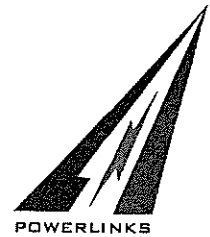


POWERLINKS TRANSMISSION LIMITED

(A Joint Venture of **TATA** POWER & POWERGRID)

An ISO-9001; ISO-14001 and OHSMS-18001 Certified Company



Notice is hereby given that the Fifteenth Annual General Meeting of the Powerlinks Transmission Limited will be held at shorter notice on Tuesday, the 26th day of July 2016 at 4.00 p.m. at 4th Floor, Conference Room, Power Grid Corporation of India Ltd, B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi- 110016 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Annual Accounts for the year ended 31st March, 2016 together with the report of Directors and Auditors thereon.
2. To declare Dividend for the financial year 2015-16.
3. To appoint a Director in place of Mr. Sanjeev Mehra (DIN 2626778), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ravi P Singh (DIN 5240974), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Arun Srivastava (DIN 3547779), who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and for this purpose to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013, the appointment of M/s Deloitte Haskins & Sells, LLP, Chartered Accountants (Registration No. 015125N), as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of Sixteenth Annual General Meeting to conduct audit of the Company for FY2016-17 be and is hereby ratified.

RESOLVED FURTHER THAT the Auditors be paid a remuneration for FY 2016-17 as remuneration as has been recommended and mutually agreed upon between the Board of Directors and the Auditors for the statutory audit as well as for the assessment /audit of Internal Financial Controls & Reporting (ICFR).

RESOLVED FURTHER THAT the Auditors be paid a remuneration of Rs 13.00 Lakh plus service tax and out of pocket expenses at actuals for FY 2015-16 instead of earlier Rs 11.00 Lakh plus service tax and out of pocket expenses at actuals for statutory audit and a remuneration of Rs 3.00 Lakh for the assessment /audit of Internal Financial Controls & Reporting (ICFR).

Registered & Corporate office :

10th Floor, DLF Tower A, District Centre Jasola, New Delhi 110025 Tel. : 91 11 45159500
Fax : 91 11 45159555 Email : powerlinks@powerlinks.co.in Website : www.powerlinks.co.in
CIN : U40105DL2001PLC110714

Special Business

7. Appointment of Mr D Diptivilasa (DIN 5181372) as Independent Director

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

RESOLVED THAT pursuant to the provisions of Sections 149 and Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications) or re-enactments thereof, Mr D Diptivilasa (DIN 5181372), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company w.e.f 8th October 2015, not liable to retire by rotation and to hold office for three (3) consecutive years for a term upto 7th October 2018."

8. Appointment of Mr. K S R Murty (DIN 7359191) as the Director of the Company

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

RESOLVED THAT Mr. K S R Murty (DIN 7359191) who was appointed as an Additional Director under Section 161 of the Companies Act, 2013 (the Act), by the Board of Directors of the Company on 14th January 2016 and who holds office up to the date of the Fifteenth Annual General Meeting and in respect of whom Notice under Section 160 of the Act has been received from a member, signifying its intention to propose Mr. Murty as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT Mr. K S R Murty be and is hereby appointed in a non-executive capacity and he will not be responsible for the day- to- day affairs of the Company."

9. Appointment of Mr. P N Dixit (DIN 7320787) as the Director of the Company

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

RESOLVED THAT Mr. P N Dixit (DIN 7320787) who was appointed as an Additional Director under Section 161 of the Companies Act, 2013 (the Act), by the Board of Directors of the Company on 10th March 2016 and who holds office up to the date of the Fifteenth Annual General Meeting and in respect of whom Notice under Section 160 of the Act has been received from a member, signifying its intention to propose Mr. Dixit as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT Mr. P N Dixit be and is hereby appointed in a non-executive capacity and he will not be responsible for the day- to- day affairs of the Company."

10 Appointment of Mr. Praveen Chorghade (DIN 7476792) as a Director

To consider and if thought fit to pass with or without modification(s) the following Resolution as an Ordinary Resolution.

RESOLVED THAT Mr. Praveen Chorghade (DIN 7476792) who was appointed as an Additional Director under Section 161 of the Companies Act, 2013 (the Act), by the Board of Directors of the Company on 3rd May 2016 and who holds office up to the date of the Fifteenth Annual General Meeting and in respect of whom Notice under Section 160 of the Act has been received from a member, signifying its intention to propose Mr. Chorghade as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT Mr. Praveen Chorghade be and is hereby appointed in a non-executive capacity and he will not be responsible for the day- to- day affairs of the Company."

11 Remuneration of Cost Auditor as per Section 148 of the Companies Act, 2013

To determine remuneration of Cost Auditor and for this purpose to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 of the Companies Act 2013 and all other applicable provisions of the Companies Act 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s JUP & Associates. Cost Accountant, appointed by the Board, as Cost Auditor of the Company, at a remuneration of Rs 1.00 lakh plus service tax, to conduct audit of the cost records of the Company for the financial year ending 31st March 2017.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary and or expedient to give effect to this resolution."

Date: 15th July 2016

By Order of the Board

Place: New Delhi

Registered Office:
10th Floor, DLF Tower A,
District Centre Jasola
New Delhi-110 025

sd/-
(Monica Mehra)
Company Secretary
ACS 15293

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 AND SUCH PROXY NEED NOT BE A MEMBER.
- 2 The explanatory statement, pursuant to Section 102(1) of the Companies Act, 1956 with regards to the business set above is enclosed.
- 3 The instrument appointing proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.
- 4 A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. Provided a member holding more than ten percent (10%) 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 proxy for any other person or shareholder. A Proxy holder needs to show his identity at the time of attending the meeting.
- 5 During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged for this meeting, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company for the said purpose.
- 6 Corporate Members are requested to send a duly certified copy of the board of director's resolution authorising their representative to attend and vote at the annual general meeting.
- 7 The Register of Directors and Key Managerial Personnel and their shareholding maintained u/s 170 of the Companies Act, 2013, and Register of Contracts or Arrangements in which Directors are interested maintained u/s 189 of the Companies Act, 2013, are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting and will also be available for inspection at the meeting.
- 8 Dividend, if approved, shall be paid on or after 26th July 2016 and to those members whose names will appear on the Register of Members of the Company and, in respect of those members who hold shares in the electronic form, as per the list of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Securities Limited (CDSL) or to their mandate as of the close of business hours on 26th July 2016.

ANNEXURE TO THE NOTICE

As required by Section 102(1) of the Companies Act, 2013, (the "Act") the following Explanatory Statement sets out all material facts relating to the business mentioned under item Nos. 7 to 11 of the accompanying Notice dated 15th July 2016 under the provisions of the Act relating to business set out therein.

Item No. 7

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Mr. D Diptivilasa was appointed as Additional Director in independent capacity with effect from 8th October 2015 subject to the approval of members of the Company. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr Deverakonda Diptivilasa for the office of Director of the Company.

Mr. Diptivilasa is not disqualified from being appointed as a Director in terms of Section 164 of the Act and had given his consent to act as a Director.

Brief resume of Mr D Diptivilasa

Mr. Deverakonda Diptivilasa, retired IAS Officer (UP Cadre- 1981), holds a Bachelor of Arts and Master of Business Administration. He has served as an Additional Secretary in the Ministry of Urban Development, Government of India. Mr. Diptivilasa has also served as Director of Delhi Metro Rail Corporation Limited and also of National Buildings Construction Corporation Limited as Govt. Nominee. In his career of more than three decades, he has held several key positions in Central and State Governments.

Mr. Diptivilasa does not hold any shares of the Company in his name.

Keeping in view his vast experience and knowledge, it will be in the interest of the Company that Mr. Diptivilasa is appointed as an Independent Director of the Company.

Copy of the draft letter for appointment of Mr. Diptivilasa as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

In the opinion of the Board, Mr. Diptivilasa fulfills the conditions specified in the Act and rules made thereunder for appointment as Independent Director and he is independent of the management.

Save and except Mr. Diptivilasa and his relatives, none of the other Directors/ key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board commends the Ordinary Resolution set out at item No. 7 of the Notice for approval by the members.

Terms and conditions of Appointment of Independent Directors (for Item No. 7)

The Board of Directors appointed the following Additional Director in the capacity of Independent capacity of the Company during the year:

I. Mr Deverakonda Diptivilasa

In accordance with the requirements of Schedule IV of the Companies Act, 2013, the broad terms and conditions of their appointment as Independent Director are reproduced hereunder:

1. Appointment

Their appointment will be for the period from 8th October 2015 to 7th October 2018 to be approved by the shareholders at the forthcoming Annual General Meeting ("Term"). The Company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the Companies Act, 2013 (2013 Act).

As Independent Director, he will not be liable to retire by rotation.

2. Role, duties and responsibilities

A. As members of the Board, he along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- ☐ Requirements under the Companies Act, 2013,
- ☐ Accountability under the Director's Responsibility Statement.

B. He shall abide by the 'Code For Independent Directors' as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166).

C. He is particularly requested to provide guidance in his area of expertise.

3. Time Commitment

He agrees to devote such time as is prudent and necessary for the proper performance of his role, duties and responsibilities as Independent Director.

4. Remuneration

As Independent Director, he shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time.

Further, the Company may pay or reimburse to the Director such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by him for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of his duties as Independent Director.

5. Tata Code of Conduct

Unless specifically authorised by the Company, he shall not disclose company and business information to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.

His obligation of confidentiality shall survive cessation of his directorship with the Company.

Additionally, he shall not participate in any business activity which might impede the application of his independent judgment in the best interest of the Company.

As an Independent Director of the Company, he agrees to report concerns about unethical behavior, actual or suspected fraud or violation of the Tata Code of conduct.

6. Training and Development

The Company may, if required, conduct formal training program for its Independent Directors.

The Company may, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

7. Performance Appraisal / Evaluation Process

As member of the Board, his performance as well as the performance of the entire Board and its Committees will be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

8. Disclosures, other directorships and business interests

During the Term, he agrees to promptly notify the Company of any change in his directorships, and provide such other disclosures and information as may be required under the applicable laws. He also agrees that upon becoming aware of any potential conflict of interest with his position as Independent Director of the Company, he shall promptly disclose the same to the Chairman and the Company Secretary.

During his Term, he agrees to promptly provide a declaration under Section 149(7) of the 2013 Act, upon any change in circumstances which may affect their status as an Independent Director.

9. Changes of personal details

During the Term, he shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

10. Disengagement

He may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by him in the notice, whichever is later.

His directorship on the Board of the Company shall cease in accordance with law. The Company may disengage Independent Director prior to completion of Term (subject to compliance to relevant provisions of the 2013 Act) upon

- ☐ Violation of any provision of the Tata Code of Conduct,
- ☐ Upon the director failing to meet the criteria for independence as envisaged in Section 149(6) of the 2013 Act.

Item No. 8

Mr. K S R Murty was appointed as an Additional Director of the Company w.e.f. 14th January 2016, by the Board of Directors under Section 161 of the Act and as per the Article of Association of the Company. In terms of Section 161 of the Act, Mr. Murty holds office only up to the date of forthcoming Annual General Meeting but is eligible for appointment as Director.

Mr KSR Murty, a B.E. (Electrical) and an Associate member of the Institute of Cost and Works Accountants of India, is currently General Manager (Finance), Powergrid. He started his career with NTPC as an Executive Trainee in 1984 and joined Powergrid in 1991. He has worked as Head of Finance of Powergrid at the Regional Headquarters at Bangalore, Secunderabad and Nagpur before being transferred to Corporate Office at Gurgaon in 2010. He has a rich experience of almost 30 years in Budgeting and Budgetary Control, Treasury, Financial Appraisal, Commercial Functions, Resource Mobilization, Accounts and Audit etc.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr K S R Murty for the office of Director of the Company.

Save and except Mr K S R Murty and his relatives, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board commends the Ordinary Resolution set out at item No. 8 of the Notice for approval by the members.

Item No. 9

Mr. Prem Narayan Dixit was appointed as an Additional Director of the Company w.e.f. 10th March 2016, by the Board of Directors under Section 161 of the Act and as per the Article of Association of the Company. In terms of Section 161 of the Act, Mr. Dixit holds office only up to the date of forthcoming Annual General Meeting but is eligible for appointment as Director.

Mr P N Dixit, a B.E. (Electrical) from IIT- Roorkee, is Executive Director- (Asset Management), Powergrid. He started his career with Rashtriya Ispat Nigam Ltd. (RINL), Vishakhapatnam as Trainee 1980 batch and joined NTPC in 1987. He got subsequently absorbed in Powergrid in 1991. He has worked as Head of Operation & Maintenance at Powergrid substations and in Northern Region Headquarters at Faridabad/ New Delhi before being transferred to Corporate Office at Gurgaon in 2007. He has a rich experience of almost

35 years in Operations & Maintenance of EHV, UHV & HVDC substations and Transmissions lines. He has also handled commercial functions and resource mobilization etc.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr P N Dixit for the office of Director of the Company.

Save and except Mr Dixit and his relatives, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board commends the Ordinary Resolution set out at item No. 9 of the Notice for approval by the members.

Item No. 10

Mr. Praveen Chorghade was appointed as an Additional Director of the Company w.e.f. 3rd May 2016, by the Board of Directors under Section 161 of the Act and as per the Article of Association of the Company. In terms of Section 161 of the Act, Mr. Chorghade holds office only up to the date of forthcoming Annual General Meeting but is eligible for appointment as Director.

Mr. Praveen Chorghade is B.E. (Electrical) from Govt. Engineering College, Jabalpur University and has around 36 years of professional experience in power sector in Generation, Transmission and Distribution. He began his career with National Thermal Power Corporation (NTPC) where he worked for 23 years. In NTPC, he handled various assignments in areas of Generation- Thermal power plant testing, commissioning, Operations and Maintenance, Project Execution, Training and management consulting, restructuring and reforms, before moving to Tata Power Delhi Distribution Ltd. (TPDDL). At TP-DDL he served as the Head-Operations with responsibilities of managing O&M of sub-transmission and distribution network, automation and consumer supply management and later as Head-Commercial with metering billing and revenue and commercial management of power and consumers before joining Maithon Power Ltd. (MPL). Mr. Chorghade was instrumental in managing the turnaround of the distribution utility TPDDL. At MPL, he served as its Chief Executive Officer for 3 years until 2012 before taking up his present assignment at TATA Power.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr Chorghade for the office of Director of the Company.

Save and except Mr Praveen Chorghade and his relatives, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

The Board commends the Ordinary Resolution set out at item No. 10 of the Notice for approval by the members.

Item No. 11

In terms of Section 148 of the Companies Act 2013, the remuneration of the Cost Auditor is to be fixed by the Shareholders of the Company.

M/s JUP & Associates have been appointed Cost Auditor of the Company for FY 2016-17 at a remuneration of Rs 1.00 Lakh plus service tax. The Shareholders may recommend the remuneration of the Cost Auditor on similar lines.

Your Directors recommend passing the resolution accordingly.

None of the Directors or the key managerial person of the Company or their relatives is concerned or interested in the said resolution.

Date: 15th July 2016

By Order of the Board

Place: New Delhi

Registered Office:
10th Floor, DLF Tower A,
District Centre Jasola
New Delhi-110 025

sd/-
(Monica Mehra)
Company Secretary
ACS 15293

Details of the Directors, seeking appointment/re-appointment at the forthcoming Annual General Meeting

Name of Director	Mr. Sanjeev Mehra	Mr. Ravi P Singh	Mr Arun Srivastava
Date of Birth / Age	01-Nov-59 /56 years	21-Jan-60/56 years	1-Jul-56/59 years
Date of Appointment	31-Jan-12	25-Apr-12	25-Apr-12
Expertise in functional areas	Mr. Sanjeev Mehra is the Managing Director of the Tata Power Trading Company Ltd. (TPTCL) since September 2011. He has vast experience of around 35 years in Power Sector. He started his career in NTPC as an Executive Trainee in Electrical Design Department and worked there for almost 9 years. Thereafter he joined Power Grid Corporation of India Limited in the Commercial Department and later he joined PTC India Ltd. before joining TPTCL.	Shri Ravi P. Singh is Director (Personnel) of Power Grid Corporation of India Ltd. (Powergrid). He has previously held the positions of Executive Director (Eastern Region-II) and Executive Director (Human Resource Management & Corporate Communication) in Powergrid. He 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, he has worked for 10 years in NTPC.	Mr. Arun Srivastava is Vice President- Regulatory & Advocacy of The Tata Power Company Ltd. Mr. Arun Srivastava has been working within the Power and Infrastructure sectors since 1981 and has a wide exposure in various aspects of project formulation, planning, management & implementation, budgeting & scheduling of numerous projects in the power sector, including policy formulation at the national level for the implementation of private power development in India.
Qualifications	B.Tech and P.G. Diploma in Business Management.	Mechanical Engineer from NIT, Allahabad and Post Graduate Diploma in HR from AIMA, New Delhi.	BSC (Engg.) from Bhagalpur College of Engineering. Also attended course on Corporate Governance and Reforms from Princeton University.
Terms & Conditions of appointment	Re-appointed as Director.	Re-appointed as Director	Re-appointed as Director
Remuneration	-	-	-

Name of Director	Mr. Sanjeev Mehra	Mr. Ravi P Singh	Mr Arun Srivastava
Directorships held in other companies	Director of the following Companies <ul style="list-style-type: none"> Tata Power Trading Company Ltd 	Director of the following Companies <ul style="list-style-type: none"> Power Grid Corporation of India Ltd. Power System Operation Corporation Ltd. PTC India Ltd Powergrid NM Transmission Ltd Powergrid Vizag Transmission Ltd Powergrid Unchahar Transmission Ltd Powergrid Jabalpur Transmission Ltd Powergrid Southern Interconnector Transmission System Ltd 	Director of the following Companies: <ul style="list-style-type: none"> Tata Power Trading Company Limited NDPL Infra Ltd
Committee positions held in other companies		Member of Audit Committee in Power System Operation Corporation Ltd.	
Number of Shares held	Nil	One equity share of Rupees Ten	One equity share of Rupees Ten jointly with The Tata Power Company Ltd

Name of Director	Mr. D Diptivilasa	Mr. K S R Murty	Mr P N Dixit
Date of Birth / Age	16-Jun-54 /62 years	31-Jul-60/55 years	31-Dec-58/57 years
Date of Appointment	08-Oct-15	14-Jan-16	10-Mar-16
Expertise in functional areas	Mr. Deverakonda Diptivilasa, retired IAS Officer (UP Cadre-	Mr KSR Murty started his career with NTPC as an Executive Trainee in 1984	Mr P N Dixit started his career with Rashtriya Ispat Nigam Ltd. (RINL), Vishakhapatnam as

Name of Director	Mr. D Diptivilasa	Mr. K S R Murty	Mr P N Dixit
	1981), holds He has served as an Additional Secretary in the Ministry of Urban Development, Government of India. Mr. Diptivilasa has also served as Director of Delhi Metro Rail Corporation Limited and also of National Buildings Construction Corporation Limited as Govt. Nominee. In his career of more than three decades, he has held several key positions in Central and State Governments	and joined Powergrid in 1991. He has worked as Head of Finance of Powergrid at the Regional Headquarters at Bangalore, Secunderabad and Nagpur before being transferred to Corporate Office at Gurgaon in 2010. He has a rich experience of almost 30 years in Budgeting and Budgetary Control, Treasury, Financial Appraisal, Commercial Functions, Resource Mobilization, Accounts and Audit etc.	Trainee 1980 batch and joined NTPC in 1987. He got subsequently absorbed in Powergrid in 1991. He has worked as Head of Operation & Maintenance at Powergrid substations and in Northern Region Headquarters at Faridabad/ New Delhi before being transferred to Corporate Office at Gurgaon in 2007. He has a rich experience of almost 35 years in Operations & Maintenance of EHV, UHV & HVDC substations and Transmissions lines. He has also handled commercial functions and resource mobilisation etc.
Qualifications	Bachelor of Arts and Master of Business Administration.	Mr K S R Murty is a B.E. (Electrical) and an Associate member of the Institute of Cost and Works Accountants of India	B.E. (Electrical) from IIT-Roorkee
Terms & Conditions of appointment	Given in explanatory statement after Item Nos. 7	Appointed as Non-executive Director	Appointed as Non-executive Director
Remuneration	Only Sitting Fee is paid	NIL	NIL
Directorships held in other companies	Director of the following Companies: Corporation Bank Ltd	-	Director of the following Companies: Parbati Koldam Transmission Company Ltd
Committee positions held in other companies	NIL	-	-
Number of Shares held	Nil	Nil	Nil

Name of Director	Mr. Parveen Chorghade
Date of Birth / Age	14-Dec-1959/56 years
Date of Appointment	3-May-2016
Expertise in functional areas	Mr. Praveen Chorghade has around 36 years of professional experience in power sector in Generation, Transmission and Distribution. He began his career with National Thermal Power Corporation (NTPC) where he worked for 23 years. In NTPC, he handled various assignments in areas of Generation- Thermal power plant testing, commissioning, Operations and Maintenance, Project Execution, Training and management consulting, restructuring and reforms, before moving to Tata Power Delhi Distribution Ltd. (TPDDL). At TP-DDL he served as the Head-Operations with responsibilities of managing O&M of sub-transmission and distribution network , automation and consumer supply management and later as Head-Commercial with metering billing and revenue and commercial management of power and consumers before joining Maithon Power Ltd. (MPL). Mr. Chorghade was instrumental in managing the turnaround of the distribution utility TPDDL. At MPL, he served as its Chief Executive Officer for 3 years until 2012 before taking up his present assignment at TATA Power.
Qualifications	B.E. (Electrical) from Govt. Engineering College, Jabalpur University
Terms & Conditions of appointment	Appointed as Non-executive Director
Remuneration	NIL
Directorships held in other companies	NIL
Committee positions held in other companies	NIL
Number of Shares held	NIL

ATTENDANCE SLIP

POWERLINKS TRANSMISSION LIMITED

Registered Office : 10TH FLOOR, DLF TOWER-A, DISTRICT CENTRE JASOLA,
NEW DELHI 110025

CIN: U40105DL2001PLC110714

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING
HALL

(Joint shareholders may obtain additional slip at the venue of the meeting)

Dp id*		Folio No	
Client id*		No of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I have recorded my presence at the 15th Annual General Meeting of the Company held on 26th July 2016 at 4:00 p.m. at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi- 110016

*Applicable for investors holding shares in electronics form

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the
Companies

(Management and Administration) Rules, 2014]

POWERLINKS TRANSMISSION LIMITED

Registered Office : 10TH FLOOR, DLF TOWER-A, DISTRICT CENTRE JASOLA,
NEW DELHI 110025

CIN: U40105DL2001PLC110714

Name of the member(s)		e-mail Id :	
Registered address		Folio No/*Client Id :	
		*DP Id :	

I/We, being the member(s) of _____ shares of POWERLINKS
TRANSMISSION LIMITED, hereby appoint:

1) _____ of _____ having e-mail id -----or
failing him

2) _____ of _____ having e-mail id -----or
failing him

3) _____ of _____ having e-mail id-----

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 15th Annual General Meeting of the Company, to be held on Tuesday, the 26th July, 2016 at 4.00 p.m. at B-9, Qutab

Institutional Area, Katwaria Sarai, New Delhi- 110016, and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Sl Resolution No	Description of Resolutions	FOR	AGAINST
Ordinary Business			
1.	Consider and adopt a) Audited Financial Statements, Reports of Board of Directors and Auditors for the Financial Year ended on 31st March, 2016.		
2.	Declaration of Dividend on Equity Shares for the financial year 2015-16.		
3.	Reappointment of Mr. Sanjeev Mehra, Director who retires by rotation & being eligible offer himself for reappointment		
4.	Reappointment of Mr. Ravi P Singh, Director who retires by rotation & being eligible offer himself for reappointment		
5	Reappointment of Mr. Arun Srivastava, Director who retires by rotation & being eligible offer himself for reappointment		
6.	Ratification of appointment of Statutory Auditors		
Special Business			
7.	Appointment of Mr. D Diptivilasa as Independent Director		
8.	Appointment of Mr. K S R Murty as Director		
9.	Appointment of Mr. P N Dixit as Director		
10.	Appointment of Mr. Praveen Chorghade as Director		
11	Ratification of remuneration payable to M/s. JUP & Associates, Cost Accountants		

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

Affix
revenue
stamp

(Signature of shareholder)
(Signature of first proxy holder)
(Signature of second proxy holder)
(Signature of third proxy holder)

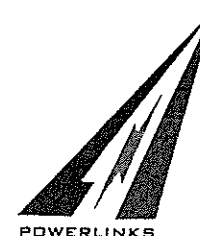
Notes:

- (1) This form of proxy in order to be elective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% 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.
- (4) ** This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

POWERLINKS TRANSMISSION LIMITED

(A Joint Venture of **TATA** POWER & POWERGRID)

An ISO-9001; ISO-14001 and OHSMS-18001 Certified Company



BOARD'S REPORT

To The Members,

The Directors are pleased to present the Fifteenth Annual Report on the business and operations of your Company and the Statements of Account for the year ended 31st March, 2016.

1. FINANCIAL RESULTS

Figures in Rs crore

	FY16	FY15
(a) Net Sales / Income from Other Operations	233.93	241.91
(b) Operating Expenditure	17.36	16.85
(c) Operating Profit	216.55	225.06
(d) Less: Forex Loss	0	0
(e) Add: Other Income	14.32	16.08
(f) Less: Finance Cost	31.98	40.81
(g) Profit before Depreciation and Tax	198.89	200.33
(h) Less: Depreciation / Amortisation / Impairment	81.97	81.63
(i) Profit before Tax	116.92	118.70
(j) Tax Expenses	7.96	6.59
(k) Net Profit/(Loss) after Tax	108.96	112.11

2. FINANCIAL AND OPERATIONAL PERFORMANCE

• Financial

Operating Revenue

The Operating Revenue was at Rs 233.93 crore in FY16 as against Rs 241.91 crore in FY15, a decrease of 3.30%. The decrease is mainly due to annual reduction in interest cost recoverable through tariff due to repayment of debts.

Other Income

Other income was lower at Rs 14.32 crore in FY16 as against Rs 16.08 crore in FY15, a decrease of 10.94%. The decrease in other income is mainly due to lower return on treasury investments.

Earnings per share

During FY16, Earning per share was at Rs 2.33 as against Rs 2.40 in the previous year.

Registered & Corporate office :

10th Floor, DLF Tower A, District Centre Jasola, New Delhi 110025 Tel. : 91 11 45159500
Fax : 91 11 45159555 Email : powerlinks@powerlinks.co.in Website : www.powerlinks.co.in
CIN : U40105DL2001PLC110714

- Operations

The average availability of transmission line was maintained at 99.14% for Eastern Region and 99.91% for Northern Region as against minimum stipulated availability of 98% during FY16.

3. DIVIDEND

The Directors are pleased to recommend final dividend of 2% amounting to Rs 9.36 crore for FY16 subject to approval of Members. The Board has declared an interim dividend @17% amounting to Rs. 79.56 crore in March 2016. Thus, the aggregate dividend is 19.00% amounting to Rs 88.92 crore for FY16 (Rs. 91.26 crore for FY15).

4. NATURE OF BUSINESS

The Company is an inter-state transmission company evacuating power from Tala- Hydro Power Project in Bhutan to parts of Eastern and Northern India. There has been no change in the nature of business of the Company during the period under review.

5. SUBSIDIARIES/JOINT VENTURES/ASSOCIATES

The Company does not have any subsidiaries/JV/Associates and there have been no additions or removal thereof during FY16.

6. SHARE CAPITAL

The paid-up share capital of the Company as on 31st March 2016 was Rs.468 crore (Rupees Four hundred sixty eight crore). There has been no change in the paid-up share capital during the year.

7. SHARES

a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

8. RESERVES

During the current financial year a sum of NIL has been transferred to General Reserves and Surplus after appropriating dividend, dividend tax and self-insurance reserve.

9. FOREIGN EXCHANGE EARNINGS AND OUTGO

Rs crore		
Particulars	FY16	FY15
Foreign Exchange Outflow mainly on account of:		
<i>Interest on foreign currency borrowings, NRI dividends</i>	0.06	0.06

10. FIXED DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 (**the Act**) and the Companies (Acceptance of Deposits) Rules, 2014.

11. REGULATORY AND LEGAL MATTERS

No orders have been passed during the period under review by the regulators or by the courts impacting the going concern status and company's operations in future.

12. RISK MANAGEMENT FRAMEWORK

Based on Risk Management Policy, a standardized Risk Management Process and System is being used by the Company. Risk plans have been framed for all identified risks and uploaded in the system with mitigation action, target dates and responsibility. This has enabled continuous tracking of status of mitigation action and monitoring of Risk Mitigation Completion Index (RMCI). All risks have been classified into strategic, tactical and operational risks. The Company has refined its risk quantification method which will help identifying key risks of the organisation and reduce subjectivity in assessment of residual value. This will further help implement appropriate controls in business process. Risk Management Review Committee (RMRC) chaired by the Chief Executive Officer & Executive Director meets every quarter to review major risks and identify new risks.

In FY16 British Standards Institution (BSI) has done the assessment of the company and has recommended for conferring the Statement of Compliance to ISO 31000:2009 for its Risk Management Systems.

Internal controls and systems:

The Internal Audit process includes review and evaluation of process robustness, effectiveness of controls and compliances. It also ensures adherence to policies and systems and mitigation of the operational risks perceived for each area under audit. Internal Audit Process Document has been framed based on which process audits have been conducted. All processes of the Company have been classified under vital, essential and desirable, based on the analysis of risk and process impact on Company's Operations. During the year, the Company has engaged PricewaterhouseCoopers as Internal Auditors.

13. SUSTAINABILITY

The Company has adopted Integrated Management System, Quality Management System, Environment Management System and Occupational Health and Safety Assessment System and has been re-certified for ISO 9001:2008 (Quality Management System Q.M.S.); ISO 14001:2004 (Environment Management System EMS) and OHSAS 18001:2007 (Occupational Health and Safety Assessment Series) by BSI Management Systems.

14. SAFETY – CARE FOR OUR PEOPLE

Safety is a core value of our organization and over it no business objective has a higher priority. Appropriate Personal Protection Equipment (PPE) is provided to all employees relevant to the job. Safety audits and fire audits continue to be conducted at all sites. Inspection of Tools and PPEs is done regularly. Medical check-up of the technicians is carried on an annual basis to assess their fitness for the job. Safety week celebrations are done with involvement of all employees. There has been no fatality, Lost Time Injuries Frequency Rate per million man hours) or first aid cases in the year under review.

15. CARE FOR OUR COMMUNITY

Your Company has been actively working on the following thrust areas in CSR- Education, Health & Sanitation and Livelihood and Employability.

In FY 16, the CSR Policy was aligned to the thrust Areas and programs in line with Schedule –VII of the Act with timelines and outcome indicators. The same was approved by the Board of Directors as recommended by the CSR Committee of the Company.

- Details of CSR Policy are provided in Annexure I, Part A forming part of this report.
- Details of CSR spend are provided in Annexure I Part B forming part of this report

16. CARE FOR OUR ENVIRONMENT

Impact of Powerlinks' business on environment is minimal. The Company ensures, by taking assistance of the law enforcement authorities, that no

habitation is constructed below its transmission lines. The Company has adopted the Environmental and Social Policy & Procedures (ESPP) in business activities viz. O&M and Project Management.

The Company organizes programmes from time to time on "Safety, Health and Environment Awareness" for employees of the Company.

17. HUMAN RESOURCES

The Company recognizes the contribution of its Human Capital. The Company secured highest score in terms of Employee Engagement and Satisfaction survey i.e., conducted by Aon Hewitt amongst Tata Power group companies for FY16.

Based on the training requirements, the Company has achieved Training need Completion Index (TNCI) of 65%.

Your Company is an equal employment opportunity company and is committed to creating a healthy work environment that enables employees to work without fear of prejudice, gender bias and sexual harassment.

The Company has a Policy on Prevention of Sexual Harassment of Employees. The management has also constituted a committee to consider and redress complaints under the policy. There was NIL complaint received during the year.

The Industrial relations continue to be cordial.

18. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of Section 149 of the Act, the Members, at their Fourteenth Annual General meeting held on 21st September 2015, had appointed the following as Independent Directors of the Company:

Mrs Rita Sinha
Mr. Nawshir H. Mirza

Mr. R N Nayak, Chairman of the Company had resigned consequent upon his superannuation from Power Grid Corporation of India Ltd. w.e.f 30th September 2015. Mr R T Agarwal, Director and Mr Nawshir H Mirza, Independent Director resigned from the Board due to other preoccupations w.e.f 21st September 2015 and 1st October 2015, respectively. Further, Mr Ashok Sethi had resigned from the Board w.e.f 15th March 2016. The Board places on record appreciation for their contribution to the Company by the outgoing Directors.

Subject to the approval of shareholders, Mr. Deverakonda Diptivilasa was appointed as an Additional Director in independent capacity by the Board for a period of three years effective from October 8, 2015. Notice under Section

160(1) of the Act has been received from a member proposing his appointment as Independent Director. The Board now recommends the appointment of Mr D Diptivilasa as independent director under Section 149 of the Act in the ensuing annual general meeting to hold office for 3 (three) consecutive years with effect from October 8, 2015.

During the period under review, Mr K S R Murty and Mr P N Dixit were appointed as Additional Directors w.e.f 14th January 2016 and 10th March 2016, respectively. Notice under Section 160(1) of the Act has been received from a member proposing their appointment as Directors in the ensuing annual general meeting. The Board now recommends their appointment.

The Company has received declarations from the independent directors that they meet the criteria of independence as laid down under Section 149(6) of the Act.

Mr Sanjeev Mehra, Mr Ravi P Singh and Mr Arun Srivastava, being longest in office are liable to retire by rotation and being eligible offer themselves for reappointment.

In terms of Section 203 of the Act, the following were designated as Key Managerial Personnel of your Company by the Board:

Mr Jayant Tiku, Chief Executive Officer & Executive Director
 Mr Suranjit Mishra, Chief Financial Officer (till 31st July 2015)
 Mr Gajendra Bhardwaj, Chief Financial Officer (from 1st August 2015)
 Ms Monica Mehra, Company Secretary

The Policy on appointment of directors- Policy on Board Diversity and Directors' Attributes is reproduced in Annexure-II forming part of this report.

Four Board Meetings were held during the year and the gap between two meetings did not exceed 120 days. The dates on which the said meetings were held were as follows:

6th May 2015, 29th July 2015, 28th October 2015, 2nd February 2016

Details of meeting attended by the Directors are given below:

Name of the Director	Designation	No. of Board Meetings attended during the year 2015-16
Mr. I S Jha	Chairman (from 28 th Oct 2015)	3
Mr. R N Nayak*	Chairman (till 30 th September 2015)	2
Mr. Ashok Sethi**	Director	2
Mr. R T Agarwal@	Director	2

Mr. Sanjeev Mehra	Director	4
Mr. Arun Kr. Srivastava	Director	4
Mr. Ravi P Singh	Director	3
Mr Ajay Kapoor	Director	4
Mr Jayant Tiku	CEO& Executive Director	4
Mrs Rita Sinha	Independent Director	4
Mr Nawshir H Mirza [#]	Independent Director	2
Mr D Diptivilasa [§]	Additional Director in Independent Capacity	2
Mr K S R Murty ^{&}	Additional Director	2
Mr P N Dixit [^]	Additional Director	0
Mr Praveen Chorghade ^{##}	Additional Director	0

*Resigned w.e.f 30th September 2015.

** Resigned w.e.f 15th March 2016.

@ Resigned w.e.f 21st September 2015

Resigned w.e.f 1st October 2015 and attended all Board meetings during his tenure.

§ Appointed w.e.f 8th October 2015 and attended all meetings that took place after his appointment.

& Appointed w.e.f. 14th January 2016 and attended all meetings during his tenure in the financial year.

^ Appointed w.e.f. 10th March 2016. There was no meeting after his appointment in the financial year.

##Appointed w.e.f. 3rd May 2016.

19. REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In terms of the provisions of Section 178(3) of the Act, the Nomination & Remuneration Committee is responsible for recommending to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees. In line with this requirement, the Board has adopted the Remuneration Policy for Non-Executive Directors, Key Managerial Personnel and other employees of the Company which is reproduced in Annexure III forming part of this report.

20. DISCLOSURE OF PARTICULARS

The information required under Rule 5(2) of The Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure IV forming part of this report.

21. COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. Each Committee of the Board functions according to its role and defined scope.

- Audit Committee (AC)
- Nomination and Remuneration Committee (NRC)
- Corporate Social Responsibility Committee (CSR Committee)

Audit Committee of Directors

The functions of the committee can be grouped under the following three broad heads –

- To oversee the issue of reliable financial reports by the company.
- To oversee the control processes for the management of risk and for compliance with the laws.
- Other matters required by the laws, such as overseeing independent valuations and approving related party transactions.

Composition of the Audit Committee of Directors (Audit Committee) is as under:

Sl. No.	Name of the Director	Category
1.	Mr. Ajay Kapoor, Chairman	Non-Executive Director
2.	Mrs Rita Sinha	Non-Executive Independent Director
3.	Mr. D Diptivilasa	

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

6th May 2015, 29th July 2015, 28th October 2015, 28th January 2016 and 29th March 2016.

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

Name of the Director	No. of Meetings attended during the year 2015-16
Mr Ajay Kapoor	5
Mrs. Rita Sinha	5
Mr Nawshir H Mirza*	2
Mr D Diptivilasa [#]	3

*Resigned w.e.f 1st October 2015 and attended all Committee meetings during his tenure.

[#] Appointed w.e.f 8th October 2015 and attended all meetings after his appointment.

Nomination and Remuneration Committee(NRC)

The Company has adopted Charter for the Nomination and Remuneration Committee which specifies the principles and objectives, composition, meetings, authority and power, responsibilities, Reporting, Evaluation etc. of the Committee.

The Board has delegated the following powers to the NRC:

- Investigate any matter within the scope of this Charter or as referred to it by the Board.
- Seek any information or explanation from any employee or director of the Company.

- Ask for any records or documents of the Company.

The roles and responsibilities of the NRC include the following:

- Board Composition and Succession, Evaluation, Remuneration and Development related
- Review of HR Strategy, Philosophy and Practices
- Other functions as may be prescribed by the Board

Composition of the Nomination and Remuneration Committee (NRC) is as under:

Sl. No.	Name of the Director	Category
1	Mr Arun Srivastava, Chairman	Non-Executive Director
2	Mr I S Jha	
3	Mrs Rita Sinha	Non-Executive Independent Director
4	Mr D Diptivilasa	

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

6th May 2015, 29th July 2015 and 29th March 2016.

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

Name of the Director	No. of Meetings attended during 2015-16
Mr. Arun Srivastava	3
Mr. R N Nayak	2
Mr I S Jha*	0
Mrs. Rita Sinha	3
Mr Nawshir H Mirza*	2
Mr D Diptivilasa#	1

* Appointed w.e.f 17th December 2015

** Resigned w.e.f 1st October 2015 and attended all meetings held during his tenure.

Appointed w.e.f 17th December 2015 and attended all meetings after his appointment.

Corporate Social Responsibility Committee(CSR Committee)

The CSR Committee is responsible for-

- Formulation and recommendation to the Board, a Corporate Social Responsibility Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Act or as may be prescribed by the rules thereto;
- Recommendation of the amount of expenditure to be incurred on the activities referred to in above clause and
- Monitoring the Corporate Social Responsibility Policy of the Company from time to time.

Composition of the Corporate Social Responsibility Committee (CSR) is as under:

Sl. No.	Name of the Director	Category
1	Mrs Rita Sinha, Chairperson	Non-Executive Independent Director
2	Mr Arun Srivastava	Non-Executive Director
3	Mr Sanjeev Mehra	Non-Executive Director
4	Mr. Jayant Tiku	Chief Executive Officer & Executive Director

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

9th June 2015, 31st August 2015, 18th November 2015 and 18th February 2016.

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

Name of the Director	No. of Meetings attended during the year 2015-16
Mrs. Rita Sinha	4
Mr. Arun Kr. Srivastava	4
Mr Sanjeev Mehra	3
Mr. Jayant Tiku	4

22. ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board has instituted a process for the evaluation of the performance of the Board, individual Directors and of each of the statutorily required committees of the Board., Feedback is sought from each Director about their views on the performance of the Board and other Directors. The Chairman of the Nomination & Remuneration Committee summarizes the observations received from his colleagues. Only those Directors who have attended at least three meetings are expected to submit feedback and individual evaluations are sought only for those Directors. The performance of the Board as a whole is then required to be reviewed at a meeting of Independent Directors. At this meeting the performance of the non-independent Non-executive Directors and Board Chairman is also reviewed. The summary of the evaluation of the board's performance and of individual directors is presented to the NRC and to the entire board.

Further, each statutorily required committee of the Board is required to conduct a self-evaluation and to submit a summary report to the Board of the result of such evaluation.

23. CREDIT RATING

The Company has achieved CRISIL AA+/Positive (Outlook Revised from 'stable'; Rating Reaffirmed) on its Long term loans and CRISIL A1+ for its Short term loans and Working Capital facilities. Total Bank loan Facilities rated are Rs 269 crore.

24. DISCLOSURE OF PARTICULARS REGARDING CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Particulars required by Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 on Conservation of Energy and Technology Absorption are given in the prescribed format as Annexure- V forming part of the report

25. RELATED PARTY TRANSACTIONS

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. Details of Related Party Transactions as per AOC-2 are provided in Annexure VI forming part of the report.

26. LOANS, GUARANTEES OR INVESTMENTS

The Company has not granted any loans or provided any guarantees and securities under Section 186 of the Act. The details of investments are provided in the schedules to the financial statements.

27. EXTRACT OF ANNUAL RETURN

Extract of Annual Return is provided in Annexure VII forming part of the report.

28. AUDITORS

Messrs. Deloitte Haskins & Sells, (Registration No.: 015125N) who are the Statutory Auditors of your Company, hold office until the conclusion of the Sixteenth AGM of the Company to be held in the year 2017, subject to ratification of their appointment and remuneration at every AGM. In this connection, the attention of the Members is invited to Item No. 6 of the Notice

29. AUDITORS' REPORT

Messrs. Deloitte Haskins & Sells, who are the statutory auditors of your Company, have given their Audit Report. There have been no qualifications in the Audit Report.

30. COST AUDITOR AND COST AUDIT REPORT

Pursuant to the provisions of the Act, M/s JUP & Associates, practicing Cost Accountants, had been appointed as Cost Auditor of the Company for the financial year ended 31st March 2016.

In accordance with the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013, your Company carries out an audit of cost accounts relating to electricity every year. The Cost Audit Report and the Compliance Report of your Company for the Financial Year ended 31st March, 2015, which was due for filing by 30th September, 2015, was filed on 29th September, 2015 with the Ministry of Corporate Affairs.

31. SECRETARIAL AUDIT REPORT

M/s. Nirbhay Kumar & Associates, Company Secretaries, were appointed as Secretarial Auditors to conduct Secretarial Audit of records and documents of the Company for FY16. The Secretarial Audit Report confirms that the Company has complied with the applicable provisions of the Act except as provided therein.

Secretarial Audit Report is given as Annexure VIII.

32. VIGIL MECHANISM

Pursuant to Section 177(9) of the Act, a vigil mechanism was established in the Whistle Blower Policy for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chief Ethics Counsellor (CEC)/ Chairman of the Audit Committee of the Company.

33. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors and the reviews performed by Management and the relevant Board Committee, including the Audit

Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures therefrom;
- b) They have, in the selection of the accounting policies, consulted the Statutory Auditors and have 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) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) They have prepared the annual accounts on a going concern basis;
- e) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

34. ACKNOWLEDGEMENTS

The Directors place on record their grateful thanks for the guidance and co-operation extended all through by the Ministry of Power, Ministry of Finance, Central Electricity Authority, Central Electricity Regulatory Commission, Appellate Tribunal for Electricity, Power System Operation Corporation (POSOCO), and other concerned Government departments / agencies at the Central and State Level who are constantly providing us their active support.

The Board of Directors also extends its sincere thanks to Power Grid Corporation of India Ltd. (POWERGRID), and The Tata Power Company Ltd. for the support extended by them to the Company. The Board also extends its gratitude to POWERGRID for facilitating revenue collection for the Company.

The Directors further wish to place on record their sincere thanks to the various national/ international Financial Institutions and Banks for the continued trust and confidence reposed by them by rendering continuous timely assistance and patronage for operation and maintenance of the project.

The Board of Directors also takes this opportunity to place on record its gratitude for the valuable contribution and the cooperation extended by each member of the POWERLINKS family.

On behalf of the Board of Directors,

3rd May 2016
Gurgaon

sd/-
I S Jha
Chairman

Annexure-I, Part A: CSR Activities (Ref.: Board's Report, Section 14)

The Corporate Social Responsibility (CSR) Committee has formulated and recommended to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link: <http://www.powerlinks.co.in/pdf/csrapolicy.pdf>

The following are the thrust areas:

Education, Health care, Sanitation and availability of Safe drinking Water, Sustainable livelihood, Rural development and Environmental Sustainability:

- Average net profit of the company for last three financial years: Rs 126 crore (as per Section 198 of Companies Act 2013).
- Prescribed CSR Expenditure for FY 2015-16 : Rs 2.520 crore
- Details of CSR spent during the financial year:
 - Total amount spent for the financial year: Rs 2.517 crore
 - Amount unspent, if any: Rs 0.0026 crore
 - Manner in which the amount spent during the financial year is detailed in Annexure to this part.
- The Company received some business discount at the order given for the Cardiac Trauma Ambulance. This amounted to Rs 26000/- . This amount could not be spent during FY 2015-16.
- Implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company

Sd/-	Sd/-
Mr Jayant Tiku Chief Executive Officer & Executive Director (DIN 07085449)	Mrs Rita Sinha Chairman of CSR Committee DIN: 5169220

Annexure-I, Part B: CSR Activities (Ref.: Board's Report, Section 14)

CSR spend FY 2015-16

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S No.	CSR Project or activity identified	Sector in which the Project is covered (clause no. of Schedule VII to the Companies Act 2013, as amended)	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay in Rs. lakh (budget) project or programs wise	Amount in Rs lakh spent on the projects or programs Subheads (1)Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure in Rs lakh upto the Reporting period	Amount spent in Rs. Lakhs:- Direct or through implementing agency
1	Cardiac Trauma Ambulance	Cl (i) promoting health care including preventive health care	Bareilly, Uttar Pradesh	31.56	30.93	30.93	30.93
2	Livelihood Programmes	Cl (ii) promoting	Local area, New Delhi	22.50	23.50	23.50	Sarthak Education Trust:

	for differently-abled	education, including special education and employment enhancing skills							23.50
3	Mid-day meal	CI (i) eradicating hunger, poverty and malnutrition	Mathura, Uttar Pradesh	12.00	12.00	12.00	12.00	12.00	Through Ramakrishna Mission Sevashrama 12.00
4	Medical equipment (Printer for Ultrasound Machine provided in previous year)	CI (i) promoting health care including preventive health care	Lucknow, Uttar Pradesh	0.44	0.44	0.44	0.44	0.44	
5	Providing Safe drinking water	CI (i) making available safe drinking water	Uttar Pradesh, West Bengal and Bihar	8.29	7.99	7.99	7.99	7.99	
6	Coaching and mentoring children to develop positive attitude	CI (ii) Promoting	Vaishali, Bihar	24.17	24.17	24.17	24.17	24.17	Through Tata Power Community Development Trust (TPCDT) and Magic Bus

	towards education, gender quality and health	education including special education						Foundation :	
7	Medical equipment	CI (i) promoting health care including preventive health care	Muzzafarpur, Bihar	33.00	33.00	33.00	33.00	TATA Power Community Development Trust (TPCDT)	
8	Creation of sanitation facility in schools	CI (i) Promoting sanitation	14 schools in Sahersa, Bihar	76.83	76.83	76.83	76.83	TATA Power Community Development Trust (TPCDT) and CII :	
9	Adult Literacy Programs/Women Empowerment programs	CI (ii) Promoting education including special education	One Village in Uttar Pradesh	8.00	8.00	8.00	8.00	TATA Power Community Development Trust (TPCDT)	
10	Solar Micro Grid Rural Energy	CI (iv) and (x) Environment		15.00	15.00	15.00	15.00	TATA Power Community Development Trust (TPCDT)	

Annexure-II: Policy on Board Diversity and Directors' Attributes (Ref.: Board's Report, Section 18)

1. Objective

1.1 The Policy on Board Diversity ('the Policy') sets out the approach to diversity on the board of directors ('the Board') of Powerlinks Transmission Limited (the company).

1.2 The company recognises that diversity at board level is a necessary requirement in ensuring an effective board. A mix of executive, independent and other non-executive directors is one important facet of diverse attributes that the company desires. Further, a diverse board representing differences in the educational qualifications, knowledge, experience, gender, age, thought and perspective results in delivering a competitive advantage and a better appreciation of the interests of stakeholders. These differences should be balanced against the need for a cohesive, effective board. All board appointments shall be made on merit having regard to this policy.

2. Attributes of directors

The following attributes need to be considered in considering optimum board composition:

i) Gender diversity:

Having at least one woman director on the Board.

ii) Age

The average age of board members should be in the range of 45 - 60 years.

iii) Competency

The board should have a mix of members with different educational qualifications, knowledge and with adequate experience in finance, accounting, economics, legal and regulatory matters, the environment, operations of the company's business and other disciplines related to the company's business.

iv) Independence

The independent directors should satisfy the requirements of the Companies Act, 2013 (the Act).

Additional Attributes

- The directors should not have any other pecuniary relationship with the company, its subsidiaries, associates or joint ventures and the company's promoters, besides sitting fees and commission.
- The directors should not have any of their relatives (as defined in the Act and Rules made thereunder) as directors or employees or other stakeholders (other than with immaterial dealings) of the company, its subsidiaries, associates or joint ventures.
- The directors should maintain an arm's length relationship between themselves and the employees of the company, as also with the directors and employees of its holding, associates, joint ventures, promoters and stakeholders for whom the relationship with these entities is material.
- The directors should not be the subject of allegations of illegal or unethical behaviour, in their private or professional lives.
- The directors should have ability to devote sufficient time to the affairs of the Company.

3. Role of the Nomination and Remuneration Committee

3.1 The Nomination and Remuneration Committee ('the NRC') shall review and assess board composition whilst recommending the appointment or reappointment of independent directors.

4. Review of the Policy

4.1 The NRC will review the policy periodically and recommend revisions to the board for consideration.

Annexure-III: Remuneration Policy for Directors, Key Managerial Personnel and other employees (Ref.: Board's Report, Section 19)

The philosophy for remuneration of directors, Key Managerial Personnel ("KMP") and all other employees of Powerlinks Transmission Ltd. ("company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

"(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully; (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals"

Key principles governing this remuneration policy are as follows:

Remuneration for independent directors and non-independent non-executive directors

- Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
- Overall remuneration should be reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognized best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.

- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

Remuneration for managing director ("MD")/ executive directors ("ED")/ KMP/ rest of the employees¹

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be
 - ❖ Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
 - ❖ Driven by the role played by the individual,
 - ❖ Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay,
 - ❖ Consistent with recognized best practices and
 - ❖ Aligned to any regulatory requirements.
- In terms of remuneration mix or composition,
 - ❖ The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
 - ❖ Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.

¹ Excludes employees covered by any long term settlements or specific term contracts. The remuneration for these employees would be driven by the respective long term settlements or contracts.

- ❖ In addition to the basic/ fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
- ❖ The company provides retirement benefits as applicable.
- ❖ In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
 - Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
 - Industry benchmarks of remuneration,
 - Performance of the individual.
- ❖ The company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.

Remuneration payable to Director for services rendered in other capacity

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- a) The services rendered are of a professional nature; and
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

Policy implementation

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

Annexure IV: Particulars of Employees (Ref.: Board's Report, Section 20)

Sr. No.	Name	Age (Yrs)	Designation / Nature of Duties	Gross Remuneration (Rs. Lacs)*	Qualification	Total Experience (Yrs)	Date of Commencement of Employment	Last Employment held and Designation
1	Jayant Tiku	59	CEO & Executive Director	60.71	B. Tech in Electrical Engineering from Delhi College of Engineering and M. Tech in Power Apparatus and Systems from IIT Delhi.	32	1-Feb-2015	The Tata Power Company Ltd., GM

*Gross remuneration comprises salary, allowances, incentive remuneration (provisional), monetary value of perquisites, Company's contribution to Provident and Superannuation Funds but excluding contribution to Gratuity Fund and provision for leave encashment.

The nature of employment is contractual.

Annexure V: Conservation of Energy and Technology Absorption (Ref.: Board's Report, Section 24)

A. Conservation of Energy

- (i) the steps taken or impact on conservation of energy
 - Energy consumption at all locations is being monitored on monthly basis
 - All defective lights are being replaced by LED based fixtures in a phased manner
- (ii) the steps taken by the company for utilising alternate sources of energy
NIL
- (iii) the capital investment on energy conservation equipment
NIL

B. Technology Absorption

Efforts, in brief, made towards Technology Absorption,
Benefits derived as a result of the above efforts like product improvement, cost reduction,
product development or import substitution

In case of imported technology (imported during the last five years reckoned from the
beginning of the financial year), following information may be furnished:

- a) Technology Imported NIL
- b) Year of Import NA
- c) Has technology been fully absorbed NA
If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of
action
- d) Expenditure on R & D (in Rs crore)
 - (i) Capital NIL
 - (ii) Recurring NIL
 - Total NIL

Annexure- VI: Related Party Transactions (Ref.: Board Report, Section 25)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of contracts or arrangements or transactions including value, if any	Justification for entering into such contracts or arrangements or transactions	Date (s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL							

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including value, if any	Date (s) of approval by the Board, if any	Amount paid as advances, if any
The Tata Power Company Ltd (Holding Company)	Deputation of Manpower	3 months- one year	As per agreed framework Rs 19.00 lakh	Ratification done by Audit Committee	NIL
Power Grid Corporation of India Ltd. (we are its associate company)	Transmission Service Charges including incentive, rebate and surcharge.	25 years till 2028	As per CERC Regulations Rs 23847.60 lakh	Ratification done by Audit Committee	NIL

Power Grid Corporation of India Ltd. (we are its associate company)	Reimbursements by the Company / Leasing of premises	25 years	As per contractual terms and agreed framework Rs 33.78 lakh	Ratification done by Audit Committee	NIL
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Annexure- VII: Extract of Annual Return (Ref.: Board Report,
Section 27)

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- U40105DL2001PLC110714
- ii) Registration Date: 04/05/2001
- iii) Name of the Company: Powerlinks Transmission Limited
- iv) Category / Sub-Category of the Company: Public Company
- v) Address of the Registered office and contact details: 10th Floor, DLF Tower A,
District Centre Jasola,
New Delhi- 110025
- vi) Whether listed company: ~~Yes~~/ No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
TSR Darashaw Private Limited
6/10, Haji Moosa Patrawala Indu, 20 Dr E Moses Road,
Mahalaxmi, Mumbai - 400011 Maharashtra

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 and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the
---------	---	-------------------------------------	-------------------------------

			company
1	Power Transmission	5406	93.76%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	The Tata Power Company Ltd. Bombay House 24, Homi Mody Street Mumbai-400001	L28920MH1919PLC000 567	Holding	51%	2(46)

IV Share Holding Pattern (Equity Share Capital Break-up as percentage of Total Equity)

i) Category - wise Share holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	3	3	0%	0	3	3	0%	0%
b) Central Govt	0	0	0	0%	0	0	0	0	0%
c) State Govt	0	0	0	0%	0	0	0	0	0%
d) Bodies Corp.	238679997	3	238680000	51%	238679997	3	238680000	51%	0%
e) Banks/ FI	0	0	0	0%	0	0	0	0	0%
f) Any other - Govt Company	229319997	0	229319997	49%	229319997	0	229319997	49%	0%
Sub-total (A) (1) :-	467999994	6	468000000	100%	467999994	6	468000000	100%	0%
(2) Foreign									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0%
b) Other-Individuals	0	0	0	0	0	0	0	0	0%
c) Bodies Corp.	0	0	0	0	0	0	0	0	0%
d) Banks/ FI	0	0	0	0	0	0	0	0	0%
e) Any other	0	0	0	0	0	0	0	0	0%
Sub-total (A) (2) :-	0	0	0	0	0	0	0	0	0%
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	467999994	6	468000000	100%	467999994	6	468000000	100%	0%
B Public Shareholding									
(1) Institutions	0	0	0	0%	0	0	0	0%	0%
a) Mutual Funds	0	0	0	0%	0	0	0	0%	0%
b) Banks/ FI	0	0	0	0%	0	0	0	0%	0%
c) Central Govt	0	0	0	0%	0	0	0	0%	0%
d) State Govt (s)	0	0	0	0%	0	0	0	0%	0%
e) Venture Capital Funds.	0	0	0	0%	0	0	0	0%	0%
f) Insurance Companies	0	0	0	0%	0	0	0	0%	0%
g) FIs	0	0	0	0%	0	0	0	0%	0%
h) Foreign Venture Capital Funds	0	0	0	0%	0	0	0	0%	0%
i) Others (specify)	0	0	0	0%	0	0	0	0%	0%
Sub-total (B) (1) :-	0	0	0	0%	0	0	0	0%	0%
(2) Non-Institutions	0	0	0	0%	0	0	0	0%	0%
a) Bodies Corp.----									
(i) Indian									
(ii) Overseas	0	0	0	0%	0	0	0	0%	0%
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs 1 Lakh	0	0	0	0%	0	0	0	0%	0%
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	0	0	0	0%	0	0	0	0%	0%
c) Others (specify)	0	0	0	0%	0	0	0	0%	0%
Sub-total (B) (2) :-	0	0	0	0%	0	0	0	0%	0%
Total Public Shareholding (B)= (B)(1) + (B)(2)	0	0	0	0%	0	0	0	0%	0%
C. shares held by Custodian for GDRs & ADRs	0	0	0	0%	0	0	0	0%	0%
Grand Total (A+B+C)	467999994	6	468000000	100%	467999994	6	468000000	100%	0%

ii) Shareholding of Promoters

Sl No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbe red to total shares	No of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbe red to total shares	% Change during the year
1	The Tata Power Company Ltd	238680000	51%	51%	238680000	51%	51%	0%
2	Power Grid Corporation of India Ltd	229319997	49%	49%	229319997	49%	49%	0%
3	Mr Ravi P Singh	1	0%	0%	1	0%	0%	0%
4	Mr I S Jha	1	0%	0%	1	0%	0%	0%
5	Mr Arun Kumar	1	0%	0%	1	0%	0%	0%
	Total	468000000	100%	100%	468000000	100%	100%	0%

iii) Change in Promoter' Shareholding (please specify, if there is no change)

Sl No.	Shareholding at the beginning of the year		Reason	Increase/ decrease in promoters' Shareholding during 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	No of Shares	% of Total Shares of the Company
The Tata Power Company Ltd	238680000	51%	No Change	0	0%	238680000	51%
Power Grid Corporation of India Ltd	229319997	49%	No Change	0	0%	229319997	49%
Mr Ravi P Singh	1	0%	No Change	0	0%	1	0%
Mr I S Jha	1	0%	No Change	0	0%	1	0%
Mr Arun Kumar	1	0%	No Change	0	0%	1	0%

iv) Shareholding pattern of top ten shareholders other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	Shareholding at the beginning of the year		Reason	Increase or decrease in Shareholding during 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
	NIL*	NA				NIL	NA

* All shareholders are in the category of Promoters/ Directors

v) Shareholding of Directors and key Managerial Personnel

v) Shareholding of Directors and Key Managerial Personnel

Sl No.	Name of Shareholder	Shareholding at the beginning of the year		Reason	Increase/ decrease in promoters' Shareholding during 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	No of Shares	% of Total Shares of the Company
1	Mr Arun Srivastava (Second Joint Holder)	1	0%	No Change			1	0%
2	Mr I S Jha	1	0%	No Change			1	0%
3	Mr Ravi P Singh	1	0%	No Change			1	0%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

In Rs Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	35940.11			35940.11
ii) Interest due but not paid	0.00			0.00
iii) Interest accrued but not due	426.85			426.85
Total (i+ii+iii)	36366.96	0	0	36366.96

Change in Indebtedness during the financial year				
<input type="checkbox"/> Addition				
<input type="checkbox"/> Reduction				
	9,100.00			9,100.00
Net Change	9,100.00	0	0	9,100.00
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid	26840.11			26840.11
iii) Interest accrued but not due	0.00			0.00
	323.97			323.97
Total (i+ii+iii)	27164.08	0	0	27164.08

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs)

SI No.	Particulars of remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr Jayant Tiku, CEO& ED	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,	52,65,894.80	52,65,894.80

	1961		
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	8,05,458.31	8,05,458.31
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961		0.00
2	Stock Option		0.00
3	Sweat Equity		0.00
4	Commission - as % of profit - others, specify		0.00
5	Others, please specify		0.00
	Total (A)	60,71,353.11	60,71,353.11
	Ceiling as per the Act	Rs 5.89 crore i.e. 5% of the Net Profits computed as per Section 198 of the Companies Act, 2013	

B. Remuneration to other directors:

(Rs)

Sl.	Name of Directors	Particulars of Remuneration			Total
		Fee for attending board / committee Meetings	Commission	Others, please specify	
I.	Independent Directors				
1.	Mr. N. H. Mirza	1,20,000	Nil	Nil	1,20,000
2.	Mrs Rita Sinha	3,40,000	Nil	Nil	3,40,000
3	Mr D Diptivilasa	1,40,000			1,40,000
	Total (A)	6,00,000	Nil	Nil	6,00,000

II.	Other Non-Executive				Nil
1.	Mr R N Nayak*	Nil	Nil	Nil	Nil
2.	Mr Ashok Sethi ^{&}	Nil	Nil	Nil	Nil
3.	Mr I S Jha*	Nil	Nil	Nil	Nil
4	Mr R T Agarwal*	Nil	Nil	Nil	Nil
5	Mr Sanjeev Mehra ^{&}	Nil	Nil	Nil	Nil
6	Mr Ravi P Singh*	Nil	Nil	Nil	Nil
7	Mr Arun Srivastava ^{&}	Nil	Nil	Nil	Nil
8	Mr Ajay Kapoor ^{&}	Nil	Nil	Nil	Nil
9	Mr K S R Murty*	Nil	Nil	Nil	Nil
10	Mr P N Dixit*	Nil	Nil	Nil	Nil
	Total (B)	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	5,20,000	Nil	Nil	5,20,000
	Overall Ceiling as per the Act	N.A. The Remuneration is only by way of Sitting Fees. As per section 197(2) of the Act, ceiling of 1% of Net Profits does not include sitting fees.			

*No payment of sitting fee is being made to the Directors nominated on the Board of the Company from Power Grid Corporation of India Ltd., being a Central Public Sector Undertaking.

[&]No sitting fee is being paid to Directors nominated on the Board of the Company by TATA Power Company Ltd. as per Board approved policy

C. Remuneration to Key Managerial Personnel* Other than Managing Director/ Manager
Whole Time Director

Rs

Sl No.	Particulars of remuneration	Key Managerial Personnel				
		CEO - Mr Tiku	Company Secretary - Ms Monica	CFO Mr Suranjit Mishra*	CFO Mr Gajendra Bhardwaj**	Total Amount
		204611	204619	204618	200772	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	52,65,894.80	16,77,921.69	10,18,046.80	20,96,359.48	100,58,222.77
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	8,05,458.31	3,541.40	7,200.00	0.00	8,16,199.71
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961					0.00
2	Stock Option					0.00
3	Sweat Equity					0.00
4	Commission - as % of profit - others, specify					0.00
5	Others, please specify					0.00
	Total	60,71,353.11	16,81,463.09	10,25,246.80	20,96,359.48	108,74,422.48

* Mr Suranjit Mishra, CFO till 31st July 2015

** Mr Gajendra Bhardwaj, CFO appointed from 1st August 2015

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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)
Penalty		Nil			
Punishment		Nil			
Compounding		Nil			

OTHER OFFICERS IN DEFAULT					
Penalty		Nil			
Punishment		Nil			
Compounding		Nil			

ANNEXURE VIII— SECRETARIAL AUDIT REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH 2016

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

To,

The Members,

POWERLINKS TRANSMISSION LIMITED

10th Floor, DLF Tower A
District Center, Jasola
New Delhi - 110025

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **POWERLINKS TRANSMISSION LIMITED** (here in after called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **POWERLINKS TRANSMISSION LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 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 **Powerlinks Transmission Limited** ("The Company") for the financial year ended on 31st March 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; **NOT APPLICABLE**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **NOT APPLICABLE**

(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; **NOT APPLICABLE**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **NOT APPLICABLE**

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **NOT APPLICABLE**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **NOT APPLICABLE**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **NOT APPLICABLE**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **NOT APPLICABLE**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **NOT APPLICABLE**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **NOT APPLICABLE**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **NOT APPLICABLE**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **NOT APPLICABLE**

(vi) The Electricity Act, 2003

(vii) CERC Rules & other Regulations issued from time to time, viz, CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010. The Central Electricity Regulatory Commission (Standards of Performance of inter-State transmission licensees) Regulations, 2012, CERC (Procedure for calculating Revenue from Tariff & Charges) Regulations 2010, Fees and charges of Regional Load Despatch Centre and other related matters Regulations

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.



(ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; **NOT APPLICABLE**

We further report that

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

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

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

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

We further report that during the audit period the company has **not** undertaken the following activities.

(i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.

(ii) Redemption / buy-back of securities

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013

(iv) Merger / amalgamation / reconstruction, etc.

(v) Foreign technical collaborations

For Nirbhay Kumar & Associates

**Date – 2nd May 2016
Place – New Delhi**

**Nirbhay Kumar
C.P. 7887
M. No. 21093**



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POWERLINKS TRANSMISSION LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **POWERLINKS TRANSMISSION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 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 for the year then ended.

Management's Responsibility for the 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 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 prescribed under Section 133 of the Act, as applicable.

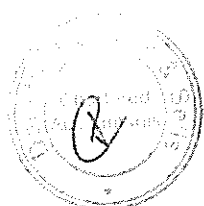
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 thereunder and the Order under section 143 (11) of the Act.

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



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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 qualified audit opinion on the financial statements.

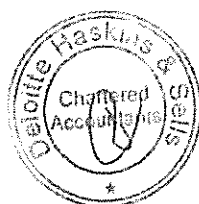
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

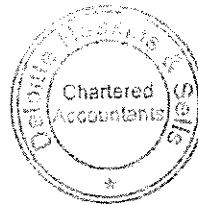
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
- e. On the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



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- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 30 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 - Refer Note 31(c) to the financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company - Refer Note 36 to the financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order / CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



A handwritten signature in black ink, appearing to read "Alka Chadha".

Alka Chadha
Partner
(Membership No. 93474)

Gurgaon, 3 May, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **POWERLINKS TRANSMISSION LIMITED** ("the Company") as of 31 March, 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 controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 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".

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



A handwritten signature in black ink, appearing to read "Alka Chadha".

Alka Chadha
Partner
(Membership No. 93474)

Gurgaon, 3 May, 2016

Deloitte Haskins & Sells

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



Deloitte Haskins & Sells

vii. According to the information and explanations given to us in respect of statutory dues:

- a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

We are informed that the provisions of Employees' State Insurance Act, 1948 are not applicable to the Company and that the operations of the Company during the year do not give rise to Excise Duty.

- b. There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2016 for a period of more than six months from the date they became payable.

We are informed that the provisions of Employees' State Insurance Act, 1948 are not applicable to the Company and that the operations of the Company during the year do not give rise to Excise Duty.

- c. Details of dues of Sales Tax which have not been deposited as on 31 March, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved	Amount Unpaid
				Rs. / in lacs	Rs. / in lacs
The Central Sales Tax Act, 1956	Disputed demand raised by sales tax authorities	High Court Lucknow	2004-05 to 2007-08	3,621.72	3,621.72
The Central Sales Tax Act, 1956	Disputed demands raised by sales tax authorities	Additional Commissioner (Appeals) Lucknow	2008-09 to 2010-11	192.66	192.66

We are informed that there are no dues of Income-tax, Service Tax, Customs Duty and Value Added Tax which have not been deposited as on 31 March, 2016 on account of disputes. We are informed that the Company's operations do not give rise to Excise duty.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken loans from government. The Company has not issued any debentures.

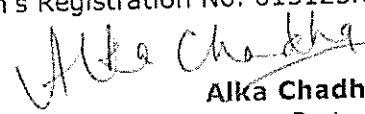


Deloitte Haskins & Sells

- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Gurgaon, 3 May, 2016



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

Alka Chadha
Partner
(Membership No. 93474)

POWERLINKS TRANSMISSION LIMITED
BALANCE SHEET AS AT 31 MARCH, 2016

	Note No.	As at 31.03.2016 (Rs. / Lacs)	As at 31.03.2015 (Rs. / Lacs)
A. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUND			
a. Share capital	3	46,800.00	46,800.00
b. Reserves and surplus	4	6,793.61	6,599.71
		<u>53,593.61</u>	<u>53,399.71</u>
2. NON-CURRENT LIABILITIES			
a. Long term borrowings	5	17,740.11	26,840.11
b. Deferred tax liabilities (net)	6	-	-
c. Advance against depreciation		9,873.21	9,873.21
d. Other long term liabilities	7	6,282.30	4,837.73
e. Long term provisions	8	106.51	116.82
		<u>34,002.13</u>	<u>41,667.87</u>
3. CURRENT LIABILITIES			
a. Trade payables	9	-	-
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		322.22	311.08
b. Other current liabilities	10	5,809.47	4,107.48
c. Current maturities of long-term debt	11	9,100.00	9,100.00
d. Short term provisions	12	1,150.63	1,440.81
		<u>16,382.32</u>	<u>14,959.37</u>
		<u>1,03,978.06</u>	<u>1,10,026.95</u>
B. ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed assets			
i. Tangible assets	13A	77,425.77	85,389.73
ii. Intangible assets	13B	90.82	115.38
iii. Capital work-in-progress (CWIP)		124.27	18.17
		<u>77,640.86</u>	<u>85,523.28</u>
b. Long term loans and advances	14	10,083.53	8,269.35
		<u>87,724.39</u>	<u>93,792.63</u>
2. CURRENT ASSETS			
a. Current investments	15	2,785.93	2,651.00
b. Inventories	16	173.17	191.32
c. Trade receivables	17	2,910.31	2,487.73
d. Cash and cash equivalents	18	7,717.57	8,204.92
e. Short term loans and advances	19	118.05	140.29
f. Other current assets	20	2,548.64	2,559.06
		<u>16,253.67</u>	<u>16,234.32</u>
		<u>1,03,978.06</u>	<u>1,10,026.95</u>

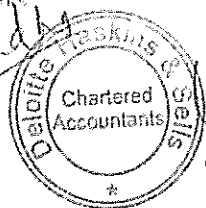
See accompanying notes forming part of the financial statements

1-39

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Partner



For and on behalf of the Board of Directors

J S Jha
Chairman

Gajendra Bhardwaj
Chief Financial Officer

Jayant Tiku
Chief Executive Officer
& Executive Director

Monica Mehra
Company Secretary

Place: Gurgaon
Date: 3 May, 2016

Place: Gurgaon
Date: 3 May, 2016

POWERLINKS TRANSMISSION LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2016

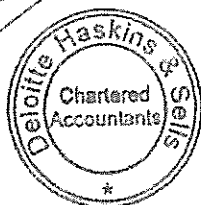
	Note No.	Year ended 31.03.2016 (Rs. / Lacs)	Year ended 31.03.2015 (Rs. / Lacs)
1. Revenue from operations	21	23,392.86	24,190.56
2. Other income	22	1,431.56	1,607.85
3. Total income		<u>24,824.42</u>	<u>25,798.41</u>
4. Expenses			
a. Employee benefits expense	23	668.67	792.68
b. Finance costs	24	3,031.74	3,898.33
c. Depreciation and amortisation expense	13	8,196.61	8,162.89
d. Transmission, administration and other expenses	25	1,235.43	1,073.78
5. Total expenses		<u>13,132.45</u>	<u>13,927.68</u>
6. Profit before tax		<u>11,691.97</u>	<u>11,870.73</u>
7. Tax expense:			
a. Current tax expenses		2,495.25	2,488.16
b. (Less): MAT credit		(1,699.39)	(1,828.80)
c. Net current tax expense		795.86	659.36
d. Deferred tax		237.35	(16.85)
Less: Adjustable from future tariff income		(237.35)	16.85
Net tax expense		<u>795.86</u>	<u>659.36</u>
8. Profit for the year		<u>10,896.11</u>	<u>11,211.37</u>
9. Earnings per equity share	35	2.33	2.40
(Face value Rs. 10 per share)			
-Basic and diluted (Rupees)			

See accompanying notes forming part of the condensed financial statements 1-39

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Alka Chadha
Partner



I S Jha
I S Jha
Chairman

Gajendra Bhardwaj
Gajendra Bhardwaj
Chief Financial Officer

Jayant Tikku
Jayant Tikku
Chief Executive Officer
& Executive Director

Monica Mehra
Monica Mehra
Company Secretary

Place: Gurgaon
Date: 3 May, 2016

Place: Gurgaon
Date: 3 May, 2016

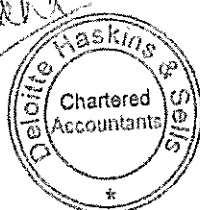
POWERLINKS TRANSMISSION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

	Year ended 31.03.2016 (Rs. / Lacs)	Year ended 31.03.2015 (Rs. / Lacs)
A. Cash flow from operating activities		
Net Profit before tax	11,691.97	11,870.73
Adjustments for:		
Depreciation and amortisation expense	8,196.61	8,162.89
Loss on fixed assets written off (net)	107.67	47.68
Finance costs	3,031.74	3,898.33
Interest from banks on deposits	(706.13)	(658.88)
Net gain on sale of current investments - mutual funds	(489.28)	(870.57)
Excess provisions no longer required written back		(4.82)
Operating profit before working capital changes	21,832.58	22,445.36
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	18.15	5.95
Trade receivables	(422.58)	(405.85)
Short-term loans and advances	22.24	98.81
Long-term loans and advances	(0.11)	0.13
Other current assets	(41.11)	(52.65)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	11.14	95.67
Other current liabilities	1,775.94	787.70
Other long-term liabilities	1,444.57	1,490.16
Short-term provisions	(8.54)	12.20
Long-term provisions	(10.31)	16.04
Cash generated from operations	24,621.97	24,493.52
Income tax paid	(2,623.87)	(2,480.75)
NET CASH FROM OPERATING ACTIVITIES	A 21,998.10	22,012.77
B. Cash flow from investing activities		
Capital expenditure on fixed assets	(411.40)	(259.44)
Proceeds from sale of fixed assets	3.48	1.50
Interest received	757.66	534.10
Purchase of mutual fund units	(45,087.30)	(48,949.00)
Sale of mutual fund units	45,441.65	52,779.57
Fixed deposit not considered as Cash and cash equivalents		
- Placed	(9,062.40)	(7,943.80)
- Matured	9,317.90	4,989.38
NET CASH FROM INVESTING ACTIVITIES	B 959.59	1,152.31
C. Cash flow from financing activities		
Repayment of long-term borrowings	(9,100.00)	(9,100.00)
Finance costs	(3,134.61)	(4,005.05)
Dividend paid	(9,126.00)	(9,009.00)
Dividend distribution tax paid	(1,828.91)	(1,531.08)
NET CASH USED IN FINANCING ACTIVITIES	C (23,189.52)	(23,645.13)
Net decrease in Cash and cash equivalents (A+B+C)	(231.83)	(480.05)
Cash and cash equivalents at the beginning of the year (See note 18)	261.12	741.17
Cash and cash equivalents at the end of the year	29.29	261.12

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Partner



For and on behalf of the Board of Directors

T S Jha
Chairman

Jayant Tiku
Chief Executive Officer
& Executive Director

Gajendra Bhardwaj
Gajendra Bhardwaj
Chief Financial Officer

Monica Mehra
Monica Mehra
Company Secretary

Place: Gurgaon
Date: 3 May, 2016

Place: Gurgaon
Date: 3 May, 2016

POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 1

Background

Powerlinks Transmission Limited (the Company), has been set up pursuant to an agreement entered into between The Tata Power Company Limited and Power Grid Corporation of India Limited (Powergrid) with 51% and 49% shareholding respectively, to construct, operate and maintain 1,166 Kilometers of five 400 KV Double Circuit Transmission Lines and one 220 KV Double Circuit Transmission Line from Siliguri in West Bengal via Bihar to Mandola in Uttar Pradesh under the "Build-Own-Operate-Transfer" (BOOT) basis. Power is being evacuated from the Tala Hydro Electric Power Project in Bhutan, a Project developed by Government of India and Government of Bhutan, and surplus power in Eastern India and is being transferred to Northern India through the transmission lines.

The Company has been granted transmission license for 25 years by Central Electricity Regulatory Commission (CERC) for the transmission of electricity effective 13 November, 2003.

The Company has also entered into a Transmission Service Agreement and Implementation Agreement with Powergrid according to which entire transmission capacity of the transmission lines is being made available to the Powergrid for the transmission of power. The transmission lines are in operation since 2006.

Note 2: Significant accounting policies

a. Basis of accounting

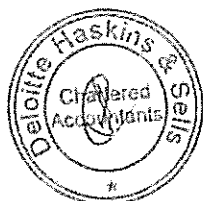
The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis using the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c. Reserves and surplus

Self Insurance reserve is created at the rate of 0.1% per annum on gross block of Transmission Assets as at the end of the year by appropriating current year profit towards future losses which may arise from un-insured risks.



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

d. Inventories

Inventories are valued at the lower of cost determined on weighted average basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

e. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

f. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

g. Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets in respect of electricity business comprising of non-factory building and transmission lines is provided at the rate as well as methodology notified by the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 generally in accordance with the provision of Schedule II of the Companies Act, 2013.

Depreciation on other tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the vehicles whose estimated useful life is estimated as 4 years by the management taking into account the nature of assets, the estimate usage of the asset, the operating conditions of the assets etc.

Assets costing less than Rs. 5,000 individually have been fully depreciated in the year of purchase.

Intangible assets are amortised over their estimated useful life on straight line method or 5 years, whichever is lower.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

h. Revenue recognition

- i Transmission Service Charges have been computed as per the CERC (Terms & Conditions of Tariff) Regulations, 2014, effective 1 April, 2014, applicable for the Tariff Block 2014-2019. As per CERC Regulations 2014, transmission income is to be computed by taking Return on Equity (ROE) at the rate of 15.50 % on post tax basis and after grossing up with applicable MAT tax rate (as applicable for the respective financial year) for the purpose of recognition of revenue.
- ii The transmission system incentive/disincentive is accounted for based on the norms approved by CERC and 'Certificate of Availability' given by the respective Regional Power Committees and respective regional load dispatch centers.
- iii Revenue on fixed price contracts is recognised according to the 'proportionate completion' method based on work completed.
- iv Surcharge recoverable from customers and liquidated damages/ interest on advances to suppliers are recognised when no significant uncertainty as to measurability and collectability exists.

i. Other income

Interest income is accounted on accrual basis. Dividend income is accounted when the right to receive is established.

j. Tangible assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful lives of such assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such assets beyond their previously assessed standards of performance.

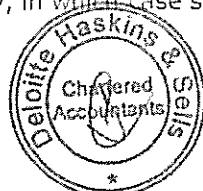
Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

Capital work-in-progress:

Tangible fixed assets which are not ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

k. Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

l. Foreign exchange transactions and translations

Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date:

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

Treatment of exchange differences:

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

m. Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

n. Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences

Defined contribution plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plan:

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of such compensated absences is accounted as under:

- i in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- ii in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

o. Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

p. Leases

i. Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

ii. Finance lease

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of asset and the present value of minimum lease rentals is capitalised as fixed assets with the corresponding amount shown as lease liability. The principal component in the lease rentals is adjusted against the lease liability and the interest component is charged to the Statement of Profit and Loss.



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

q. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

r. Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

s. Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment, if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

t. Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events 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. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

u. Advance Against Depreciation (AAD)

Advance against depreciation (AAD), forming part of tariff pertaining upto the block period 2004-09, to facilitate repayment of loans, is to be recognised 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 financial statements.

v. Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

w. Operating Cycle

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



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 3 : Share Capital

	As at 31.03.2016		As at 31.03.2015	
	Number of shares	Amount (Rs./Lacs)	Number of shares	Amount (Rs./Lacs)
(a) Authorised				
Equity shares of Rs. 10 (Previous year Rs. 10) each with voting rights	48,36,00,000	48,360.00	48,36,00,000	48,360.00
(b) Issued				
Equity shares of Rs. 10 (Previous year Rs. 10) each with voting rights	46,80,00,000	46,800.00	46,80,00,000	46,800.00
(c) Subscribed and fully paid up				
Equity shares of Rs. 10 (Previous year Rs. 10) each with voting rights	46,80,00,000	46,800.00	46,80,00,000	46,800.00
	46,80,00,000	46,800.00	46,80,00,000	46,800.00

See notes (i) to (iv) below

(i) The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Details of shares held by each shareholder holding more than 5% shares:

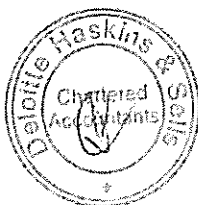
Class of shares / Name of shareholder	As at 31.03.2016		As at 31.03.2015	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
The Tata Power Company Limited	23,86,79,997	51.00	23,86,79,997	51.00
The Tata Power Company Limited and individuals jointly	3		3	
Power Grid Corporation of India Limited	22,93,19,997	49.00	22,93,19,997	49.00
Individuals of Power Grid Corporation of India Limited	3		3	
	46,80,00,000	100.00	46,80,00,000	100.00

(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Movement	Closing Balance
Equity shares with voting rights			
As at 31.03.2016			
- Number of shares	46,80,00,000		46,80,00,000
- Amount (Rs./Lacs)	46,800.00		46,800.00
As at 31.03.2015			
- Number of shares	46,80,00,000		46,80,00,000
- Amount (Rs./Lacs)	46,800.00		46,800.00

(iv) Details of shares held by The Tata Power Company Limited, the holding Company

Particulars	Aggregate number of shares	
	As at 31.03.2016	As at 31.03.2015
Fully paid up equity shares with voting rights		
The Tata Power Company Limited	23,86,79,997	23,86,79,997
The Tata Power Company Limited and individuals jointly	3	3



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31.03.2016 (Rs. / Lacs)	As at 31.03.2015 (Rs. / Lacs)
Note 4 : Reserves and surplus		
a. General reserve		
i. Opening balance	5,258.00	5,258.00
ii. Add: Transferred from surplus in Statement of Profit and Loss		
iii. Closing balance	<u>5,258.00</u>	<u>5,258.00</u>
b. Self insurance reserve		
i. Opening balance	1,162.84	1,010.61
ii. Add: Transferred from surplus in Statement of Profit and Loss	152.23	152.23
iii. Closing balance	<u>1,315.07</u>	<u>1,162.84</u>
c. Surplus in Statement of Profit and Loss		
i. Opening balance	178.87	74.65
ii. Add: Profit for the year	10,896.11	11,211.37
iii. Less: Interim dividend distributed to equity shareholders [1.70 per share (Previous year Rs. 1.70 per share)]	7,956.00	7,956.00
iv. Final dividend distributed to equity shareholders [0.20 per share (Previous year Re. 0.25 per share)]	936.00	1,170.00
v. Tax on interim dividend	1,619.66	1,590.73
vi. Tax on final dividend	190.55	238.19
vii. Transferred to general reserve		
viii. Transferred to self insurance reserve	152.23	152.23
Closing balance	<u>220.54</u>	<u>178.87</u>
	<u>6,793.61</u>	<u>6,599.71</u>



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31.03.2016 (Rs. / Lacs) Non Current	As at 31.03.2015 (Rs. / Lacs) Non Current
Note 5 : Long term borrowings		
Secured loans (see note 'I' below)		
a. From bank -		
i. State Bank of India	3,219.27	5,058.85
ii. IDFC Bank Limited	1,131.67	-
	4,350.94	5,058.85
b. From others		
i. International Finance Corporation	5,499.33	8,249.00
ii. Asian Development Bank	4,889.84	7,334.75
iii. IDFC Limited	-	6,197.51
iii. IDFC Infra Debt Fund Limited	3,000.00	-
	13,389.17	21,781.26
	17,740.11	26,840.11

Note

I. Secured loans

a) Security

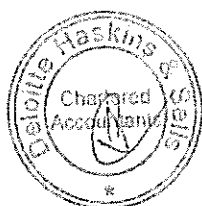
The Company has entered into loan agreement with the Financial Institutions and Banks collectively known as "Senior Lenders" for financing the project. The Company has created a first charge ranking pari passu on:

- i. all of its tangible, intangible, movable, fixed and current assets;
- ii. all products of income from and proceeds of sale or other disposition of and any rights, easements, benefits, options, agreements, indemnities, warranties or covenants in respect of all of the foregoing; both present and future, in favour of the Senior Lenders for the purpose of above mentioned loan amounts.

	As at 31.03.2016	As at 31.03.2015
b) Rate of interest		
a. From bank -		
i. State Bank of India	10.29%	10.29%
ii. IDFC Bank Limited	10.19%	-
b. From others		
i. International Finance Corporation	8.80%	8.80%
ii. Asian Development Bank	9.14%	9.14%
iii. IDFC Limited	-	10.19%
iv. IDFC Infra Debt Fund Limited	10.19%	-

c) Details of terms of repayment in respect of the secured other long-term borrowings:

	(Rs. / Lacs)
April 2017- March 2017	9,100.00
April 2018 - January 2019	8,640.11
	17,740.11



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31.03.2016 (Rs. / Lacs)	As at 31.03.2015 (Rs. / Lacs)
Note 6 : Deferred tax liabilities (net)		
a. Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.		
b. The Company has started availing the tax benefit under section 80IA of the Income Tax Act, 1961, with effect from the financial year 2011-12, whereby the Company will be entitled to a tax holiday for 10 years. Deferred tax liabilities as at 31 March, 2016, as detailed below reflect the quantum of tax liabilities accrued up to 31 March, 2016 but payable after the expiry of tax holiday period.		
<u>Tax effect of items constituting deferred tax liabilities</u>		
On difference between book balance and tax balance of fixed assets	12,943.28	12,705.93
Less: Adjustable from future tariff income	12,943.28	12,705.93
Tax effect of items constituting deferred tax liabilities (see note below)	<u>-</u>	<u>-</u>

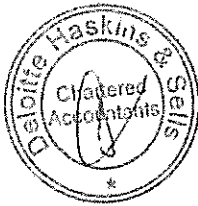
Note:

Adjustable from future tariff income as per the Central Electricity Regulatory Commission Tariff Regulations.



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31.03.2016 (Rs. / Lacs)	As at 31.03.2015 (Rs. / Lacs)
Note 7 : Other long term liabilities		
Unearned income - to be utilised in future tariff determination	6,282.30	4,837.73
	<u>6,282.30</u>	<u>4,837.73</u>
Note 8 : Long term provisions		
a. Provision for employee benefits		
i. Provision for compensated absences	97.17	104.81
ii. Provision for gratuity (net) (see note 29)	9.34	12.01
	<u>106.51</u>	<u>116.82</u>



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31.03.2016 (Rs. / Lacs)	As at 31.03.2015 (Rs. / Lacs)
Note 9 : Trade payables		
Other than acceptances		
a. Total outstanding dues of micro enterprises and small enterprises (see note 38)		
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	322.22	311.08
	<u>322.22</u>	<u>311.08</u>
Note 10 : Other current liabilities		
a. Interest accrued but not due on borrowings	323.97	426.85
b. Dividend distribution tax on interim dividend	1,619.66	1,590.73
c. Other payables		
i. Statutory dues (Contributions to PF, ESIC, withholding taxes and service tax etc.)	26.05	46.78
ii. Payables on purchase of fixed assets	8.38	8.38
iii. Advance from customers	1,123.49	1,072.58
iv. Unearned income - to be utilised in future tariff determination	2,707.92	962.16
	<u>5,809.47</u>	<u>4,107.48</u>
Note 11 : Current maturities of long-term debt		
a. From banks (see note below)		
i. State Bank of India	1,839.58	1,839.58
ii. IDFC Bank Limited	565.84	
	<u>2,405.42</u>	<u>1,839.58</u>
b. From others (see note below)		
i. International Finance Corporation	2,749.67	2,749.67
ii. Asian Development Bank	2,444.91	2,444.91
iii. IDFC Limited		2,065.84
iv. IDFC Infra Debt Fund Limited	1,500.00	
	<u>6,694.58</u>	<u>7,260.42</u>
	<u>9,100.00</u>	<u>9,100.00</u>
Note: Security for 'Current maturities of long-term debt' is stated in note 'I' of Note 5 - 'Long term borrowings'		
Note 12 : Short term provisions		
a. Provision for employee benefits		
i. Provision for compensated absences	24.08	32.62
b. Provision - others		
i. Provision for proposed dividend	936.00	1,170.00
ii. Provision for tax on proposed dividend	190.55	238.19
	<u>1,150.63</u>	<u>1,440.81</u>



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 13 : Fixed assets (At cost)

		GROSS BLOCK				DEPRECIATION/AMORTISATION			NET BLOCK	
S. No.	Description	As at 01.04.2015	Additions	Deletions / Adjustments	As at 31.03.2016	As at 01.04.2015	For the year	Deletions / Adjustments	As at 31.03.2016	As at 31.03.2015
A TANGIBLE ASSETS:										
1	Freehold land (Owned)	131.39 (131.39)	-	-	181.78 (131.39)	-	-	-	-	181.78 (131.39)
2	Non factory building	2,606.38 (2,601.57)	-	-	2,606.38 (2,606.38)	434.70 (334.84)	100.31 (99.86)	-	535.01 (434.39)	2,071.37 (2,171.68)
3	Plant and equipment	1,52,232.03 (1,52,166.85)	191.34 (191.34)	199.18 (84.88)	1,52,232.03 (1,52,232.03)	69,312.93 (61,316.79)	8,037.84 (8,033.34)	88.59 (37.20)	77,262.18 (69,312.93)	82,919.10 (90,850.06)
	a. Transmission lines									
	b. Computers	16.43 (9.88)	1,37.37 (1,37.37)	3.98 (7.75)	19.27 (16.43)	4.90 (2.26)	5.37 (5.23)	6.46 (3.90)	9.81 (4.90)	11.53 (7.62)
	c. Others	120.03 (101.35)	44.76 (18.68)	-	164.79 (120.03)	24.68 (18.70)	8.09 (5.98)	0.03 (-)	32.74 (24.66)	131.55 (95.35)
4	Furniture and fixtures	43.07 (36.56)	9.09 (9.46)	9.03 (9.95)	51.33 (43.07)	29.65 (29.36)	1.99 (3.19)	0.51 (2.99)	30.83 (29.65)	20.50 (13.42)
5	Vehicles	4.13 (71.76)	17.53 (-)	5.16 (17.62)	16.20 (4.13)	2.03 (15.18)	5.91 (3.38)	5.19 (16.53)	2.75 (2.03)	13.45 (2.10)
6	Office equipment	71.45 (50.14)	2.14 (24.00)	1.05 (2.99)	72.73 (71.25)	26.29 (19.73)	12.54 (9.36)	6.77 (30.71)	34.43 (79.18)	45.16 (30.71)
	Total	1,55,224.91 (1,55,119.80)	319.24 (216.31)	207.00 (111.20)	1,55,337.15 (1,55,224.91)	69,835.18 (61,736.86)	8,172.05 (8,160.34)	95.85 (62.02)	77,911.38 (85,389.73)	85,389.73 (93,382.94)
	Previous year									
B INTANGIBLE ASSETS:										
1	Computer software	122.82 (11.75)	-	-	122.82 (122.82)	7.44 (4.89)	24.56 (2.55)	-	32.00 (7.44)	115.38 (6.86)
	Total	122.82 (11.75)	- (111.07)	- (-)	122.82 (122.82)	7.44 (4.89)	24.56 (2.55)	- (-)	32.00 (7.44)	115.38 (6.86)
	Previous year									
	Grand total	1,55,347.73 (1,55,131.55)	319.24 (327.38)	207.00 (111.20)	1,55,459.97 (1,55,347.73)	69,842.62 (61,741.75)	8,196.61 (8,162.89)	95.85 (62.02)	77,943.38 (85,505.11)	85,505.11 (93,399.80)
	Previous year									

Note: Figures in brackets pertain to the previous year



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31.03.2016 (Rs. / Lacs)	As at 31.03.2015 (Rs. / Lacs)
Note 14 : Long term loans and advances (Unsecured, considered good)		
a. Capital advances	1,032.47	1,046.41
b. Security deposits	37.04	36.93
c. Advance income tax and tax deducted at source [net of provision for tax Rs. 18,901.17 lacs (Previous Year Rs. 16,405.91 lacs)]	826.32	697.70
d. MAT credit entitlement	8,179.27	6,479.88
e. Other loans and advances	8.43	8.43
	10,083.53	8,269.35

Note 15 : Current investments

Investments in mutual funds (Unquoted)
(At lower of cost or fair value)

a. Nil (Previous Year : 1,958,061.76 units each of Rs. 29.42) Sundaram Money Fund Regular Growth		576.00
b. Nil (Previous Year : 108,008.74 units each of Rs. 1,921.14) Religare Invesco Liquid fund - Growth		2,075.00
c. 5,709.32 (Previous Year : Nil) units each of Rs. 23.82 Tata Money Market Fund Regular Plan - Growth	136.00	
d. 78,983.25 (Previous Year : Nil) units each of Rs. 3,152.57 HDFC Cash Management Fund - Regular - Growth	2,490.00	
e. 3,95,269.17 (Previous Year : Nil) units each of Rs. 40.46 J M High Liquidity - Growth*	159.93	
	2,785.93	2,651.00
Aggregate amount of unquoted investments	2,785.93	2,651.00

* Current investments under lien for Self Insurance Reserve



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	As at 31.03.2016 (Rs. / Lacs)	As at 31.03.2015 (Rs. / Lacs)
Note 16 : Inventories (At lower of cost and net realisable value)		
Stores and spares	173.17	191.32
Note 17 : Trade receivables (Unsecured, considered good)		
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Considered good	3.12	
- Doubtful	16.85	16.85
	19.97	16.85
Less: Provision for doubtful trade receivables	16.85	16.85
	3.12	
b. Other trade receivables	2,907.19	2,487.73
	2,910.31	2,487.73
Note 18 : Cash and cash equivalents		
A Cash and cash equivalents		
a. Cash in hand		0.34
b. Balance with banks - in current accounts	29.29	80.78
c. Balance with banks - in demand deposit accounts		180.00
Total - Cash and cash equivalents (as per AS 3 Cash Flow Statements) (A)	29.29	261.12
B Other bank balances		
a. In earmarked accounts		
- in deposit accounts under lien*	7,688.28	7,943.80
Total - Other bank balances (B)	7,688.28	7,943.80
Total Cash and cash equivalents (A+B)	7,717.57	8,204.92
* Deposits under lien for Debt Service Reserve Account (DSRA) Debt Service Accrual Account (DSAA), Insurance Reserve and Guarantee	7,688.28	7,943.80
Note 19 : Short term loans and advances (Unsecured, considered good)		
a. Loans and advances to employees	9.01	3.16
b. Prepaid expenses	3.90	27.98
c. System operation charges recoverable	98.38	102.07
c. Advance to vendors	6.76	7.08
	118.05	140.29
Note 20 : Other current assets		
a. Unbilled revenue	2,334.73	2,293.62
b. Accrued interest on deposits	213.91	265.44
	2,548.64	2,559.06



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	Year ended 31.03.2016 (Rs. / Lacs)	Year ended 31.03.2015 (Rs. / Lacs)
Note 21 : Revenue from operations		
Sale of services (see note below)	23,392.86	24,190.56
Note:		
Sale of services comprises:		
a. Transmission service charges	23,137.92	23,870.36
b. Incentive on transmission service charges	235.94	276.85
c. Consultancy, project management and supervision fee	19.00	43.35
	<u>23,392.86</u>	<u>24,190.56</u>
Note 22 : Other income		
a. Interest from banks on deposits	706.13	658.88
b. Surcharge	223.00	56.04
c. Net gain on sale of current investments - mutual funds	489.28	870.57
d. Other non-operating income (see note 'i' below)	13.15	22.36
	<u>1,431.56</u>	<u>1,607.85</u>
(i) Other non-operating income comprises:		
a. Excess provision no longer required written back		4.82
b. Miscellaneous income	13.15	17.54
	<u>13.15</u>	<u>22.36</u>



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

	Year ended 31.03.2016 (Rs. / Lacs)	Year ended 31.03.2015 (Rs. / Lacs)
Note 23 : Employee benefit expenses		
a. Salaries and wages	561.17	656.87
b. Contribution to provident and other funds	71.86	84.14
c. Staff welfare expenses	35.64	51.67
	668.67	792.68

Note 24 : Finance costs

a. Interest expense on borrowings	3,011.81	3,869.96
b. Others - Other borrowing costs	19.93	28.37
	3,031.74	3,898.33

Note 25 : Transmission, administration and other expenses

a. Rent and hire charges	17.91	15.70
b. Repairs and maintenance		
i. Building	32.59	8.91
ii. Plant and machinery	182.04	133.36
iii. Others	2.49	1.93
c. Insurance charges	7.31	9.23
d. Rates and taxes (see note 'ii' below)	5.30	46.06
e. Communication expenses	22.00	21.51
f. Travelling and conveyance	100.81	155.34
g. Printing, postage and stationery	2.68	8.49
h. Rebate on transmission charges	166.74	182.32
i. Payment to auditors (see note 'i' below)	41.67	31.90
j. Legal and professional fees	56.88	83.90
k. Office and security expenses	71.93	143.55
l. Director's sitting fees	6.85	5.20
m. Electricity charges	12.21	18.13
n. Fees and subscription	3.95	20.60
o. Training and workshop expenses	1.39	11.03
p. Loss on fixed assets written off (net)	107.67	47.68
r. System operation charges (see note 'iii' below)		
s. Expenditure on corporate social responsibility	384.24	111.47
t. Miscellaneous expenses	8.77	17.47
	1,235.43	1,073.78

Note

i. Payment to auditors comprises

A. To statutory auditors

(a) for Statutory audit (including quarterly audits)	18.30	12.36
(b) for Tax audit	2.29	1.69
(c) for Certification fee	2.86	3.43
(d) for other services	-	4.94
(e) Reimbursement of expenses	0.80	0.69
	24.25	23.11

The remuneration disclosed above excludes fees of Rs. 16.27 lacs (Previous year Rs. 7.39 lacs) for professional services rendered by firm of accountants in which the partners of the firm of statutory auditors are partners.

B. To cost auditors for cost audit

	1.15	1.40
	25.40	24.51

ii. Rates and taxes

Less: reimbursements received/receivable for application fee and license fee paid	60.18	102.50
	(54.88)	(56.44)
	5.30	46.06

iii. System operation charges

Less: recoverable from beneficiaries	29.12	33.72
	(29.12)	(33.72)
	-	-



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 26: Provision for income tax

The Company has made provision of tax of Rs. 2,495.25 Lacs (Previous year Rs. 2,488.16 Lacs) as follows:

- a. Rs. 2,189.49 Lacs (Previous year Rs. 2,149.46 Lacs) under section 115JB of the Income Tax Act, 1961 on Transmission business.
- b. Rs. 305.76 Lacs (Previous year Rs. 338.70 Lacs) under section 115JB of the Income Tax Act, 1961 on income from consultancy and other sources during operation period.

Note 27: Transmission service charges

Transmission service charge including incentive to be charged to customers is determined by the Central Electricity Regulatory Commission (CERC) in accordance with the tariff regulations/norms notified by CERC.

During the year the Company has raised invoices to customers for transmission charges on the basis of tariff as approved by CERC and applicable upto 31 March, 2014. The Company has filed the Petition for Annual Transmission Charges for the period April 2014 to March 2019 under Regulation 7(3) of Central Electricity Regulatory Commission 'CERC' (Terms & Conditions of Tariff) Regulations 2014. Pending approval of the final tariff, the Company has accrued the transmission service income including incentive on an estimated basis as per CERC regulations dated 21 February, 2014 effective from 1 April, 2014.

Note 28: Expenditure for consultancy services

Total expenditure of Rs. 13,132.45 lacs (Previous year Rs. 13,927.68 lacs) for the year includes Rs. 17.84 lacs (Previous year Rs. 35.30 lacs) incurred towards project management consultancy.



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 29: Disclosure pursuant to Accounting Standard 15 (revised 2005) on 'Employee Benefits'

a. Defined contribution plan

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the Employees Provident Fund is deposited with the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

The Company recognised Rs. 61.92 Lacs (Previous year Rs. 65.05 Lacs) for Superannuation and provident fund contributions in the Statement of Profit and Loss. The contribution payable to the plan by the Company is at the rate specified in rules to the scheme.

b. Defined benefit plan – Gratuity plan

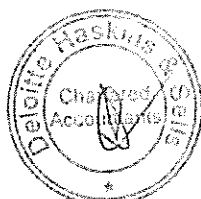
The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn basic salary) for each completed year of service subject to completion of five years service.

c. Policy for recognising actuarial gains and losses

Actuarial gains and losses arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss as income or expense.

d. The following tables set out the funded status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March, 2016:

(All amounts in Rs. /Lacs)			
S. No.	Particulars	Year ended 31.03.2016	Year ended 31.03.2015
i. Change in benefit obligations:			
A.	Present value of obligations at the beginning of year	92.17	77.28
B.	Current service cost	8.84	11.69
C.	Interest cost	7.19	7.03
D.	Actuarial gain/(loss) on obligation	0.86	6.55
E.	Benefits paid	-30.89	-10.38
	Present value of obligations at the end of the year (F=A+B+C+D+E)	78.17	92.17
ii. Change in plan assets:			
A.	Fair value of plan assets at the beginning of year	80.16	76.23
B.	Actual return on plan assets	7.02	7.05
C.	Employer's contributions	11.91	8.13
D.	Benefits paid	-30.19	-10.38
E.	Actuarial gain / (Loss)	-0.07	-0.87
	Plan assets at the end of the year	68.83	80.16
		As at 31.03.2016 (Rs. / Lacs)	As at 31.03.2015 (Rs. / Lacs)
iii	Net Liability (i-ii)	9.34	12.01
	Long term provisions	9.34	12.01
	Short term provisions	-	-
		9.34	12.01



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(All amounts in Rs. /Lacs)

S. No.	Particulars	Year ended 31.03.2016	Year ended 31.03.2015
iv	Expenses recognised in the Statement of Profit and Loss:		
A	Current service cost	8.84	11.69
B	Interest cost	7.19	7.03
C	Expected return/(loss) on plan assets	-7.02	-7.05
D	Actuarial gain recognised during the year	0.93	7.42
	Net charge/(credit) (E=A+B+C+D)	9.94	19.09

v **Additional Information:**

	2016	2015	2014	2013	2012	2011
Present Value of benefit obligations	78.17	92.17	77.28	71.43	58.28	56.84
Fair Value of Plan Asset	68.83	80.16	76.23	58.68	52.97	46.89
Excess of (obligation over plan asset)/ Plan asset over obligation	9.34	12.01	1.05	12.75	5.31	9.96

vi **Experience adjustment:**

On Plan liability	-0.37	0.35	-5.06	-5.37	2.42	-20.52
On Plan assets	-0.07	-0.87	0.38	-0.34	-0.22	0.01

vii **Principal actuarial assumptions:**

S. No.	Particulars	Refer note below	Year ended 31.03.2016	Year ended 31.03.2015
i.	Discount rate (p.a.)	1	7.70%	7.80%
ii.	Rate of return on assets (p.a.)	2	8.35%	8.75%
iii.	Salary escalation rate (p.a.)	3	10.00%	10.00%
iv.	Estimate of amount of contribution in the immediate next year	Rs. / Lacs	8.28	12.48

Notes

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

Demographic assumptions:

- Retirement age 60 years
- Mortality rate Indian Assured Lives Mortality (2006-08)



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

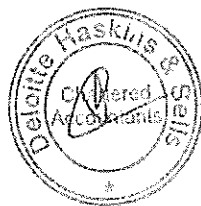
e. Actuarial assumptions for long –term compensated absences

i Principal actuarial assumptions:

S.	Particulars	Refer note below	Year ended 31.03.2016	Year ended 31.03.2015
i	Discount rate (p.a.)	1	7.70%	7.80%
ii	Salary escalation rate (p.a.)	3	10.00%	10.00%

Notes

- 1 The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- 2 The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- 3 The planned assets of the Company are managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. Information on categories of plan assets is not available with the Company.



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

Note 30: Contingent liabilities

Particulars	As at 31.03.2016 (Rs. / Lacs)	As at 31.03.2015 (Rs. / Lacs)
a. Claims against the Company not acknowledged as debts*		
- Disputed demands raised by sales tax authorities	3,814.38	3,495.38
- others	1,512.13	1,392.05
	<u>5,326.51</u>	<u>4,887.43</u>

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

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

As per the Supreme Court ruling dated 5 January, 2010 in case of "National Hydroelectric Power Corporation Limited Vs Commissioner of Income Tax", the Supreme Court had opined that AAD cannot be considered as income being income received in advance which would be taxed in the year in which income is accrued. Accordingly, the Company had revised its income tax returns in August 2010 and claimed a refund of Rs. 611.40 lacs and Rs. 536.14 lacs for the years ended 31 March, 2008 and 31 March, 2009 respectively.

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

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

Note 31: Commitments

- a. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for 166.73 147.37
- b. The Company has other commitments, for purchases/sales orders which are issued after considering requirements per operating cycle for purchase / sale of services, in normal course of business
- c. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Note 32: Expenditure incurred in foreign currency

Particulars	Year ended 31.03.2016 (Rs. / Lacs)	Year ended 31.03.2015 (Rs. / Lacs)
a. Other borrowing cost	6.34	6.07



POWERLINKS TRANSMISSION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 33: Related Party Disclosures

a. List of related parties

- (i) Holding Company
· The Tata Power Company Limited (TPCL)
- (ii) Company exercising significant influence
· Power Grid Corporation of India Limited (PGCIL)
- (iii) Subsidiary of company exercising significant influence
· Power System Operation Corporation Limited (POSOCO)
- (iv) Associate of Holding Company
· Yashmun Engineering Limited (YEL)
- (v) Key Management Personnel
· Jayant Tiku- Chief Executive Officer & Executive Director (w.e.f. 1 February, 2015)
· Arvind Singh- Executive Director & CEO (upto 31 January, 2015)

b. Transactions/balances outstanding with Related Parties

(All amounts are in Rs. / Lacs)

S. No.	Particulars	(TPCL)	(PGCIL)	POSOCO	YEL	KMP	Total
Transactions during the year:							
1	Transmission service charges	- (-)	23,137.92 (23,870.36)	(-)	(-)	- (-)	23,137.92 (23,870.36)
2	Incentive on transmission service charges	(-)	235.94 (276.85)	(-)	(-)	(-)	235.94 (276.85)
3	Consultancy, project management and supervision fee	19.00 (35.44)	(-)	(-)	(-)	(-)	19.00 (35.44)
4	Surcharge	(-)	223.00 (56.04)	(-)	(-)	(-)	223.00 (56.04)
5	Managerial remuneration	(-)	(-)	(-)	(-)	86.91 (79.60)	86.91 (79.60)
	Arvind Singh	(-)	(-)	(-)	(-)	(64.81)	(64.81)
	Jayant Tiku	(-)	(-)	(-)	(-)	86.91 (14.79)	86.91 (14.79)
6	Repairs and maintenance Plant and machinery	(-)	(-)	(-)	143.72 (44.85)	(-)	143.72 (44.85)
7	Rebate on transmission charges	(-)	166.74 (182.32)	(-)	(-)	(-)	166.74 (182.32)
8	System operation charges	(-)	(-)	29.12 (33.72)	(-)	(-)	29.12 (33.72)
9	Reimbursement of expenses by the Company	(0.23)	33.78 (77.62)	(-)	(-)	(-)	33.78 (77.85)
10	Reimbursement of expenses to the Company	(0.82)	84.00 (90.16)	(-)	(-)	(-)	84.00 (90.98)
11	Interim dividend paid	4,057.56 (4,057.56)	3,898.44 (3,898.44)	(-)	(-)	(-)	7,956.00 (7,956.00)
12	Final dividend	477.36 (596.70)	458.64 (573.30)	(-)	(-)	(-)	936.00 (1,170.00)
13	Purchase of computer software	(110.13)	(-)	(-)	(-)	(-)	(110.13)



