

पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड

(भारत सरकार का उद्यम)

POWER GRID CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)



पावरग्रिड

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

CIN : L40101DL1989GOI038121

C/COS/Listing/

Dt: 02.08.2017

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

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

Dear Sir,

Sub: **Submission of Outcome of Board Meeting held on 01.08.2017.**

Please refer our communication dt. 01.08.2017 on the above mentioned subject.

Please find attached Annexure A which was inadvertently not submitted to the Exchange with our letter dt. 01.08.2017. Further, M/s Chandra Wadhwa & Co., Cost Accountants, New Delhi has been appointed as Cost Auditors for the FY 2017-18 (New Appointment) and its brief profile is as under:

M/s. Chandra Wadhwa & Co. was established in the 2001. It is a leading cost accountancy firm rendering comprehensive professional services which include audit, management consultancy, tax consultancy, accounting services, manpower management, secretarial services etc.

Thanking You,

Yours faithfully,

(Divya Tandon)
Company Secretary &
Compliance Officer

Annexure - A

I-2

OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
10, BAHADUR SHAH ZAFAR MARG, NEW DELHI - 110 124

No./CA. V/ COY/CENTRAL GOVERNMENT.POGRID(4)/42

Dated :12/07/2017

To
THE MANAGING DIRECTOR
POWER GRID CORPN OF INDIA LTD
SAUDAMINI, PLOT NO.2,
IFFICO CHOWK,
GURGAON-122 00

Subject : Appointment of Auditors under section 139 of the Companies Act, 2013 for the financial year 2017-2018

Sir/Madam,

I am directed to state that in exercise of the powers conferred by section 139 of the Companies Act 2013, the Comptroller and Auditor General of India is pleased to appoint the Chartered Accountant firms/Limited Liability Partnerships As per Annexure - II as the Statutory/Joint Statutory/ Branch Auditors of the company for the year(s) : 2017-2018. Statutory/Joint Statutory Auditor (s) of holding company shall also be the auditors of Consolidated Financial Statements under section 139 read with section 129(4) of the Companies Act, 2013.

2. You are requested to contact the concerned auditors individually under intimation to this office

3. The supplementary/test audit under sections 143 (6) & (7) of the Companies Act, 2013 of your company is entrusted to

PR.DIR OF COMML.AUDIT & EX-OFFICIO MEMBER AUDIT BOARD-III
6th & 7th FLOOR, ANNEXE BLDG
10, BAHADUR SHAH MARG
NEW DELHI-110124

4. The remuneration and other allowances payable to the auditors may be regulated as per the provisions of section 142 of the Companies Act 2013 read with guidelines issued by the Department of Company Affairs vide no. 7/76 dated 8th April, 1976 and no. 8/6/83 dated 07th June, 1984.

5. The audit fees paid/payable to the auditors as intimated by the Company has been indicated in Annexure-II. Any revision in the audit fees payable (including fees for consolidation) for the year 2017-2018 and item-wise details of all remuneration paid to the auditors for other services (other than statutory audit) alongwith the amount of TA/DA paid for 2016-2017 may be intimated.

The said information may be provided as soon as the Accounts for the year 2016-2017 is finalised so as to enable this office to review the appointment/ re-appointment of the appointed auditors.

6. The above appointment is subject to the other conditions stipulated in Annexure-I(Copy enclosed).

Yours faithfully,

(Preeti Narayanan)
Sr. Administrative Officer

Phone : 011-23509240 Fax : 91-11-23237730, 91-11-23509241 E-mail : saoca5@cag.gov.in,
sao2ca5@cag.gov.in

ANNEXURE - I I

LIST OF CHARTERED ACCOUNTANT FIRMS FOR THE YEAR 2017-2018

Sl. No.	Firm Name	PSU Code / Unit Code	Station	Audit Details	Fees in Rs (As intimated by the PSU)
STATUTORY AUDITOR					
1	S K MITTAL & CO (DE0100) MITTAL HOUSE E-29, SOUTH EXTENSION PART-II DELHI NEW DELHI - 110049,DELHI	POGRID NEWDELHI (3)	NEW DELHI	JOINT STATUTORY AUDITORS	1950000
2	R G N PRICE & CO (MD0018) SIMPSON BUILDINGS 861, ANNA SALAI CHENNAI CHENNAI - 600002,TAMIL NADU	POGRID HYDERABD (3)	HYDERABAD	JOINT STATUTORY AUDITORS	1950000
3	KOTHARI & CO (CA0155) 1E, NEELKANTH 25-B, CAMAC STREET, KOLKATA KOLKATA - 700016,WEST BENGAL	POGRID CALCUTTA (3)	KOLKATA	JOINT STATUTORY AUDITORS	1950000
4	PARAKH & CO (CR0309) A-101 PRATIK APARTMENT RAMCHANDRA NAGAR 3, NEAR CADBURY SIGNAL THANE WEST MUMBAI MUMBAI - 400604	POGRID MUMBAI (3)	MUMBAI	JOINT STATUTORY AUDITORS	1950000

OFFICE OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA
10, BAHADUR SHAH ZAFAR MARG, NEW DELHI-110 002

MAB/AG/2013-14

Appointment of auditors of Government Company/ Government controlled other company under Section 139 (5) & (7) of the Companies Act, 2013

1. CONDITIONS FOR THE COMPANY

1. The Company may send a list of Directors and the previous Auditors of the Company giving their names and addresses to the newly appointed Auditors immediately on receipt of this letter.
2. While the auditor is responsible for forming and expressing an independent opinion on the financial statements, the responsibility for their preparation is that of the management of the enterprise. The audit of the financial statements does not relieve the management of its responsibilities relating to the maintenance of adequate accounting records, internal controls and safeguarding of the assets of the enterprise. As provided in Section 134 of the Act, the Company should submit to the auditors the Financial Statements/Consolidated Financial Statements duly approved by the Board of Directors for their report thereon.
3. According to Section 143 (1) of the Act, the books of accounts and vouchers may be made available to the Auditors. A suitable program of audit in consultation with the statutory auditors and the concerned MAB/AG be drawn up so as to complete the audit within the prescribed time schedule. Details of transactions or explanation called for by the Statutory Auditors must be furnished expeditiously.
- 4 (i). The remuneration payable to the Auditors, fixed by the Company in accordance with section 142 of the Companies Act, 2013, may be intimated immediately to this office and to the auditors.
 - (ii) While fixing the auditor's remuneration, due consideration might be given to the volume of work involved, amount of time normally spent by the partners/chartered accountant employees and the audit clerks of the firm/LLP.
 - (iii) While fixing audit fee due consideration might also be given to the notification No 1-CA (7)/93/2006 dated 18th September 2006 issued by the Institute of Chartered Accountants of India prescribing minimum audit fee. It has been clarified that city/town referred to in the Notification refers to city/town of the Head office or Branch office of the auditor to which the audit is actually allotted.
 - (iv) In cases where audits are allotted to the Branch office of the Firm/LLP no TA/DA should be paid for the audit of the Company/Units located at the same station of the branch.
5. In the interest of maintaining the independence of auditors, no assignment for consultancy or internal audit or any other services i.e. accounting and book keeping services, design and implementation of any financial information system, actuarial services, investment advisory services, investment banking services, rendering of outsourced financial services, management services etc. of the Company or its holding company or partly owned subsidiaries of the Company (irrespective of the shareholding) or joint ventures of the company whether under production sharing contract or otherwise may be provided to the firm/LLP directly or indirectly as per explanation given under section 141 of the Companies Act, 2013 during the year of audit and for one year (to be counted from the date of conclusion of the relevant Annual General Meeting of the Company) after the firm/LLP ceases to be auditor. Non-audit assignments that involve performing management functions or making management decisions and audit of annual accounts of subsidiary companies (irrespective of the shareholding)/Joint Ventures/Associates are also prohibited during the year of audit and for one year after the firm/LLP ceases to be auditor. This condition would not apply in case of auditors being entrusted assignments for the tax audit under Income Tax Act, review of Quarterly/ half yearly accounts as per SEBI guidelines, VAT audit required under various State Legislations and other statutory certificates related to the audit assignment.
- 6(a) The Company should confirm past audit details including audit fees. Any changes in audit details including the fees in the future may be intimated to this office from time to time. Any other remuneration like TA/DA, Certification fees, tax audit fees, quarterly/half yearly review fees, VAT audit etc. paid to the Statutory/Branch Auditors in addition to the audit fees in the last three years and in future may also be intimated. The remuneration for other work like review of quarterly accounts as per SEBI guidelines, fees for tax audit, other statutory certificates etc should be restricted to a reasonable percentage of the total audit fee payable to the auditors and which in total should not exceed the fee payable for carrying out the statutory audit. The details of such remuneration may also be intimated to this office for record.
- 6(b) The Auditors have to comply with the directions issued by this office under Section 143 (5) of the Companies Act, 2013 and for this purpose the auditors have to attend meetings called by the concerned DG/PAG/AG/MAB. For attending such meetings, reasonable expenditure on TA/DA incurred by the auditors may be reimbursed by the company.
7. Proposals for re-organisation of units in the future may be sent to this Office well before the beginning of the financial year the accounts of which are to be audited.
8. The Company may also intimate to this office (i) the date of commencement of audit, and the date on which the comments of the C&AG of India along with the Auditors Report is placed in AGM as per the provisions of 143 (6) of the Companies Act, 2013.
9. To reduce the arrears, in case of Companies whose accounts are in arrears, and to avoid delays in appointing auditors for the past few accounting years in arrears, the Company may initiate action for appointment of auditors for the subsequent years soon after the completion of audit of the preceding years. A copy of such certified accounts may be made available direct to the Director General (Commercial) in this Office. If the process is repeated in succession, the Company can hold a series of meetings of the shareholders and present the accounts. It can thus clear the accounts for 3-4 years within a period of one year.

II. CONDITIONS FOR THE AUDITORS

1. The firm/LLP may please intimate their acceptance as auditors of the Company within 3 weeks of receipt of this appointment letter to (i) the Company (ii) this Office (iii) concerned DG/PAG/AG/MAB entrusted with the Supplementary/test Audit of the Company. If, for any reason the Auditors are not in a position to accept the appointment, they may intimate all the above-mentioned offices immediately along with the reasons for their decision.
2. The appointment / re-appointment of the firm/LLP is subject to its performance in the previous years' audit being adjudged as satisfactory by the DG/PAG/AG /MAB concerned.
3. The appointment/re-appointment of auditor is subject to the Auditor making the following declarations/undertakings
 - (i) That the firm/LLP is not disqualified under section 141 of the Companies Act, 2013
 - (ii) That no unreasonable TA/DA, out of pocket expenses will be claimed from the company. In case where audit(s) is allotted to the Branch office of the Firm/LLP no TA/DA should be claimed by the firm/LLP from the company for the audit of the Company/Units located at the same station of the branch.
 - (iii) That during the year of audit, and for one year after (to be counted from the date of conclusion of the relevant Annual General Meeting of the Company) the Firm/LLP ceases to be Auditor, no assignment for internal audit or consultancy or other services i.e. accounting and book keeping services, design and implementation of any financial information system, actuarial services, investment advisory services, investment banking services, rendering of outsourced financial services, management services etc. to the company or its holding company or partly owned subsidiaries of the Company (irrespective of the shareholding) or joint ventures of the Company whether under production sharing contract or otherwise will be accepted directly or indirectly as per explanation given under section 144 of the Companies Act, 2013 by the firm/LLP. Non-audit assignments that involve performing management functions or making management decisions and audit of annual accounts of subsidiary companies (irrespective of the shareholding)/Joint Ventures/Associates are also prohibited during the year of audit and for one year after the firm/LLP ceases to be auditor. This condition would not apply to assignments for the tax audit under Income Tax Act, VAT audit required under various State Legislations, review of Quarterly/half yearly accounts as per SEBI guidelines and other statutory certificates related to the audit assignment.
 - (iv) That no partner/chartered accountant employee of the firm/LLPs has been held guilty of professional misconduct by the Institute of Chartered Accountants of India during last year (in case any partner of the firm/LLP has been held guilty of professional misconduct by the Institute of Chartered Accountant of India, please furnish details thereof).
 - (v) The audit would not be done by a person (i) who is neither a partner nor an employee of the firm/LLP to which the audit has been allotted; (ii) who was earlier associated with the audit of the said PSU as a partner/employee of the retiring auditor.
 - (vi) No partner of the firm/LLP would hold post of Director (except in the case of financial companies) or undertake audit or any other job/assignment of any Private organization/ Company which is in the same line of business or having any business relation with that of the PSU.
4. The auditor may start the audit of the Company immediately on receipt of the accounts of the Company. However, they should certify the accounts for the year only after the audited accounts for the previous year has been laid before the AGM for their consideration. In case audited accounts of the previous years has been considered but finally not adopted by the shareholders, the auditor can certify the accounts of the succeeding year indicating the fact of the non-adoption of the previous years' accounts in their report.
5. The time schedule for conducting the audit may be drawn up with scheduling of audit i.e. indicating the period of audit of different departments/ units of the PSU and also the name of personnel & their qualification who will be deployed for audit of each unit. A copy of the time schedule so fixed may be sent to the concerned DG/PAG/AG/MAB so that they may also draw their time schedule for supplementary audit.
6. The firm/LLP must complete the audit of the units/branches allotted to them within the time schedule stipulated by the management so that the statutory time schedule for placing the accounts in the AGM could be adhered to.
7. Record of audit work done in the form of working papers should be retained with sufficient information so as to support the auditors' significant conclusions and judgments.
8. The Auditors shall have to comply with the directions issued by this office under 143(5) of the Companies Act, 2013. The remuneration is inclusive of the fee on account of the additional work involved in this regard. Directions under section 143(5) is available on www.sauindia.gov.in (CA Empanelment).
9. Statutory auditors of the companies who have adopted SAP should deploy at least one partner/employee having ISA/CISA qualification to conduct the audit.
10. The Company/Auditor(s) will have to comply with the other provisions of the Companies Act, 2013 as may be required, which have not been specifically covered above.