.09 crore) share of jointly controlled entities.

### Inventories includes material in transit

Towers		0.01
Other Line Materials	1.96	0.01
Total	<b>1.96</b>	<b>0.02</b>

## Note 2.21/Trade receivables

(Unsecured considered good unless otherwise stated)

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
i) Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	323.01	223.56
Considered doubtful	29.70	27.41
	<b>352.71</b>	<b>250.97</b>
ii) Others	<b>2499.10</b>	<b>1983.40</b>
	<b>2851.81</b>	<b>2234.37</b>



**Note 2.21/Trade receivables (contd.)**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Less: Provision for bad & doubtful trade receivables	29.70	27.41
<b>TOTAL#*</b>	<b>2822.11</b>	<b>2206.96</b>

# Includes ₹ 73.64 crore (previous year ₹74.54 crore) share of jointly controlled entities.

\*Breakup of Trade receivables from related parties is provided in Note 2.49(b)

**Note 2.22/Cash and Bank balances**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>1) Cash and Cash Equivalents</b>		
Balance with banks-		
-In Current accounts	1144.98	1413.50
-In designated current accounts( to be utilised for consultancy assignments)	674.56	984.90
-In term deposits (having maturity period upto 3 months)	15.81	16.92
-In LDC Development Account	103.63	114.69
Drafts/Cheques in hand	-	0.01
Cash in hand	1.69	0.02
Stamps and Imprest	0.01	0.15
	<b>1940.68</b>	<b>2530.19</b>
<b>2) Other Bank Balances</b>		
-Earmarked balance with Bank*	10.29	10.39
-In Current Accounts / Flexi Deposits (Operated and maintained in terms of CERC regulations)	59.91	48.33
a) Short Term Open Access Regulations	115.48	85.65
b) PSDF Disbursement Account	233.61	185.46
c) PSDF Collection Account	221.84	-
-In Term Deposits having maturity over 3 months	990.01	128.53
-In Flexideposit Account-REC	15.74	-
-Deposit held as margin money	0.30	-
<b>TOTAL#</b>	<b>3587.86</b>	<b>2988.55</b>

# Includes ₹ 176.09 crore (previous year ₹ 162.84 crore) share of jointly controlled entities.

**Further notes:**

Balance with Banks in current accounts and designated current accounts under cash and cash equivalents above , includes liquid flexi term deposit ₹ 182.32 crore (previous year ₹442.62 crore) and ₹449.43 crore (previous year ₹982 crore) respectively. Interest on flexi deposit is credited to designated party accounts.

\*Earmarked balance with Bank includes unpaid dividend and refund of FPO proceeds

**Note 2.23/Short-term loans and advances**

(Unsecured considered good unless otherwise stated)

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A) Loans</b>		
<b>a) Employees including interest accrued</b>		
i) Secured	19.34	16.39
ii) Unsecured	7.11	5.95
	26.45	22.34
<b>b) Others</b>		
Current maturities of Long Term		
Advances (Under securitisation Scheme)	7.71	23.14
Current Maturities of Lease Receivables	82.72	73.68
Others	-	0.03
	90.43	96.85
<b>Total(A)</b>	<b>116.88</b>	<b>119.19</b>
<b>B) Advances to related parties*</b>	<b>31.79</b>	<b>24.22</b>

**Note 2.23/Short-term loans and advances (contd.)**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>C) Advances recoverable in cash or in kind or for value to be received</b>		
a) Employees	14.73	15.91
b) Others		0.22
Contractors & Suppliers (Including Material issued on loan)	173.50	33.83
Balance with Customs Port Trust and other authorities	88.35	31.98
Others @	254.73	199.17
	516.58	264.98
<b>Total (C)</b>	<b>531.31</b>	281.11
<b>Total(A+B+C)</b>	<b>679.98</b>	424.52
Less: Provision for doubtful Advances	<b>0.03</b>	-
<b>Total#</b>	<b>679.95</b>	424.52
Directors	<b>0.08</b>	0.08
Officers including key management personnel	<b>2.40</b>	2.28

# Includes ₹ 9.88 crore (previous year ₹ 32.80 crore) share of jointly controlled entities.

**Further notes:**

\*Breakup of advances to related parties is provided in Note 2.49(b)

@ Advances recoverable in cash or in kind or for value to be received -Others include amount recoverable from Gratuity, PF trust, prepaid expenses etc.

**Note 2.24/Other current assets****(Unsecured considered good unless otherwise stated)**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
a) Unbilled Revenue	3060.23	2287.58
b) Interest accrued but not due		
Interest accrued on Investments (Bonds)	4.36	12.09
Interest accrued on Term/Fixed Deposits	12.69	12.98
c) Claims recoverable	15.21	4.06
d) Others @	70.67	28.10
e) Doubtful claims	-	-
	<b>3163.16</b>	2344.81
Less: Provision for doubtful claims	-	-
<b>TOTAL#</b>	<b>3163.16</b>	2344.81

**Further notes:**

# Includes ₹ 27.53 crore (previous year ₹48.03 crore) share of jointly controlled entities.

Unbilled revenue ₹1481.58 crore (Previous year ₹1002.55 Crore) represent amount for which the company is yet to raise bills in view of recognition of revenue as per CERC Tariff norms and also includes transmission charges for the month of March, 2016 amounting to ₹1578.65 crores (previous year ₹1285.03 crore) billed to beneficiaries in the month of April, 2016(Previous year April, 2015).

Others

\*Interest accrued on Others include interest accrued on advances to contractors

@ Others include Other accrued income and recoverable from customers

**Note 2.25/Revenue from operations**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>i) Transmission Business</b>		
Sales of services		
<b>Transmission Charges</b>	20070.29	16668.71
Add: Revenue recognised out of advance against depreciation	142.92	79.50
Add: -Short term open access- Charges	30.18	39.57
Add: System & Market Operation Charges	123.77	139.94
	20367.16	16927.72
<b>Other operating revenue</b>		
Interest on differential between Provisional and Final Tariff by CERC	63.22	70.88
	<b>20430.38</b>	16998.60

**Note 2.25/Revenue from operations (contd.)**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>ii) Telecom Business</b>		
Sales of services		
NLD	391.05	272.48
IP-1	8.28	8.44
ISP	2.09	2.59
Others	33.27	15.59
	<u>434.69</u>	<u>299.10</u>
<b>Less: Inter Divisional Transfer</b>		
NLD	37.27	18.97
IP-1	5.16	5.16
ISP	0.24	0.26
	<u>42.67</u>	<u>24.39</u>
	<b>392.02</b>	<b>274.71</b>
<b>iii) Consultancy Project Management and Supervision</b>		
Sales of services	529.92	385.20
	<b>529.92</b>	<b>385.20</b>
<b>Total#</b>	<b>21352.32</b>	<b>17658.51</b>

# Includes ₹ 420.82 crore (previous year ₹ 313.19 crore) share of jointly controlled entities.

- 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 21<sup>st</sup> 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
- Rs. 3915.15 Crores (previous year Rs. 4272.76 Crore) for which provisional orders have been issued by the Central Electricity Regulatory Commission (CERC) allowing provisional billing upto 90% of the tariff claimed.
  - Rs. 12767.92 Crores (previous year Rs. Nil) for which final tariff orders have been issued by CERC.
  - Rs. 3194.01 Crores (previous year Rs. 12178.10 Crore) based on CERC Tariff norms applicable for the tariff block 2014-19 for which tariff orders are yet to be issued by CERC. This also includes revenue from assets commissioned upto 31.03.2014.

**Note 2.26/Other income**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>A) Income from non-current Investments</b>		
<b>i) Dividend</b>		
Others	2.64	2.41
<b>ii) Interest on Govt. securities</b>	14.03	28.11
<b>B) Other Interest</b>		
Loan to State Govt. in settlement of dues	-	2.95
Indian Banks	139.22	318.94
Interest from advances to contractors	60.71	156.19
Others	14.83	14.41
	<b>231.43</b>	<b>523.01</b>
<b>C) Others</b>		
Profit on sale of Fixed Assets	1.59	1.90
Deferred Income (Transferred from Grants-in-aid)	22.20	22.19
Transfer from Insurance Reserve on A/c of Losses of Fixed Assets	5.29	20.21
Lease Income-State Sector ULDC	34.76	37.18
Surcharge	95.47	66.84
Hire charges for equipments	0.03	0.22
FERV gain	0.05	12.44
Rebate	0.32	0.34
Provisions written back	21.80	5.52
Miscellaneous income	97.13	84.26
	<b>510.07</b>	<b>774.11</b>
Less: Income transferred to expenditure during construction(Net)-Note 2.32	<b>81.63</b>	<b>199.58</b>
<b>TOTAL#</b>	<b>428.44</b>	<b>574.53</b>

# Includes ₹ 14.20 crore (previous year ₹ 15.17 crore) share of jointly controlled entities.

**Further Notes:**

Other Interest-Others include interest on employee loans



## Note 2.27/Employee benefits expense

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March,2016	For the year ended 31 <sup>st</sup> March,2015
Salaries wages allowances & benefits	1246.76	1274.59
Contribution to provident and other funds	194.66	277.90
Staff Welfare expenses	154.37	153.98
	<b>1595.79</b>	1706.47
Less: Transferred to Expenditure during Construction(Net)-Note 2.32	<b>511.18</b>	582.06
<b>TOTAL#</b>	<b>1084.61</b>	1124.41

# Includes ₹ 7.77 crore (previous year ₹ 7.51 crore) share of jointly controlled entities.

### Further notes:

- a) Employees' remuneration and benefits include the following for the whole time directors and Key Management personnel including chairman and managing director and excluding arrears paid to ex-directors.

	Current Year	Previous year
Salaries and Allowances	2.31	1.95
Contribution to Provident Fund and other Funds, Gratuity and Group Insurance	0.35	0.24
Other benefits	0.41	0.71
b) 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 dt. 21.01.2013 .		
c) Pending approval of Ministry of Power and Department of Public Enterprises, special allowance up to 10% of Basic pay amounting to ₹17.67 crore for the financial year 2015-16 (Cumulative amounting to ₹114.01 crore upto 31.03.2016) 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 26-Nov-2008.		
d) Employee benefit expenses for the Fin. Year 2014-15 includes ₹87.28 crore as balance contribution towards Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme for the period 01.01.2007 to 31.03.2012.		
e) Salaries wages allowances & benefits includes ₹14.10 crore against excess provision written back of performance related pay written back.		

## Note 2.28/Finance costs

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March,2016	For the year ended 31 <sup>st</sup> March,2015
<b>A) i) Interest on loans from</b>		
Indian Banks,Financial Institutions & Corporations	1246.71	1169.08
Foreign Banks and Financial Institutions	270.61	233.33
Secured/Unsecured redeemable Bonds	5381.89	4755.96
Foreign Currency Bonds	135.07	126.13
<b>ii) Interest-Others</b>	71.60	14.75
	<b>7105.88</b>	6299.25
<b>B) Other borrowing costs</b>		
Commitment charges	12.07	14.40
Guarantee Fee	260.20	238.54
Other finance charges	44.45	21.70
	<b>316.72</b>	274.64
<b>C) ERV as adjustment to Borrowing Cost</b>		
Foreign Exchange Rate Variation	6.71	6.27
Less: Recoverable from beneficiaries at the time of truing up	6.71	6.27
	<b>7422.60</b>	6573.89
Less: Transferred to Expenditure during Construction(Net)-Note 2.32	<b>2336.65</b>	2492.66
<b>TOTAL#</b>	<b>5085.95</b>	4081.23

# Includes ₹ 108.60 crore (previous year ₹ 78.74 crore) share of jointly controlled entities.

**Note 2.29/Depreciation and amortization expense**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
Depreciation/amortisation on Tangible Assets	<b>6436.31</b>	5292.67
Amortisation of Intangible assets	<b>75.01</b>	51.09
	<b>6511.32</b>	5343.76
Less: Transferred to Expenditure During Construction(Net)-Note 2.32	<b>12.18</b>	12.68
	<b>6499.14</b>	5331.08
Less: Depreciation amortised due to FERV adjustment	<b>196.96</b>	157.75
<b>Charged To Statement of Profit &amp; Loss #</b>	<b>6302.18</b>	5173.33

# Includes ₹ 107.98 crore (previous year ₹79.98 crore) share of jointly controlled entities.

**Note 2.30/Transmission, Administration and other expenses**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>Repair &amp; Maintenance</b>		
Buildings	49.83	46.58
Plant & Machinery		
Sub-Stations	267.10	226.42
Transmission lines	172.38	128.95
Telecom equipments	45.34	20.37
RLDC	7.06	16.98
Others	30.31	17.29
	522.19	410.01
System and Market Operation Charges	-	4.17
Power charges	162.75	174.38
Less: Recovery from contractors	0.74	1.25
	162.01	173.13
Expenses of Diesel Generating sets	4.50	6.54
Stores consumed	4.59	1.02
Water charges	3.24	1.22
Right of Way charges(Telecom)	4.88	4.41
Patrolling Expenses-Telecom	1.92	1.99
Last Mile connectivity-Telecom	6.61	2.21
Training & Recruitment Expenses	30.76	26.61
Less: Fees for training and application	1.01	0.03
	29.75	26.58
Legal expenses	16.78	11.63
Professional charges(Including TA/DA)	18.30	14.21
Consultancy expenses(Including TA/DA)	14.19	7.92
Communication expenses	17.76	15.97
Travelling & Conv.exp.(excluding foreign travel)	106.92	113.16
Foreign travel	12.09	13.65
	119.01	126.81
Tender expenses	29.02	22.58
Less: Sale of tenders	4.19	5.04
	24.83	17.54
<b>Payments to Statutory Auditors</b>		
Audit Fees	0.90	0.90
Tax Audit Fees	0.11	0.14
In Other Capacity	0.83	1.14
Arrears	-	0.13
Out of pocket Expenses	0.94	0.79
	2.78	3.10

**Note 2.30/Transmission, Administration and other expenses (contd.)**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
Advertisement and publicity	12.56	12.37
Printing and stationery	7.09	6.52
Books Periodicals and Journals	1.28	1.16
EDP hire and other charges	9.32	3.94
Entertainment expenses	1.67	2.16
Brokerage & Commission	0.41	0.36
Research & Development expenses	5.41	3.41
Cost Audit and Physical verification Fees	1.35	0.76
Rent	11.16	12.57
Capital Expenditure on assets not owned by the Company	0.62	3.93
CERC petition & Other charges	49.63	38.31
Miscellaneous expenses	73.99	70.02
Horticulture Expenses	14.04	12.23
Security Expenses	123.95	107.36
Hiring of Vehicle	109.06	124.63
Insurance	84.51	72.87
Rates and taxes	7.44	9.64
License Fees to DOT	34.28	23.44
Bandwidth charges dark fibre lease charges (Telecom) etc	22.14	22.17
Expenditure on Corporate Social Responsibility (CSR) & Sustainable development	118.31	29.65
Non operating expenses	0.07	0.54
Transit Accomodation Expenses	11.23	9.18
Less : Income from Transit Accomodation	1.15	0.92
	10.08	8.26
Rebate to Customers*	120.09	118.55
Foreign Exchange Rate Variation (Net of FERV gain & amount recoverable)	4.84	-
<b>Provisions</b>		
Others	7.50	43.95
	7.50	43.95
	1833.97	1603.84
Less: Transferred to Expenditure during Construction(Net)-Note 2.32	172.94	196.52
	<b>1661.03</b>	1407.32
Loss on Disposal/Write off of Fixed Assets	<b>1.12</b>	0.58
<b>Total#</b>	<b>1662.15</b>	1407.90
Stores consumption included in repair and maintenance	<b>178.78</b>	137.53

# Includes ₹ 93.22 crore (previous year ₹21.01 crore) share of jointly controlled entities.

**Further Notes:**

\*The Company has allowed rebate against payment received through LC / cheques / RTGS for effecting better and timely recovery of dues from State Power Utilities on consistent basis

**Note 2.31/Prior period items(Net)**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>Income</b>		
Transmission charges	(47.74)	1.74
Depreciation/amortisation written back	60.07	-
Others	0.79	(0.48)
	<b>13.12</b>	1.26

**Note 2.31/Prior period items(Net) (contd.)**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>Expenditure</b>		
Power charges	0.66	37.77
Rates and taxes	0.25	3.76
Interest	11.92	-
Others	1.24	6.21
	<b>14.07</b>	<b>47.74</b>
<b>Prior period expenditure/(income )(Net)</b>	<b>0.95</b>	<b>46.48</b>
Less: Transferred to Expenditure during Construction(Net) -Note 2.32	0.08	(0.71)
<b>Total#</b>	<b>0.87</b>	<b>47.19</b>

# Includes ₹ 15.61 crore (previous year ₹Nil ) share of jointly controlled entities.

**Note 2.32/ Expenditure during Construction (Net)**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>A. Employees Remuneration &amp; Benefits</b>		
Salaries wages allowances and benefits	415.24	471.64
Contribution to provident and other funds	64.54	80.88
Welfare expenses	31.40	29.54
<b>Total(A)</b>	<b>511.18</b>	<b>582.06</b>
<b>B. Other Expenses</b>		
Repair and maintenance		
Buildings	4.22	4.40
Others	18.40	4.41
	22.62	8.81
Power charges	3.88	11.41
Less: Recovery from contractors	0.24	0.39
	3.64	11.02
Expenses on Diesel Generating sets	0.35	0.88
Water charges	0.80	0.50
Training & Recruitment Expenses	2.29	0.09
Legal expenses	2.83	3.19
Professional charges	13.89	5.24
Consultancy expenses	12.14	6.04
Communication expenses	2.03	2.48
Travelling & Conv.exp. (Including Foreign Travel)	34.96	47.02
Tender expenses	7.17	8.82
Less: Sale of tenders	4.03	4.49
	3.14	4.33
Payment to Auditors	0.18	0.11
Advertisement and Publicity	1.53	0.60
Printing and stationery	0.69	0.81
Books,Periodicals and Journals	0.03	0.02
EDP hire and other charges	0.28	1.07
Entertainment expenses	0.05	0.16
Brokerage and commission	0.07	0.07
Rent	3.53	5.26
Miscellaneous expenses	16.37	19.70
Horticulture Expenses	0.59	0.42
Security Expenses	16.91	19.48
Hiring of Vehicles	32.11	55.87
Insurance	0.04	0.84
Rates and taxes	1.25	1.80



## Note 2.32/ Expenditure during Construction (Net) (contd.)

(₹ in Crore)

Particulars		For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
Bandwidth charges, dark fibre lease charges(Telecom)		0.14	0.19
Transit Accomodation Expenses	0.49		0.55
Less : Income from Transit Accomodation	0.01		0.03
		0.48	0.52
Sub-total		<b>172.94</b>	196.52
Prior Period adjustment (net)		<b>0.08</b>	(0.71)
<b>Total(B)</b>		<b>173.02</b>	195.81
<b>C. Depreciation/Amortisation</b>		<b>12.18</b>	12.68
<b>D. Finance Costs</b>			
a) <u>Interest on Loans from</u>			
Indian Banks,Financial Institutions and Corporations	637.69		590.03
Foreign Banks and Financial Institutions	94.45		107.15
Secured/Unsecured Redeemable Bonds	1449.31		1637.90
Foreign Currency Bonds	60.05		70.72
		2241.50	2405.80
b) <u>Other borrowing costs</u>			
Commitment charges	11.67		13.24
Guarantee fee	65.27		71.09
Other Finance Charges	18.21		2.53
		95.15	86.86
<b>Total ( C )</b>		<b>2336.65</b>	2492.66
<b>D. Less: Other Income</b>			
Interest from			
Indian banks	29.47		33.54
Contractors	47.98		152.42
Others	0.20		2.59
		77.65	188.55
Miscellaneous income		3.98	11.03
<b>Total (D)</b>		<b>81.63</b>	199.58
<b>GRAND TOTAL (A+B+C-D)#</b>		<b>2951.40</b>	3083.63

# Includes ₹ 35.34 crore (previous year ₹ 41.67 crore) share of jointly controlled entities.





## OTHER NOTES

### 2.33. BASIS OF CONSOLIDATION

1.1 The consolidated financial statements relate to Power Grid Corporation of India Limited (the Company), its Subsidiaries and interest in Joint Venture Companies.

a) Basis of Accounting:

- The financial statements of the subsidiary companies and joint venture companies in the consolidation are drawn up to the same reporting date as of the Company.
- The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21- 'Consolidated Financial Statements' and Accounting Standard (AS) -27 'Financial Reporting of Interests in Joint Ventures as prescribed under section 133 of The Companies Act 2013 ('Act') read with rule 7 of The Companies (Accounts) Rules, 2014 and generally accepted accounting principles (GAAP).

b) Principles of Consolidation:

The consolidated financial statements have been prepared as per the following principles:-

- The financial statements of the company and its subsidiaries are combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions, unrealised profits or losses.
- The consolidated financial statements include the interest of the company in joint ventures, which has been accounted for using proportionate consolidation method of accounting and reporting whereby the company's share of each asset, liability, income and expense of a joint controlled entity is considered as a separate line item after eliminating proportionate share of unrealised profit in accordance with the Accounting Standard (AS-27) 'Financial Reporting of Interests in Joint Ventures'.
- The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements except as otherwise stated in the notes to the accounts.

c) Difference in Accounting Policies and Impact thereon :

For certain items the company and its Subsidiaries & joint ventures have followed different accounting policies. However the impact of the same is not material.

#### 1.2 The Subsidiaries and Joint Venture Companies considered in the financial statements are as follows:-

(₹ in Crore)

Name of the Company	Proportion (%) of Share holding as on	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
<b>Subsidiaries Incorporated in India</b>		
1. Power System Operation Corporation Limited (POSOCO)	100%	100%
2. Powergrid NM Transmission Limited	100%	100%
3. Powergrid Vemagiri Transmission Limited	100%	100%
4. Powergrid Vizag Transmission Limited	100%	100%
5. Powergrid Unchahar Transmission Limited	100%	100%
6. Powergrid Kala Amb Transmission Limited	100%	100%
7. Powergrid Jabalpur Transmission Limited	100%	100%
8. Powergrid Parli Transmission Limited	100%	-
9. Powergrid Warora Transmission Limited	100%	-
10. Powergrid Southern Interconnector Transmission System Limited	100%	-
11. Grid Conductors Limited**	-	-
<b>Joint Ventures Incorporated in India</b>		
1. Powerlinks Transmission Limited	49%	49%
2. Torrent Power Grid Limited	26%	26%
3. Jaypee Powergrid Limited	26%	26%
4. Parbati Koldam Transmission Company Limited	26%	26%
5. Teestavalley Power Transmission Limited	26%	26%
6. North East Transmission Company Limited	26%	26%
7. National High Power Test Laboratory Private Limited	21.64%	20%
8. Energy Efficiency Services Limited	13.63%	25%
9. Bihar Grid Company Limited	50%	50%
10. Kalinga Vidyut Prasaran Nigam Private Limited	50%	50%
11. Cross Border Power Transmission Company Limited	26%	26%



## OTHER NOTES (contd...)

(₹ in Crore)

Name of the Company	Proportion (%) of Share holding as on	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
12. RINL Powergrid TLT Private Limited	50%	-
<b>Joint Ventures Incorporated Outside India</b>		
1. Power Transmission Company Nepal Ltd	26%	26%

- (i) Proportion of shareholding in Energy Efficiency Services Limited (EESL) has been reduced to 4.9% as on 25<sup>th</sup> April, 2016 and consequently the Director nominated by POWERGRID in the Board of EESL, ceased to be the member of the Board from that date as per the terms of Joint Venture Agreement.
- (ii) For the purpose of consolidation, company's share of interest has been taken as per shareholding mentioned above (except for NHPTL in the F.Y 2014-15 taken at 20% based on shareholder agreement instead of 21.64% which is actual share holding.
- (iii) Financial statements used for consolidation are unaudited except National High Power Test Laboratory Private Ltd. Other Notes and accounting policies of two JV companies Teestavally Power Transmission Limited and Power Transmission Company Nepal Limited are not available and have not been considered for consolidation.

\*\*Share Capital of ₹ 0.05 crs in Grid Conductor Limited has been paid in April 2016. However based on control of composition of board of directors by Power Grid Corporation of India Limited, the company has been considered as wholly owned subsidiary company.

The company's share in assets, liabilities, contingent liabilities and capital commitment as on 31<sup>st</sup> March 2016 and income and expenses for the year in respect of above joint venture entities based on their accounts are given below:-

(₹ in Crore)

		31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
A.	<b>Assets</b>		
	• Non Current Assets		
	• Fixed Assets	2064.52	1766.63
	• Long term loans and advances	119.04	85.77
	• Current Assets	332.05	333.96
	<b>Total</b>	<b>2515.61</b>	<b>2186.37</b>
B.	<b>Liabilities</b>		
	• Non current liabilities	1364.46	1232.61
	• Current Liabilities	388.00	236.33
	<b>Total</b>	<b>1752.46</b>	<b>1468.94</b>
C.	Contingent Liabilities	40.48	31.55
D.	Capital Commitments	493.84	579.59
		Current Year	Previous Year
E.	Income	435.02	328.36
F.	Expenses( Including provision for taxes)	393.54	203.21

- 1.3 The Company has made further investment of ₹ 30.28 crore (previous year ₹ 10.00 crore) in Bihar Grid Company Limited, a Joint Venture Company in which 50% shares are held by the company and balance 50% shares are held by Bihar State Power Holding Company Limited.
- 1.4 The Company has made further investment of ₹ 3.90 crore (previous year ₹ 0.98 crore) in Power Transmission Company Nepal Limited, a Joint Venture Company in which 26% shares are held by the company and balance 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.
- 1.5 The Company has made further investment of ₹ 5.38 crore (previous year ₹ Nil crore) in Cross Border Power Transmission Company Limited, a Joint Venture Company in which 26% shares are held by the company and balance 74% shares are held by IL&FS Energy Development Company Limited, SJVN Limited & Nepal Electricity Authority.
- 1.6 The Company has made further investment of ₹ 26.11 crore (previous year ₹ Nil crore) in Teestavalley Power Transmission Limited, a Joint Venture Company in which 26% shares are held by the company and balance 74% shares is held by Teesta Urja Limited.
- 1.7 During the year company has made investment of ₹ 0.05 crore in Powergrid Parli Transmission Limited Limited a wholly owned subsidiary company. The Company was taken over from REC Transmission Projects Company Limited vide share purchase agreement dated 24<sup>th</sup> April, 2015 to carry over the business awarded under tariff based bidding. After the transfer Powergrid Parli Transmission Limited becomes the wholly owned subsidiary company of the company.
- 1.8 During the year company has made investment of ₹ 0.05 crore in Powergrid Warora Transmission Limited a wholly owned subsidiary company. The Company was taken over from REC Transmission Projects Company Limited vide share purchase



## OTHER NOTES

agreement dated 24<sup>th</sup> April, 2015 to carry over the business awarded under tariff based bidding. After the transfer Powergrid Warora Transmission Limited becomes the wholly owned subsidiary company of the company.

- 1.9 During the year company has made investment of ₹ 0.05 crore in Powergrid Southern Interconnector Transmission Limited a wholly owned subsidiary company. The Company was taken over from REC Transmission Projects Company Limited vide share purchase agreement dated 4<sup>th</sup> December, 2015 to carry over the business awarded under tariff based bidding. After the transfer Powergrid Southern Interconnector Transmission Limited. becomes the wholly owned subsidiary company of the company.
- 1.10 During the year company has made investment of ₹ 0.10 crore in RINL Power grid TNT Pvt Limited, a Joint Venture Company in which 50% shares are held by the company and balance 50% shares are held by Rastriya Ispat Nigam Limited.
- 1.11 During the year company has not made any further investment in the Joint Venture Energy Efficiency Services Limited whereas other venturers have increased their investment resulting in decrease in company's share holding from 25.00% to 13.63% and the company's share for consolidation has been taken accordingly.
- 2.34 Cash equivalent of deemed export benefits availed of ₹ 209.99 crore in respect of supplies affected for East South Inter Connector-II Transmission Project (ESI) and Sasaram Transmission Project (STP), were paid to the Customs and Central Excise Authorities in accordance with direction from Ministry of Power (Govt. of India) during 2002-03 due to non availability of World Bank loan for the entire supplies in respect of ESI project and for the supplies prior to March 2000 in respect of STP project and the same was capitalised in the books of account. 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 31<sup>st</sup> March 2016 is ₹ 12.12 crore (Previous year ₹ 12.12 crore). The company continued to show the balance of ₹ 197.87 crore as at 31<sup>st</sup> March 2016 (Previous year ₹ 197.87 crore) in the capital cost of the respective assets / projects pending receipt of the same from Customs and Excise Authorities.
- 2.35 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 fixed assets 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.
- 2.36 Information in respect of cost plus consultancy contracts, considering the same as consultancy business in view of Accounting Standard (AS)-7 (Revised 2002) "Construction Contracts " is provided as under :

(₹ in Crore)

Particulars		For the Year ended 31 <sup>st</sup> March, 2016	For the Year ended 31 <sup>st</sup> March, 2015
i)	The amount of revenue recognised on cost plus consultancy contract works	360.02	286.65
ii)	<b>The methods used to determine the contract revenue recognised</b> 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 -1.16.7	Accounting Policy -1.16.7
iii)	Cumulative amount of costs incurred on construction contracts	16057.72	13297.23
iv)	Cumulative amount of advance received from customers as at the year end	18167.29	15493.67
v)	Amount of retention money with customers as at the year end	14.95	31.70
vi)	Gross amount due from customers for contract works as an asset as at the year end	25.97	44.28
vii)	Gross amount due to customers for contract works as a liability as at the year end	2289.82	1312.14

- 2.37 Extraordinary item for the Previous Year 2014-15 represents unclaimed advances from customers amounting to ₹ 5.13 crore lying since more than 3 years written back by one of the subsidiary company. Tax of ₹ 1.74 crore is included under current tax.
- 2.38 Pursuant to communication of ministry of Power vide office memorandum 18/2/2015-PG dated 25<sup>th</sup> March 2015 and 29<sup>th</sup> Dec 2015, Board of Directors in its meeting held on 9<sup>th</sup> march 2016 has approved to sell & transfer 30640000 equity shares ( 100% share holding) held by the company in Power System Operation Corporation Limited (POSOCO) to Govt. Of India. Cabinet has approved for transfer of shares of POSOCO to the Government of India. Board has further approved that purchase consideration be calculated based on the balance sheet of POSOCO as on the date preceding the date of transfer. Shares are yet to be transferred.
- 2.39 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. 01<sup>st</sup> 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.
- 2.40 CERC issued tariff order dated 29.04.2011 in respect of Barh-Balia Transmission line considering the date of commercial operation (DOCO) 01.07.10 in line with their Regulation. Against this tariff order, one of the beneficiaries filed appeal before the Appellate Tribunal



## OTHER NOTES (contd...)

for Electricity (ATE) challenging the tariff approved by CERC based on above DOCO claimed by the company. The ATE vide its order dated 02.07.2012 observed that the DOCO of 01.07.2010 was not appropriate as the appellant had reported that the transmission line was put in regular service from August 2011 i.e. when it was put in regular service when the other end in the scope of the generating company viz. NTPC was completed i.e. August 2011 though Company had completed its scope as on 01.07.2010. Accordingly, the ATE remanded CERC for redetermination of DOCO and tariff of the Transmission line. Upon this, the company filed an appeal in the Supreme Court explaining that the DOCO of 01.07.2010 was as per CERC Regulations. The Hon'ble Supreme Court on 15.03.2013 had stayed all the proceedings before the CERC for the said Transmission System based on the appeal filed by the Company.

The Company had also filed another petition on 28.02.2013 before the Central Electricity Regulatory Commission (CERC) for determination of revised transmission tariff on the basis of revised cost estimate approved by its Board of Directors. Subsequently on 08.10.2013, in its interim order, the Hon'ble Supreme Court has directed the CERC to proceed with determination of tariff for the said Transmission System pending disposal of the appeal regarding determination of DOCO date. The CERC has vide its order dated 30.06.2015 has re-determined the DOCO w.e.f 01.09.2011 and revised the tariff as per decision of the Hon'ble ATE.

The Hon'ble Supreme Court, has vide its order dated 03.03.2016 has upheld the judgement of the Hon'ble ATE. Review application filed by the company against the order dt. 03.03.2016 has also been dismissed by Hon'ble Supreme Court vide order dt. 12.05.2016. in accordance with the above order of the Hon'ble Supreme Court, revenue for this TL has been recognised w.e.f. 01.09.2011 in place of earlier DOCO of 01.07.2010 and transmission income for the period from 01.07.2010 to 31.08.2011 amounting to ₹112.57 crore (net of ₹18.63 crore recovered from NTPC as per order of CERC) has been reversed during the year.

- 2.41 As per CERC Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters Regulations, 2009 as amended from time to time, all transmission elements are constructed as per the requirement of the long term customers (LTA) up to 25 years and transmission charges are recoverable from such long term customers. For medium term open access (MTOA), no additional transmission element is constructed but only the existing surplus transmission capacities are utilised. The charges recovered from the MTOA customers, upon utilisation of the surplus capacity which is very small and temporary in nature, are used to reduce the charges of the LTA customers. The company is revenue neutral.

One of the MTOA customer, signed an agreement for MTOA for a period of 3 years from 16.06.2013 but did not utilise the capacity. The company, however, billed the customer as per the agreement. But the MTOA customer defaulted on its dues of ₹15.64 crore billed during the period from 16.06.2013 to 31.01.2014. Due to non-recovery of dues, the company has cancelled the MTOA w.e.f. 01.02.2014 as per order of the ATE. The total transmission charges are being recovered from other customers since then. An application, filed by the company is pending before CERC for allowing recovery of the dues of such MTOA customer for the period from 16.06.2013 to 31.01.2014 from other customers during this period.

Due to default made by the same customer in their agreement with the company for LTA, the company has encashed during the year construction bank guarantees worth ₹ 48.00 crore, and adjusted the proceeds of the same against its dues of ₹ 15.64 crore and outstanding surcharge of ₹ 6.80 crore up to 31.03.2016.

- 2.42 (i) FERV Loss of ₹ 1841.04 crore (Previous Year ₹ 510.41 crore ) has been adjusted in the respective carrying amount of Fixed Assets/ Capital work in Progress (CWIP)/lease receivables.
- (ii) FERV Loss of ₹ 4.84 crore (Previous Year FERV Loss ₹12.44 crore) has been recognised in the Statement of Profit and Loss.

### 2.43 Change in accounting policy/accounting practice

- a) Cost of Mobile Phones which were hitherto capitalised and being depreciated over the useful life of the asset is now being charged to statement of profit and loss. The change has resulted in decrease in profit by ₹ 1.89 crore with corresponding decrease in Gross Block and Accumulated Depreciation by ₹ 7.13 crore and ₹ 5.24 crore respectively.
- b) In Telecom and Consultancy Segment Residual Value in respect of Computer & Peripherals and Server & Network Components is considered as Nil instead of as specified in Schedule II of Companies Act 2013. The change has resulted in decrease in profit by ₹ 0.30 crore with corresponding increase in depreciation.
- c) Cost of Server which were hitherto depreciated over the useful life of 3 years is now being depreciated over the useful life of 5 years. The change has resulted in increase in profit by ₹ 1.10 crore with corresponding decrease in depreciation.

- 2.44 Borrowing cost capitalised during the year is ₹ 2336.64 crore (previous Year ₹ 2492.66 crore) as per AS 16- "Borrowing Cost".

- 2.45 Based on information available with the company, there are few suppliers/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by MSMED Act, 2006 is given as under:

(₹ in Crore)

Sr. No	Particulars	Current Year	Previous Year
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:		
	Principal	Nil	0.02
	Interest	Nil	0.06
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



## OTHER NOTES

Sr. No	Particulars	Current Year	Previous Year
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	0.06
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

### 2.46 Disclosures as per Accounting Standard (AS) 15 -"Employee Benefits"

Defined employee benefit/ contribution schemes are as under:-

#### A. 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 ₹ 84.57 crore (previous year ₹76.92 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 over all interest earning and cumulative surplus 'is more' than statutory interest payment requirement. Hence, no further provision is considered necessary.

#### B. 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 recognised on the basis of actuarial valuation on annual basis on the Balance Sheet date.

#### C. 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 ₹ 102.19 crore (Previous Year ₹ 76.76 crore) has been recognised as expense and is charged to statement of profit & loss.

#### D. 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 recognised on the basis of actuarial valuation on annual basis on the Balance Sheet date.

#### E. Leave Encashment

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 en-cashable while in service. Half-pay leaves (HPL) are en-cashable only on separation beyond the age of 55 years up to the maximum of 300 days (HPL). However, total amount 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 the same is recognised on the basis of actuarial valuation

#### F. Other Defined Retirement Benefits (ODRB)

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 recognised on the basis of actuarial valuation on annual basis on the Balance Sheet date.

The above schemes (D,E and F) are unfunded.

#### G. The summarised position of various defined benefits recognized in the Statement of Profit & Loss and Balance Sheet and funded status is as under:-

a) Expenses recognised in Statement of profit and loss

(₹ in Crore)

Description	GRATUITY		PRMF		Leave		ODRB	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	27.02	25.09	9.88	8.64	22.78	20.52	0.83	0.78
Interest cost on benefit obligation	39.46	38.56	21.67	19.65	28.01	26.72	1.28	1.28
Expected return on plan assets	(36.12)	(35.91)	-	-	-	-	-	-
Net actuarial (gain)/loss recognized in the year	(32.36)	(0.26)	17.37	17.53	52.11	56.31	(0.26)	(0.45)
Expenses recognized in the Statement of profit and loss	(2.00)	27.48	48.92	45.82	102.90	103.55	1.85	1.61



## OTHER NOTES (contd...)

b) Actual return on plan assets is ₹ 41.42 crore (previous year ₹ 38.99 crore)

c) The amount recognized in the Balance Sheet

(₹ in Crore)

Description	GRATUITY		PRMF		Leave		ODRB	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
(i) Present value of obligation as at the year end	502.74	493.31	311.24	270.81	390.34	350.06	16.91	16.00
(ii) Fair value of plan assets as at the year end	536.43	494.79	-	-	-	-	-	-
Difference (ii) – (i)	34.69	1.48	(311.24)	(270.81)	(390.34)	(350.06)	(16.91)	(16.00)
Net asset (liability) recognized in the Balance Sheet	33.69	1.48	(311.24)	(270.81)	(390.34)	(350.06)	(16.91)	(16.00)

d) Changes in the present value of the defined benefit obligations:

(₹ in Crore)

Description	GRATUITY		PRMF		Leave		ODRB	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation as at the beginning of the year	493.26	453.65	270.81	231.28	350.06	333.32	16.00	15.11
Interest cost	39.45	38.56	21.67	19.65	27.99	26.72	1.28	1.28
Current Service Cost	27.01	25.09	9.88	8.64	22.73	20.52	0.82	0.78
Benefits paid	(32.39)	(29.08)	(8.50)	(6.30)	(62.43)	(86.83)	(0.93)	(0.72)
Net actuarial (gain)/loss on obligation	(24.57)	5.04	17.38	17.53	52.11	56.31	(0.26)	(0.45)
Present value of the defined benefit obligation as at the end of the year	502.74	493.26	311.24	270.81	390.46	350.06	16.91	16.00

e) Changes in the fair value of plan assets:

(₹ in Crore)

Description	GRATUITY	
	Current Year	Previous Year
Fair value of plan assets as at beginning of the year	494.79	448.91
Expected return on plan assets	37.42	35.91
Contribution by employer	28.74	33.76
Benefits paid	(30.60)	(29.08)
Actuarial gain/(loss)	6.08	5.29
Fair value of plan assets as at end of the year	536.43	494.79

### H. Other Employee Benefits

Provision for Long Service Award amounting to ₹ 0.95 crore (Previous Year ₹ 1.24 crore) have been made on the basis of actuarial valuation at the year end.

### I. Details of the Plan Asset (Gratuity)

The details of the plan assets at cost are as follows:-

(₹ in Crore)

Sr. No.	Description	(At Purchase Value)	
		As at 31 March 2016	As at 31 March 2015
i)	State Government Securities	104.05	96.14
ii)	Central Government Securities	129.44	121.24
iii)	Corporate Bonds/Debentures	279.58	254.32
iv)	RBI Special Deposit	5.13	5.13
v)	Other Assets	18.23	17.96
	<b>Total:-</b>	<b>536.43</b>	<b>494.79</b>



## OTHER NOTES (contd...)

### J. Actuarial Assumptions

Principal assumptions used for actuarial valuation are:

- Method used - Projected unit credit ( PUC) (Previous Year (PUC))
- Discount rate - 8.00% (previous Year 8.00 %)
- Expected rate of return on assets (Gratuity only) – 8.00 % (previous Year 8.00%)
- Future salary increase- 6.50% (previous Year 6.50%)

The estimate of future salary increases, considered in actuarial valuation, takes into account (i) inflation, (ii) Seniority (iii) Promotion and (iv) Other relevant factors, such as supply and demand in the employment market. Further the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets, assessed risk of asset management and historical return for plan assets.

**K.** The Company's best estimate of contribution towards gratuity for the financial year 2016-17 is ₹ Nil crore (previous year ₹ 1.51 crore)

**L.** The effect of the percentage point increase/decrease in the medical cost of PRMF will be as under:-

(₹ in Crore)

Description	Increase by		Decrease by	
	Current Year	Previous Year	Current Year	Previous Year
Service and Interest Cost	8.30	5.26	(3.25)	(4.37)
Present value of obligation	68.68	60.24	(27.54)	(24.38)

### M. Experience Adjustments

(₹ in Crore)

Description	Year ended 31.03.2016	Year ended 31.03.2015
Gratuity		
i) Plan assets – Loss/(Gain)	4.22	3.03
ii) Obligation- Loss/(Gain)	23.54	7.72
PRMF		
Obligation – Loss/(Gain)	(16.22)	(10.44)
ODRB		
Obligation – Loss/(Gain)	0.26	0.90
Leave		
Obligation – Loss/(Gain)	(48.82)	(50.97)

### 2.47 Segment information (AS 17):

#### a) Business Segments

The company's principal business is transmission of bulk power across different States of India. However, telecom and consultancy business are also treated as a reportable segment in accordance with para 28 of AS-17 "Segment Reporting".

#### b) Segment Revenue and Expense

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.

#### c) Segment Assets and Liabilities

Segment assets include all operating assets comprising of net fixed assets, current assets and loan and advances. Construction work-in-progress, construction stores & advances and investments are included in unallocated assets. Segment liabilities include operating liabilities and provisions.

### Segment Reporting

(₹ in crore)

	Transmission		Consultancy		Telecom		Elimination		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue:										
Revenue from Operations (including allocable other income)	20694.54	17229.88	538.56	385.20	393.88	276.37			21626.98	17898.58
Inter Segment Revenue			32.50	7.13	42.90	24.39	(75.40)	(31.52)		
Net Revenue from Operations	20694.54	17229.88	571.06	392.33	436.78	300.76	(75.40)	(31.52)	21626.98	17898.58
Segment results	12024.90	9832.59	401.59	255.15	162.55	63.14			12589.04	10150.88
Unallocated Interest and Other Income									153.78	334.46



## OTHER NOTES (contd...)

	Transmission		Consultancy		Telecom		Elimination		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Unallocated Finance Costs									5097.87	4081.23
Profit before Tax									7644.95	6404.11
Provision for Taxes									1630.39	1357.86
Profit after Tax									6014.56	5046.25
<b>Other information:</b>										
Segment Assets	128246.64	100905.24	1906.27	1175.89	816.71	800.82			130969.62	102881.95
Unallocated Assets									50949.91	57882.33
<b>Total Assets</b>									181919.53	160764.28
Segment Liabilities:	9322.95	7630.83	2923.02	1873.96	391.80	550.09			12637.77	10054.88
Unallocated Other Liabilities (including loans)									126314.09	112270.67
Total liabilities									138951.86	122325.55
Depreciation and Amortisation	6142.86	5080.77	8.65	2.26	90.60	90.30			6242.11	5173.33
Non-cash expenditure other than Depreciation	1.21	24.50	2.88	0.46	4.53	19.57			8.62	44.53
Capital Expenditure	27162.78	30230.91	53.33	39.80	28.00	53.82			27244.11	30324.53

d) The operation of the company mainly carried out within the country and therefore there is no reportable geographical segment.

### 2.48 Disclosure as per AS -20 "Earning Per Share"

The elements considered in calculation of Earning Per Share (Basic and Diluted) are as under:

(₹ in Crore)

Description	Before Extraordinary Item		After Extraordinary Item	
	Current Year	Previous Year	Current Year	Previous Year
Net Profit after tax used as numerator (₹in crore)	6014.56	5042.86	6014.56	5046.25
Weighted average number of equity shares used as denominator	5231589648	5231589648	5231589648	5231589648
Earning per share (Basic & Diluted) (in ₹ )	11.50	9.64	11.50	9.65
Face Value per share in ₹	10.00	10.00	10.00	10.00

### 2.49 Disclosure as per AS 18- "Related Party Disclosure"

#### a) List of Related Parties:-

##### i) Key Management Personnel

Sh. I.S. Jha	Chairman and Managing Director (w.e.f 10th November 2015)
Sh. R.N. Nayak	Chairman and Managing Director (superannuated on 30th September 2015)
Sh. R.T. Agarwal	Director (Finance)
Sh. Ravi P Singh	Director(Personnel)
Sh. R.P. Sasmal	Director(Operations)
Smt Divya Tandon	Company Secretary

##### ii) Joint Ventures:-

- i) Powerlinks Transmission Limited
- ii) Torrent Power Grid Limited
- iii) Jaypee Powergrid Limited
- iv) Parbati Koldam Transmission Company Limited
- v) Teestavalley Power Transmission Limited
- vi) North East Transmission Company Limited
- vii) National High Power Test Laboratory Private Limited
- viii) Energy Efficiency Services Limited.
- ix) Bihar Grid Company Limited
- x) Kalinga Bidyut Prasaran Nigam Private Limited
- xi) Cross Border Power Transmission Company Limited
- xii) Power Transmission Company Nepal Ltd
- xiii) RINL Powergrid TLT Pvt. Ltd



**OTHER NOTES (contd...)****b) Transactions with the related parties at 2.49 (a) above during the year are as follows:**

(₹ in Crore)

Description	Current Year		Previous Year	
Transactions for services received by the company		<b>1.81</b>		-
National High Power Test Laboratory Private Limited	1.81		-	
Transactions for services provided by the company		<b>75.49</b>		47.70
Power Transmission Company Nepal Limited	2.41		-	
Jaypee Powergrid Limited	-		0.19	
North East Transmission Company Limited	12.18		18.39	
National High Power Test Laboratory Private Limited	29.42		7.93	
Powerlinks Transmission Limited	0.08		-	
Energy Efficiency Services Limited	0.15		0.24	
Cross Border Power Transmission Company Limited	3.94		3.94	
Bihar Grid Company Limited	30.38		16.76	
Teesta Valley Transmission Co Ltd	16.93		-	
Kalinga Vidyut Prasaran Nigam Private Limited	-		0.25	
Amount recoverable at the end of the year		<b>31.84</b>		34.98
Parbati Koldam Transmission Company Limited	-		0.01	
Power Transmission Company Nepal Limited	0.03		-	
North East Transmission Company Limited	21.50		22.21	
National High Power Test Laboratory Private Limited	-		4.19	
Energy Efficiency Services Limited	0.13		0.25	
Bihar Grid Company Limited	9.19		7.08	
Kalinga Vidyut Prasaran Nigam Private Limited	0.85		0.84	
Cross Border Power Transmission Company Limited	-		0.30	
Powerlinks Transmission Limited	0.06		0.10	
RINL Powergrid TLT Pvt. Ltd	0.08		-	
Amount payable at the end of the year		<b>56.25</b>		48.23
Parbati Koldam Transmission Company Limited	0.09		0.09	
National High Power Test Laboratory Private Limited	5.36		-	
Powerlinks Transmission Limited	2.78		2.78	
Bihar Grid Company Limited	-		3.28	
Cross Border Power Transmission Company Limited	7.58		1.70	
Teestavalley Power Transmission Limited	40.44		40.38	
Investment made during the year				
Equity		<b>65.77</b>		34.72



## OTHER NOTES (contd...)

(₹ in Crore)

Description	Current Year		Previous Year	
Teestavalley Power Transmission Limited	26.11		-	
Parbati Koldam Transmission Company Limited	-		14.71	
Cross Border Power Transmission Company Limited	5.38		-	
Bihar Grid Company Limited	30.28		10.00	
National High Power Test Laboratory Private Limited	-		9.03	
Power Transmission Company Nepal Limited	3.90		0.98	
RINL Powergrid TLT Pvt. Ltd	0.10		-	
Dividend Received		<b>62.06</b>		80.04
Powerlinks Transmission Limited	44.72		44.14	
Jaypee Powergrid Limited	4.68		12.87	
Torrent Power Grid Limited	1.29		1.64	
North East Transmission Company Limited	10.69		21.39	
Energy Efficiency Services Limited	0.68		-	
Recovery for Deputation of Employees		<b>0.35</b>		0.67
Energy Efficiency Services Limited	-		0.02	
Bihar Grid Company Limited	-		0.35	
Cross Border Power Transmission Company Limited	0.35		0.30	

c) As per Central Electricity Regulatory commission (CERC) (Sharing of Interstate Transmission charges and losses) Regulation 2010, the Company being the Central Transmission Utility (CTU) under the regulation is entrusted with the responsibility of the Billing, Collection and Disbursement of Transmission charges on behalf of all Inter State Transmission System (ISTS) licensee. Accordingly, the transactions of the company for collection made in capacity of CTU for the related parties is as under:

(₹ in Crore)

Description	Current Year		Previous Year	
Transactions of the company in capacity of CTU with the related parties		1054.89		789.29
Parbati Koldam Transmission Company Limited	163.13		21.73	
Torrent Power Grid Limited	57.62		55.70	
Jaypee Powergrid Limited	170.69		190.37	
North East Transmission Company Limited	401.29		261.91	
Powerlinks Transmission Limited	260.98		259.58	

d) Remuneration to whole time directors including chairman and managing director and Company Secretary is ₹ 3.00 crore (previous year ₹2.90 crore) and amount of dues outstanding to the company as on 31st March, 2016 are ₹ 0.18 crore (previous year ₹ 0.19 crore).

### 2.50 Disclosure as per AS 19-"Leases"

#### a) Finance Leases :-

Long Term Loans and Advances and Short Term Loans and Advances include lease receivables representing the present value of future lease rentals receivable on the finance lease transactions entered into by the company with the constituents in respect of State Sector ULDC. Disclosure requirements of Accounting Standard (AS) – 19 "Leases" notified under the Companies Act, 2013 are given as under:

**OTHER NOTES (contd.)**

(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	Current Year	Previous Year
	Gross value of assets acquired and leased at the beginning of the year	1154.08	1099.56
Add	Adjustment for gross value of assets acquired prior to the beginning of the year	(18.13)	21.92
	Revised Gross value of the assets at the beginning of the year	1135.95	1121.48
Less	Capital recovery provided up to the beginning of the year	782.26	706.45
Add	Capital recovery for assets acquired prior to the beginning of the year	(1.30)	6.65
	Revised Capital recovery provided up to the beginning of the year	780.96	713.10
	Capital recovery outstanding as on 31st March of last financial year	354.99	408.38
Add	Gross value of assets acquired and leased during current financial year	75.95	32.60
Less	Capital recovery for the current year	74.54	69.16
	Lease receivables at end of the year	356.40	371.82

(ii) Details of gross investment in lease and present value of minimum lease payments receivables at the end of financial year is given as under:

(₹ in Crore)

Particulars	Current Year	Previous Year
Gross investment in Lease	466.75	529.24
Un-earned Finance Income	110.35	157.42
Present value of Minimum Lease Payment (MLP)	356.40	371.82

(iii) The unearned finance income as at 31<sup>st</sup> March, 2016 is ₹ 110.35 crore (previous year ₹ 157.42 crore).

(iv) The value of contractual maturity of such leases as per AS-19 are as under :

(₹ in Crore)

Particulars	Gross Investment in Lease		Present Value of MLPs	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Not later than one year	103.54	101.35	82.72	73.67
Later than one year and not later than five years	186.22	245.46	132.63	173.49
Later than five years	176.98	182.43	141.05	124.66
<b>Total</b>	<b>466.75</b>	<b>529.24</b>	<b>356.40</b>	<b>371.82</b>

(v) There are differences in balance of lease receivable as at year end as per accounts and tariff records on account of :

- Undischarged liabilities amounting to ₹ 68.52 crore (Previous Year ₹ 17.33 crore). Such cost become part of project cost only on discharge of such liabilities.
- Unamortized FERV on loans included in lease receivable amounting to ₹ 57.79 crore (Previous Year ₹ 61.41 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 are usually renewable on mutually agreed terms but are not non-cancellable. Employees' remuneration and benefits include ₹ 40.59 crore (previous Year ₹ 36.36 crore) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments of ₹ 11.16 crore (previous Year ₹ 12.57 crore) in respect of premises for offices and guest house/transit camps are shown under the head Rent in Note 2.30 Transmission, Administration and Other expenses.

**2.51 Disclosure as per AS 28-" Impairment of assets"**

In accordance with Accounting Standard (AS-28) "Impairment of Assets", the company has assessed as on the Balance Sheet date whether there are any indications with regard to impairment of any of the assets. Based on such assessment, it has been ascertained that no potential loss is present. Accordingly, no impairment loss has been provided in the books of accounts.



## OTHER NOTES (contd.)

### 2.52 Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 26560.62 crore (previous year ₹ 26100.90 crore) which includes an amount of ₹493.84 crore (previous year ₹579.59 crore) share of jointly controlled entities.

### 2.53 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 for ₹ 1666.86 crore (previous year ₹ 219.14 crore) 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. It is not practicable to make a realistic estimate of the outflow of resources, if any, for settlement of such claims pending resolution.

#### (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 ₹ 4048.60 crore (previous year ₹ 2258.43 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 ₹ 28.66 crore (previous year ₹44.09 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 ₹ 896.05 crore (previous year ₹ 896.76 crore) are pending before various Appellate Authorities and contested before various Appellate Authorities. Many of these matters are disposed off in favour of the company but are disputed before higher authorities by the concerned departments.

#### (v) Others

- a) Other contingent liabilities amounts to ₹ 361.78 crore (previous year ₹ 319.54 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.

The contingent liabilities disclosed above include ₹40.48 crore (previous year ₹31.55 crore) share of jointly controlled entities.

2. a) Special purpose vehicle (SPV) companies (wholly owned subsidiaries) namely Powergrid NM Transmission Company Ltd. (erstwhile Nagapattinam Madugiri Transmission Company Ltd.), Powergrid Vemagiri Transmission Company Ltd. (erstwhile Vemagiri Transmission System Limited), Powergrid Vizag Transmission Limited (erstwhile Vizag Transmission Limited), Powergrid Unchahar Transmission Limited (erstwhile Unchahar Transmission Limited), Powergrid Kala Amb Transmission Limited and Vindhyachal Jabalpur Transmission Limited has been taken over to carry over the business awarded under Tariff based bidding. Details of Bank guarantees given by the company on behalf of SPV companies towards performance of the work awarded are as under:

(₹ in Crore)

Sr no	Name of SPV	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
1	Powergrid NM Transmission Company Ltd	45.00	45.00
2	Powergrid Vizag Transmission Company Ltd	45.00	45.00
3	Powergrid Unchahar Transmission Company Ltd	5.40	5.40
4	Powergrid Kala Amb Transmission Limited	5.96	5.96
5	Powergrid Jabalpur Transmission Limited	31.50	31.50
6	Powergrid Warora Transmission Limited	62.10	-
7	Powergrid Parli Transmission Limited	63.90	-
8	Powergrid Southern Interconnector Transmission System Limited	110.04	-

- b) The Company has given guarantee for the dues & punctual payment and discharge of the obligations amounting to ₹ 290 crore against bond issued by Powergrid Vizag Transmission Company Ltd.

**OTHER NOTES (contd.)****2.54 Foreign Currency Exposure**

Not hedged by a derivative instrument or otherwise

Particulars		Amount in Foreign Currency (in Crore)		Amount (₹ in Crore)	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
Borrowings	USD	416.87	412.01	27888.87	26034.82
	EURO	11.17	4.33	848.22	297.12
	SEK	314.14	250.27	2591.68	1841.97
	JPY	199.95	218.13	119.47	115.04
Interest accrued but not due thereon including Agency Fee Commitment Fee & other Charges.					
	USD	1.33	0.94	88.86	59.54
	EURO	0.02	0.02	1.64	1.04
	SEK	0.60	1.16	4.97	8.51
	JPY	0.52	0.55	0.31	0.29
Trade Payables/deposits and retention money	USD	8.50	10.79	568.85	679.18
	EURO	1.70	7.92	128.97	543.53
	SEK	19.81	114.61	163.40	843.58
	CHF	-	0.03	-	1.51
	GBP	1.19	0.64	114.64	58.71
	USD	0.08	0.22	5.37	13.78
	NPR	0.09	0.07	0.06	0.04
	USD	49.79	23.44	3331.02	1480.92
Unexecuted amount of contracts remaining to be executed	EURO	8.15	10.00	618.76	685.64
	SEK	0.40	25.80	3.30	189.89
	CHF	0.12	0.90	8.62	54.14
	GBP	15.38	18.66	1481.71	1709.07

**2.55 Guidance Note (GN) on Rate Regulated Activities issued by ICAI is applicable from the financial year 2015-16.**

The company is mainly engaged in Transmission of power. The price to be charged by the company for transmission of power to its customer is determined by the CERC through tariff regulations. The tariff is based on cost like depreciation, interest, return on equity, operation and maintenance Expenses etc. This form of regulation is known as cost of service regulations which provides the company to recover its cost of providing the services plus stipulated return. The company has adopted GN in preparation of financial statements for the year, considering the provisions of tariff regulations issued by CERC.

The CERC tariff regulations provide that exchange differences arising from settlement/ translation of monetary items denominated in foreign currency (other than long term) are recoverable from or payable to the beneficiaries in subsequent periods. Such exchange differences are recognized as 'Regulatory Asset/Liability by credit/debit to 'Regulatory income/Expense' during construction period and adjusted from the year in which the same becomes recoverable from or payable to beneficiaries.

The regulated assets/liability recognized in the books to be recovered from or payable to the beneficiaries in future periods are as follows:

Particulars	Regulated Assets ( ₹ in crore )
A. Opening Balance as on 01.04.2015 *	37.72
B. Addition/(deduction) during the year	( 0.05)
C. Amount collected/refunded during the year	-
D. Regulated Income/(Expense) recognized in the statement of Profit and Loss ( B-C)	( 0.05)
E. Closing Balance as on 31.03.2016 ( A-D)	37.67



## OTHER NOTES (contd.)

\*Such exchange differences were hitherto accounted as 'Deferred foreign currency fluctuation asset/liability' in accordance with an opinion by the Expert Advisory committee of the ICAI. The related figures for the previous year have been regrouped.

### 2.56 Corporate Social Responsibility Expenses

During the year, an amount of ₹120.03 crore has been spent on CSR activities in accordance with Section 135 of the Companies Act 2013 and rules thereto. Further an amount of ₹6.19 crore has been appropriated to CSR Reserve from surplus during the year.

### 2.57 Additional Information as required under Schedule III of The Companies Act 2013 :

(₹ in crore)

Sr No	Power Grid Corporation of India Limited	Net assets i.e assets minus total Liabilities				Share in profit or loss			
		2015-16		2014-15		2015-16		2014-15	
		As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profit or loss	Amount (₹ in crore)	As % of consolidated profit or loss	Amount (₹ in crore)
	<b>Parent</b>								
1	Power Grid Corporation of India Limited	97.40%	41852.49	97.35%	37419.69	98.34%	5914.46	96.57%	4873.08
	<b>Subsidiaries- Indian</b>								
1	Power System Operation Corporation Limited	0.67%	289.48	0.63%	242.08	0.93%	55.72	0.95%	48.03
2	Powergrid NM Transmission Company Ltd	0.06%	24.00	0.06%	24.00	0.00%	0.00	-	-
3	Powergrid Vimagiri Transmission Company Ltd	(0.05%)	(19.37)	(0.05%)	(19.37)	0.00%	(0.01)	-	-
4	Powergrid Vizag Transmission Company Ltd	0.13%	57.70	0.14%	54.73	0.05%	2.97	-	-
5	Powergrid Unchahar Transmission Company Ltd	0.00%	0.05	0.00%	0.05	0.00%	0.00	-	-
6	Powergrid Kala Amb Transmission Limited	0.00%	0.05	0.00%	0.05	0.00%	0.00	-	-
7	Powergrid Jabalpur Transmission Limited	0.00%	0.05	0.00%	0.05	0.00%	0.00	-	-
8	Powergrid Warora Transmission Limited	0.00%	0.05	-	-	0.00%	0.00	-	-
9	Powergrid Parli Transmission Limited	0.00%	0.05	-	-	0.00%	0.00	-	-
10	Powergrid Southern Interconnector Transmission System Limited	0.00%	0.05	-	-	0.00%	0.00	-	-
11	Grid Conductors Limited	0.00%	(-0.07)	-	-	0.00%	(-0.07)	-	-
	<b>Joint Ventures-Indian</b>								
1	Powerlinks Transmission Limited	0.62%	268.13	0.68%	261.66	0.89%	53.39	1.09%	54.93
2	Torrent Power Grid Limited	0.07%	28.87	0.07%	28.52	0.03%	2.01	0.07%	3.61
3	Jaypee Powergrid Limited	0.23%	97.34	0.23%	87.07	0.22%	13.10	0.35%	17.76
4	Parbati Koldam Transmission Company Ltd	0.18%	75.54	0.19%	71.64	0.07%	3.94	0.02%	1.12
5	Teestavalley Power Transmission Limited	0.15%	66.10	0.12%	46.72	0.00%	(0.07)	0.00%	(0.07)
6	North East Transmission Company Limited	0.21%	91.78	0.40%	152.52	(0.58%)	(35.08)	0.90%	45.19
7	National High Power Test Laboratory Private Limited	0.05%	23.41	0.06%	21.64	0.00%	0.00	-	-
8	Energy Efficiency Services Limited	0.13%	55.90	0.07%	28.73	0.06%	3.65	0.05%	2.59
9	Bihar Grid Company Limited	0.09%	40.31	0.03%	10.03	0.00%	0.00	0.00%	0.00
10	Kalinga Vidyut Prasaran Nigam Private Limited	0.00%	0.01	0.00%	0.01	0.00%	0.00	0.00%	0.00



## OTHER NOTES (contd...)

Sr No	Power Grid Corporation of India Limited	Net assets i.e assets minus total Liabilities				Share in profit or loss			
		2015-16		2014-15		2015-16		2014-15	
11	Cross Border Power Transmission Company Limited	0.03%	10.78	0.01%	5.74	0.01%	0.55	0.00%	0.01
12	RINL Powergrid TLT Pvt. Ltd	0.00%	0.10	-	-	0.00%	0.00	-	-
	<b>Joint Ventures-Foreign</b>								
1	Power Transmission Company Nepal Limited	0.01%	4.88	0.01%	3.17	0.00%	0.00	-	-
	<b>Total</b>		<b>42967.68</b>		<b>38438.73</b>		<b>6014.56</b>		<b>5046.25</b>

- 2.58** 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)**  
Company Secretary

**(R.T. Agarwal)**  
Director (Finance)

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

### As per our report of even date

**For S.K. Mittal & Co.**  
Chartered Accountants  
Firm Regn No. 001135N

**For R.G.N.Price & Co.**  
Chartered Accountants  
Firm Regn No. 002785S

**For Kothari & Co.**  
Chartered Accountants  
Firm Regn No. 301178E

**For Parakh & Co.**  
Chartered Accountants  
Firm Regn No. 001475C

**( CA. Gaurav Mittal)**  
Partner  
M.No. 099387

**( CA. R.Rangarajan )**  
Partner  
M.No. 041883

**( CA.Manaswy Kothari )**  
Partner  
M.No. 064601

**( CA.Indra Pal Singh )**  
Partner  
M.No. 410433

Place: New Delhi  
Date: 26<sup>th</sup> May, 2016



## Independent Auditors' Report

To the Members of Power Grid Corporation of India Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Power Grid Corporation of India Limited** (hereinafter referred to as "the Holding Company") and its eleven subsidiaries (The holding company and its subsidiaries together referred to as "the Group") and thirteen jointly controlled companies, comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group including its jointly controlled companies in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its jointly controlled companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 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 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 financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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:

- In the case of the consolidated Balance Sheet, of the consolidated State of Affairs of the group and jointly controlled entities as at 31<sup>st</sup> March, 2016;
- In the case of the Consolidated Statement of Profit and Loss, of the consolidated profit of the Group and jointly controlled entities for the year ended on that date; and
- In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group and jointly controlled entities for the year ended on that date.

### Emphasis of Matter

We draw attention to the note no. 2.25(b) and note no. 2.35(a) to the consolidated financial statements, in respect of provisional recognition of revenue from transmission charges and balance confirmation.

Our opinion is not modified in respect of this matter.





## Other Matters

- (a) We did not audit the financial statements of one jointly controlled company, whose financial statements reflect total assets as on 31<sup>st</sup> March, 2016, total revenues and net cash flows for the year ended on that date, as considered in the consolidated financial statements are given below:  
(₹ in crore)

Name of the Company	Total Assets	Total Revenues	Net Cash Flows
Jointly Controlled Company			
National High Power Test Lab. Private Limited	58.59	0	(2.72)
Total	58.59	0	(2.72)

These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled company and our report, in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled company is based solely on the report of the other auditor.

- (b) We did not audit the financial statements of eleven subsidiaries and twelve jointly controlled companies, whose financial statements reflect total assets as on 31<sup>st</sup> March, 2016, total revenues and net cash flows for the year ended on that date, as considered in the consolidated financial statements are given below:  
(₹ in crore)

Name of the Company	Total Assets	Total Revenues	Net Cash Flows
<b>A. Subsidiaries- Indian</b>			
Power System Operation Corporation Limited	1356.24	231.65	213.64
Powergrid NM Transmission Company Ltd	729.67	0.00	0.07
Powergrid Vimagiri Transmission Company Ltd	0.00	0.00	0.00
Powergrid Vizag Transmission Company Ltd	1109.78	7.91	(0.55)
Powergrid Unchahar Transmission Company Ltd	42.52	0.00	0.00
Powergrid Kala Amb Transmission Limited	32.65	0.00	0.00
Powergrid Jabalpur Transmission Limited	21.30	0.00	0.20
Powergrid Warora Transmission Limited	33.92	0.00	0.85
Powergrid Parli Transmission Limited	24.65	0.00	0.55
Powergrid Southern Interconnector Transmission System Limited	36.35	0.00	0.10
Grid Conductors Limited	0.01	0.00	0.00
<b>Total A.</b>	<b>3387.09</b>	<b>239.56</b>	<b>214.86</b>
<b>B. Joint Ventures-Indian</b>			
Powerlinks Transmission Limited	509.49	121.64	(1.14)
Torrent Power Grid Limited	66.29	14.63	3.68
Jaypee Powergrid Limited	250.77	45.46	(2.54)
Parbati Koldam Transmission Company Ltd	245.38	39.88	(1.83)
Teestavalley Power Transmission Limited	260.83	0.00	10.82
North East Transmission Company Limited	551.92	116.88	0.33
Energy Efficiency Services Limited	202.45	97.38	19.29
Bihar Grid Company Limited	295.24	0.00	8.23
Kalinga Vidyut Prasaran Nigam Private Limited	0.59	0.00	0.00
Cross Border Power Transmission Company Limited	65.21	1.63	(0.59)
RINL Powergrid TLT Pvt. Ltd	0.41	0.00	0.09
<b>Total B.</b>	<b>2448.58</b>	<b>437.50</b>	<b>36.34</b>
<b>C. Joint Ventures-Foreign</b>			
Power Transmission Company Nepal Limited	19.37	0.00	(1.65)
<b>Total C.</b>	<b>19.37</b>	<b>0.0</b>	<b>(1.65)</b>
<b>Total (A + B + C)</b>	<b>5855.05</b>	<b>677.06</b>	<b>249.56</b>



These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled companies and our report in terms of sub-sections (3), (5) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and jointly controlled companies, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not qualified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements/ financial information certified by the management.

### Report on Other Legal and Regulatory Requirements

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 of the aforesaid consolidated financial statements.
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditor of one jointly controlled company incorporated in India, none of the directors of the Holding Company and its one jointly controlled companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the group and the operating effectiveness of such control, refer to our separate report in 'Annexure 1'; and
- (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:
  - i. The consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled companies - Refer Note 2.41 and 2.53 to the consolidated financial statements.
  - ii. The Group and its jointly controlled companies did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its jointly controlled companies.

**For S.K. Mittal & Co.**  
Chartered Accountants  
Firm Regn No. 001135N

**For Parakh & Co.**  
Chartered Accountants  
Firm Regn No. 001475C

**For Kothari & Co.**  
Chartered Accountants  
Firm Regn No. 301178E

**For R.G.N.Price & Co.**  
Chartered Accountants  
Firm Regn No. 002785S

**( CA. Gaurav Mittal )**  
Partner  
M.No. 099387

**( CA. Indra Pal Singh )**  
Partner  
M.No. 410433

**( CA. Manaswy Kothari )**  
Partner  
M.No. 064601

**( CA. R. Rangarajan )**  
Partner  
M.No. 041883

Place: New Delhi  
Date: 26<sup>th</sup> May, 2016

**ATTACHED TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF POWER GRID CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016****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 financial statements of the Company as of and for the year ended on March 31, 2016, we have audited the internal financial controls over financial reporting of Power Grid Corporation of India Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its joint venture companies, which are companies incorporated in India as of March 31, 2016.

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that:

- i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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



## Opinion

In our opinion, the Holding Company and one Jointly Controlled company incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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, is based on corresponding report of other auditor of the Jointly Controlled Company incorporated in India. In respect of eleven subsidiaries and eleven jointly controlled companies incorporated in India, in the absence of auditors' report on Internal Financial Control over financial reporting as required under section 143(3)(i) of the Act, we are unable to express our opinion on the Internal Financial Control over financial reporting in those subsidiaries and jointly controlled companies.

## Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one Jointly Controlled Company which is a company incorporated in India, is based on corresponding report of one such company incorporated in India.

**For S.K. Mittal & Co.**  
Chartered Accountants  
Firm Regn No. 001135N

**For Parakh & Co.**  
Chartered Accountants  
Firm Regn No. 001475C

**For Kothari & Co.**  
Chartered Accountants  
Firm Regn No. 301178E

**For R.G.N.Price & Co.**  
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**( CA. Gaurav Mittal )**  
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**( CA. Indra Pal Singh )**  
Partner  
M.No. 410433

**( CA. Manaswy Kothari )**  
Partner  
M.No. 064601

**( CA. R. Rangarajan )**  
Partner  
M.No. 041883

Place: New Delhi  
Date: 26<sup>th</sup> May, 2016



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