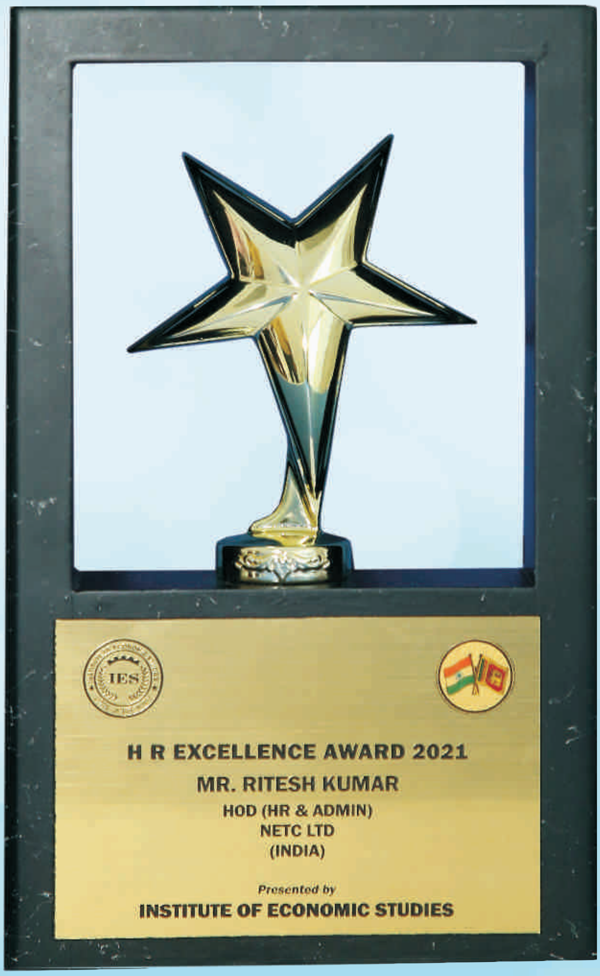
NETC

ANNUAL REPORT 2021-22

NORTH EAST TRANSMISSION COMPANY LIMITED

INTERNATIONAL AWARDS



The Institute of Economic Studies has awarded **NETC** with the **GOLD** Medal, **MR. SATYAJIT GANGULY** (Managing Director) with the **"INTERNATIONAL LEADERSHIP INNOVATION EXCELLENCE AWARD"**

MR. RITESH KUMAR, HoD (HR & Admin) with the **"HR EXCELLENCE AWARD"** and **"GOLD MEDAL".**

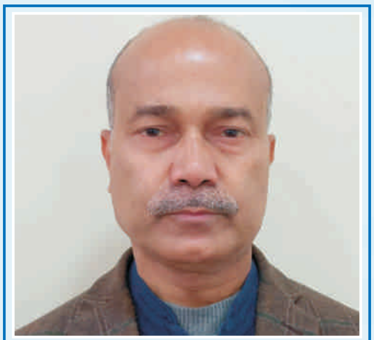
BOARD OF DIRECTORS

MR. K. SREEKANT
CHAIRMAN

MR. SATYAJIT GANGULY
MANAGING DIRECTOR

MR. RAJESH GUPTA
DIRECTOR (PROJECTS)

MRS. CHAITALI DUTTA



MR. DEBAJYOTI DAS

MR. DEBASHIS SARKAR

MR. O. P. SINGH

MR. P. UMA SHANKAR

MR. VANLAL TLANA

MR. YASH MALIK

MR. Y. K. DIXIT

REFERENCE INFORMATION

Registered Office:
Village- East Champamura, Khayerpur By-pass Road
P.O/P.S- Old Agartala, District- West Tripura
Agartala-799008 (Tripura)

CIN: U40101TR2008PLC008249
Website: www.netcindia.in
Email id: netc@netcindia.in

Corporate Office:
#2C, 3rd Floor, D-21, Corporate Park, DMRC Building
Sector-21, Dwarka, New Delhi-110077

Chief Financial Officer:
Mr. Rajeev Maggo
rajeevmaggo@netcindia.in

Company Secretary:
Mr. Mukesh Kumar
mukeshkumar@netcindia.in

Statutory Auditor:
Shiv & Associates
103,105, Plot No. 1, Vardhaman Indraprastha Plaza
I.P. Extension, Patparganj, New Delhi-110092

Cost Auditor:
K. G. Goyal & Associates, Cost Accountants
289, Maharani Farms, Durgapura, Jaipur-302018

Secretarial Auditor:
Kumar Naresh Sinha & Associates, Company Secretaries
121, Vinayak Apartments,
Plot No.- C-58/19, Sector-62, Noida (UP), 201309

Registrar and Transfer Agent:
Link Intime India Pvt. Ltd.
Noble Heights, 1st Floor, Plot No NH-2, C-101, 247 Park
L.B.S. Marg, Vikhroli (West), Mumbai-400083

Banker :
ICICI Bank Limited

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NOTICE OF FOURTHEENTH (14TH) ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fourteenth (14th) Annual General Meeting (AGM) of the members of North East Transmission Company Limited will be held on Tuesday, 27th September, 2022, at 01.00 p.m. through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

Item No. 1- Adoption of Financial Statements

To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and the Auditor thereon along with the comments of the Comptroller and Auditor General of India.

Item No. 2- Declaration of Dividend

To note the payment of interim dividend of Rs. 1.00 per equity share and declare a final dividend of Rs. 0.50 per equity share, for the financial year ended March 31, 2022.

Item No. 3- Re-appointment of Shri K. Sreekant as Director liable to retire by rotation

To appoint a director in place of Shri K. Sreekant (DIN 06615674), who retires by rotation and, being eligible, seeks re-appointment.

Item No. 4- Re-appointment of Mrs. Chaitali Dutta as Director liable to retire by rotation

To appoint a director in place of Mrs. Chaitali Dutta (DIN 08681238), who retires by rotation and, being eligible, seeks re-appointment.

Item No. 5- Fixation of the remuneration of the Auditor of the company, appointed by the Comptroller and Auditor-General of India, for the financial year 2022-2023

In this connection, to consider, and if deemed fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 139 and all other applicable provisions, if any, of the Companies Act, 2013, the Auditor of the Company appointed by the Comptroller and Auditor General of India for the Financial Year 2022-23, shall be entitled to such remuneration for the financial year 2022-23 as may be approved by the Board of Directors of the Company."

SPECIAL BUSINESS

Item No. 6- Ratification of remuneration of the Cost Auditors of the Company for the financial year 2022-23

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s K. G. Goyal & Associates, Cost Accountants (Firm Registration No. 00024), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2023, amounting to Rs. 35,000/- (Rupees Thirty-Five Thousand only) plus GST and re-imbursement of out-of-pocket expenses if any, incurred in connection with the aforesaid audit, be and is hereby ratified.

RESOLVED FURTHER THAT the Board or any officer authorised by it be and are hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item No.7- Re-Appointment of Shri Yash Malik as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), and the Rules made thereunder, read with Schedule IV of the Act, Mr. Yash Malik (DIN : 08529130), whose first tenure as an Independent Director has expiring on 05.08.2022, and in respect of whom the Company has received a notice in writing under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 2 years with effect from the date of this Annual General Meeting.

RESOLVED FURTHER THAT the Board or any officer authorised by it be and are hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

Item No. 8- Appointment of Shri Yugesh Kumar Dixit as Director of the Company

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

"RESOLVED THAT Shri Yugesh Kumar Dixit (DIN 09473467) a nominee of Power Grid Corporation of India Limited who was appointed as an Additional Director of the Company with effect from 3rd March 2022 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT the Board or any officer authorised by it be and are hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item No. 9- Appointment of Shri Debajyoti Das as Director of the Company

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

"RESOLVED THAT Shri Debajyoti Das (DIN 09498066), a nominee of Assam Electricity Grid Corporation Limited, who was appointed as an Additional Director of the Company with effect from 20th May 2022 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation.
RESOLVED FURTHER THAT the Board or any officer authorised by it be and are hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item No. 10- Appointment of Shri Debashis Sarkar as Director of the Company

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

"RESOLVED THAT Shri Debashis Sarkar (DIN 08741500) a nominee of the State of Tripura who was appointed as an Additional Director of the Company with effect from 25th August 2022 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

RESOLVED FURTHER THAT the Board or any officer authorised by it be and are hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item No. 11- Appointment of Shri Rajesh Gupta as a Director of the Company

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

"RESOLVED THAT Shri Rajesh Gupta (DIN 09325275) a nominee of Power Grid Corporation of India Limited, who was appointed as an Additional Director of the Company with effect from 29th September 2021 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

RESOLVED FURTHER THAT the Board or any officer authorised by it be and are hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item No. 12- Approval of appointment of Shri Rajesh Gupta as a Whole-time Director of the Company and approval of his remuneration

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), as amended or re-enacted from time to time, read with Schedule V to the Act and Articles of Association of the Company, the Company hereby approves the appointment Shri Rajesh Gupta (DIN 09325275) as a Whole-time Director of the Company upon the terms & conditions and remuneration as approved by the Board of Directors of the Company in its meeting held on 14th December, 2021 and as set out in the Explanatory Statement annexed to the Notice, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such a manner as may be agreed to between the Board of Directors and Shri Rajesh Gupta."

RESOLVED FURTHER THAT the Board or a Committee thereof or any officer authorised by the Board be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

By Order of the Board of Directors
Sd/-
(Mukesh Kumar)
Company Secretary

Place: Delhi
Dated: 01.09.2022

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the business under Item No. 6-12 of the Notice, is annexed hereto.

2. Pursuant to the General Circulars 2/2022 and 19/2021, other circulars issued by the Ministry of Corporate Affairs (MCA) and Circular companies are allowed to hold AGM through VC/ OAVM, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.

3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her/its behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.

4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

6. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

    a. Members will be able to attend the AGM through VC / OAVM by using the credentials (provided to the members separately by email id provided by the members).

    b. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM.

    c. Members who need assistance before or during the AGM, can contact to Mukesh Kumar, Company Secretary at mukeshkumar@netcindia.in / +91 9818858867 or Mr. Yashwant Kumar, Executive (IT) at yashwant@netcindia.in / +91 9873624604.

7. Government / Corporate shareholders are required to send a scanned copy (PDF / JPG Format) of their respective Board Resolution / Authorization etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote. The said Resolution / Authorization shall be sent to the Company Secretary by e-mail on its registered e-mail address to mukeshkumar@netcindia.in.

8. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013, if any, will be available for inspection at the Annual General Meeting.

9. Record date and Dividend:

    A. Members may note that the Board, at its meeting held on 25th August 2022, has recommended a final dividend of Rs. 0.50 per share.

B. The record date for the purpose of final dividend for the Financial Year 2021-2022 is 27th September 2022. If dividend on equity shares, as recommended by the Board, is approved at the AGM, the payment of such dividend will be made to all members whose names are on the Company's Register of Members on 27th September 2022.

C. Members are requested to provide details of their bank account in which the amount of the dividend can be credited.

10. Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a company on or after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend.

11. Members desiring any information relating to the accounts are requested to write to the Company well in advance to enable the Management to keep such information ready.

12. Members may also note that the Notice of the AGM and the Annual Report 2021-22 will also be available on the Company's website, https://netcindia.in.

13. The Resolutions, if passed by the requisite majority, shall be deemed to have been passed on the date of the AGM i.e. 27th September 2022.

By Order of the Board of Directors
Sd/-
(Mukesh Kumar)
Company Secretary

Place: Delhi
Dated: 01.09.2022
Email: mukeshkumar@netcindia.in

NOTICE

BOARD'S REPORT

FINANCIAL STATEMENT

EXPLANATORY STATEMENT

Relating to Special Business mentioned in the Notice the Annual General Meeting
(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 6:

Ratification of remuneration of the Cost Auditors of the Company for the financial year 2022-23

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s K. G. Goyal & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2023. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Member is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel and/or their relatives, are concerned or interested (financially or otherwise) in the proposed Resolution.

The Board recommends the Ordinary Resolution set forth in Item no. 6 for the approval of Members.

Item No. 7

Re-Appointment of Shri Yash Malik as an Independent Director of the Company

The Board, in its meeting held on 24th July 2019, had appointed Mr. Yash Malik as an Independent Director of the Company with effect from 5th August 2029 for a period of three years which was ratified by the members in 11th Annual General Meeting of the Company held on 20th September 2019. Thus, the tenure of Mr. Yash Malik as an Independent Director has completed on 4th August 2022.

As per section 149(10) of the Companies Act, 2014 an Independent Director can hold office for a term up to five consecutive years on the Board of a company, and shall be eligible for reappointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's Report.

Mr. Yash Malik is eligible to be re-appointed as an Independent Director for a term upto five years. The Company has received a declaration of independence from Mr. Yash Malik. He performance has been evaluated by the Board and found it satisfactory. In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013, for appointment as Independent Director of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Independent Directors is available at the website of the Company www.netcindia.in and it also available for inspection at the Registered Office of the Company during business hours on any working day.

Mr. Yash Malik (64 years), Former Executive Director of Oil & Natural Gas Corporation Ltd. (ONGC), as an Independent Director of the Company. Mr. Yash Malik is a BE (Mining Engineering) Gold Medalist from Jodhpur University and Master Degree in Financial Management, JBIMS. Mr. Yash Malik is a highly experienced professional with more than 36 years of professional work experience having a comprehensive and keen understanding of the energy business with active interest in upstream oil and gas. Specialty focus areas includes Corporate Board-level management, Strategic Planning, Marketing, Onshore and Offshore oil/gas field operations / process, sour gas processing, contracts and project monitoring with a proven ability deliver production and marketing goals and objectives of the upstream sector within stipulated timelines. Subsequent to superannuation from ONGC, he worked as Advisor (E&P) for two years, where he Advised Govt. of India on matters related to Upstream Oil and Gas Operations, Policy Planning and Implementation, execution of contracts with E&P Operators.

None of the Directors or Key Managerial Personnel and their relatives, except Mr. P. Yash Malik, to whom the resolution relates, are concerned or interested (financially or otherwise) in passing the proposed resolution set out in item no. 7.

The Board recommends the SPECIAL Resolution set out in Item no. 7 for approval of the Members.

Item No. 8:

Appointment of Shri Yugesh Kumar Dixit as Director of the Company

Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors proposes the appointment of Shri Yugesh Kumar Dixit (DIN 09473467) in the Annual General Meeting as a Director of the Company. Shri Yugesh Kumar Dixit is appointed by the Board as an Additional Director of the Company with effect from 3rd March 2022. He is nominated by the Power Grid Corporation of India Limited pursuant to the Shareholders' Agreement dated February 3, 2009 executed between the Company, ONGC Tripura Power Company Ltd., Power Grid Corporation of India Limited, Government of Tripura and subsequent deed of adherence signed with Assam Electricity Grid Corporation Limited, Government of Meghalaya, Government of Mizoram, Government of Manipur and Government of Nagaland.

As per the provisions of Section 161 of the Act, Shri Yugesh Kumar Dixit holds office of Additional Director only up to the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director.

Shri Yugesh Kumar Dixit (55 years) is ED (BDD & JV) in Power Grid Corporation of India Limited. He has over 32 years of work experience, primarily in the power sector. He has handled various multi-disciplinary functions like Engineering, Load Dispatch & Communication, Substation & Transmission line Construction, Quality Assurance and Inspection. He has worked in various capacities in EHV Sub-stations and Transmission lines, both as an Operation & Maintenance executive as well as a construction engineer. He was also looking after O&M of 33 nos. AC/HVDC S/S & 17000 CKM of T/L in Northern-Region-I. Before joining POWERGRID in 1991 Mr. Y.K Dixit has worked for about 2 years in NTPC.

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Yugesh Kumar Dixit, to whom the resolution relates, are concerned or interested (financially or otherwise) in passing the proposed resolution set out in item no. 8.

The Board recommends the Ordinary Resolution set out in Item no. 7 for approval of the Members.

Item No. 9- Appointment of Shri Deabajyoti Das as Director of the Company

Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors proposes the appointment of Shri Debajyoti Das (DIN 09498066) in the Annual General Meeting as a Director of the Company. Shri Debajyoti Das is appointed by the Board as an Additional Director of the Company with effect from 20th May 2022. He is nominated by Assam Electricity Grid Corporation Limited pursuant to the Shareholders' Agreement dated 3rd February 2022 executed between the Company, ONGC Tripura Power Company Ltd., Power Grid Corporation of India Limited, Government of Tripura and subsequent deed of adherence signed with Assam Electricity Grid Corporation Limited, Government of Meghalaya, Government of Mizoram, Government of Manipur and Government of Nagaland.

As per the provisions of Section 161 of the Act, Shri Debajyoti Das holds office of Additional Director only up to the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director.

Shri Debajyoti Das (57 years) is Managing Director of Assam Electricity Grid Corporation Limited. He has over 32 years of work experience, primarily in the power sector. He has handled various multi-disciplinary functions like Engineering, Load Dispatch & Communication, Substation & Transmission line Construction, Quality Assurance and Inspection. He has worked in various capacities in EHV Sub-stations and Transmission lines, both as an Operation & Maintenance executive as well as a construction engineer.

None of the Directors or Key Managerial Personnel and their relatives, except Shri Debajyoti Das, to whom the resolution relates, are concerned or interested (financially or otherwise) in passing the proposed resolution set out in item no. 9.

The Board recommends the Ordinary Resolution set out in Item no. 9 for approval of the Members.

Item No. 10

Appointment of Shri Debashis Sarkar as Director of the Company

Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors proposes the appointment of Shri Debashis Sarkar (DIN 08741500) in the Annual General Meeting as a Director of the Company. Shri Debashis Sarkar has appointed by the Board as an Additional Director of the Company with effect from 4th August 2022. He is nominated by the Government of Tripura pursuant to the Shareholders' Agreement dated 3rd February 2022 executed between the Company, ONGC Tripura Power Company Ltd., Power Grid Corporation of India Limited, Government of Tripura and subsequent deed of adherence signed with Assam Electricity Grid Corporation Limited, Government of Meghalaya, Government of Mizoram, Government of Manipur and Government of Nagaland.

As per the provisions of Section 161 of the Act, Shri Debashis Sarkar holds office of Additional Director only up to the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director.

Shri Debashis Sarkar (57 years) is Managing Director of Tripura State Electricity Corporation Limited. He is looking after the Transmission and Distribution sector for the entire state. He has over 30 years of work experience in Power Generation & Distribution & transmission sector. Previously, he was associated with India Power Corporation Limited (IPCL) as Vice President (Technical), looking after the Asansol Licensee operation as Business Head, an integrated power company having Generation, transmission & distribution within its licensed area of business. Before that, he was leading the Ranchi-based subsidiary of CESC Ltd as Head (O&M). He has worked with IPCL in the capacity of Addl. Chief Engineer and Chief Engineer overseeing the operational aspects of the Asansol and its surrounding area.

He is conversant in planning & scheduling effective maintenance schedule for enhancing systems. His strengths are communication skills, relationship management, change management, hand-on approach, deep understanding of operations and maintenance of distribution systems, etc. Currently he is leading a workforce around five hundred (500) people.

None of the Directors or Key Managerial Personnel or their relatives, except Shri Debashis Sarkar, to whom the resolution relates, are concerned or interested (financially or otherwise) in passing the proposed resolution set out in item no. 10.

The Board recommends the Ordinary Resolution set out in Item no. 10 for approval of the Members.

Item No. 11 & 12

Based on recommendation of Nomination & Remuneration Committee, the Board of Directors proposes the appointment of Shri Rajesh Gupta in the Annual General Meeting as a Director of the Company nominated by Power Grid Corporation of India Limited. Shri Rajesh Gupta (DIN 09325275) was appointed as Additional Director of the Company w.e.f. 29th

September, 2021 by a Board Resolution passed by circulation. He is nominated as a full time Director in the Board of the Company with effect from 9th September 2021 by Power Grid Corporation of India Limited (POWERGRID) pursuant to the Shareholders Agreement dated February 3, 2009 executed between the Company, ONGC Tripura Power Company Ltd., POWERGRID, Government of Tripura and subsequent deed of adherence signed with Assam Electricity Grid Corporation of India Limited, Government of Meghalaya, Government of Mizoram, Government of Manipur and Government of Nagaland.

Mr. Rajesh Gupta (56 years) is a Graduate Electrical Engineer from Delhi College of Engineering and also holds an MBA from FMS, Delhi University. He has valuable experience of 34 years in different facets of Power Sector. He has worked in various capacities in NTPC and POWERGRID in the areas of design & optimisation, construction, operation & maintenance, project management and consultancy assignments of many EHV AC & HVDC transmission projects. He has been instrumental in software development, tower & foundation design developments, environmental impact studies, failure investigations, O&M improvements, vendor development as well as introduction of new technologies in power system in the country.

He was one of the key members in various domestic as well as international consultancy assignments with Nepal, Kenya, Ethiopia, Tajikistan under World Bank/ADB funded projects. He has co-authored technical papers in various National and International forums.

Before his nomination in NETC, he was posted at Western Region of POWERGRID as Chief General Manager with overall responsibility of Project execution and O&M of transmission lines and substations.
As per the provisions of Section 161 of the Act, he holds office of Additional Director only up to the date of the Annual General Meeting of the Company, and is eligible for appointment as Director.

Shri Rajesh Gupta has been appointed as a Whole-time Director by the Board of Directors of the Company in its meeting held on 14th December 2021. He is entitled a remuneration given hereinbelow with effect from the date of his joining in NETC i.e. 9th September 2022.

The main terms and conditions of appointment of Shri Rajesh Gupta (hereinafter referred to as an “Whole-time Director”) are given below:

A. Tenure of Appointment :

The appointment of Whole-time Director is for a period of five years or date of withdrawal of his nomination by POWERGRID whichever be earlier

B. Nature of Duties :

He shall devote his whole time and attention to the business of the Company and shall perform such duties as may be entrusted to him by the Board from time to time, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.

C. Remuneration :

Following remuneration as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors of the Company is payable to him with effect from 9th September 2021:

Particulars	Amount (Rs. per month)	Amount (Rs. per annum)
Basic Pay (increments as applicable)	219,440.00	2633,280.00
HRA	52,665.60	631,987.20
Cafeteria Allowance (35% of Basic Pay)	76,804.00	921,648.00
Transfer Settlement Benefits	75.00	900.00
Dearness Allowance	59,687.68	716,252.16
Deputation Allowance	9,000.00	108,000.00
Total	**417,672.28**	**5,012,067.16**

In addition to above he will be entitled to leave salary, superannuation benefits, Incremental DA and increments on basic pay as per the POWERGRID Policy. In future, if the employee opts for lease facility, the payment shall be as per the policy of POWERGRID.

The remuneration/ emoluments/ allowances/ PRP and other benefits as drawable by the incumbent in POWERGRID shall be fully protected.

The incumbent is on deputation and shall continue to be on the rolls of POWERGRID and will be entitled to all such consequential service benefits.

Further allowances shall be paid in the following manner as per POWERGRID policy:

- ➢ Telecommunication expenses including Residential Phone, Mobile and Internet charges reimbursement, etc. as per POWERGRID policy;
- ➢ Medical reimbursement, including hospitalization for self and dependent family members, as per POWERGRID rules;
- ➢ Reimbursement of cost of crockery/ uniform/ towels/ other items, as per POWERGRID rules/ circulars issued from time to time.
- ➢ Other benefit, perquisites, allowance, pay or remuneration of whatsoever nature as he may entitled as per the policy/practice of POWERGRID.

RESOLVED FURTHER THAT the members hereby approve to pay above remuneration of Mr. Rajesh Gupta to POWERGRID on monthly basis on receipt of monthly mandate/claim from POWERGRID in this regard.

RESOLVED FURTHER THAT in addition to above, Mr. Rajesh Gupta will be entitled to a following benefits/facilities as per the policy of the Company:

- ➢ Laptop/other gadget;
- ➢ Tour Expenses / reimbursement; and
- ➢ A chauffer driven car including parking/ toll tax / road tax etc."

D. Other terms of Appointment:

i. The terms and conditions of the appointment of the Whole-time Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard, in such manner as may be agreed to between the Board and the Whole-time Director, subject to such approvals as may be required.

ii. The employment of the Whole-time Director may be terminated by the Company without notice or payment in lieu of notice:

a. if the Whole-time Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company; or

b. in the event of any serious repeated or continuing breach (after prior warning) or non-observance of his duty by the Whole-time Director;

iii. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Whole-time Director, unless specifically provided otherwise.

iv. If at any time, the Whole-time Director ceases to be a Director of the Company for any reason whatsoever, he shall also cease to be the Whole-time Director.

None of the Directors or Key Managerial Personnel and their relatives, except Shri K. Sreekant, Shri Y. K. Dixit being Directors nominated by POWERGRID and Shri Rajesh Gupta, to whom the resolution relates, are concerned or interested in this Resolution.

The Board recommends the Ordinary Resolution set out in Item nos. 11 & 12 for approval of the Members.

By Order of the Board of Directors
Sd/-
(Mukesh Kumar)
Company Secretary

Place: Delhi
Dated: 01.09.2022
Email: mukeshkumar@netcindia.in

BOARD'S REPORT

Dear Shareholders,

I am delighted to present on behalf of the Board of Directors of North East Transmission Company Limited (the Company or NETC), the 14th Annual Report on performance of your Company during the financial year which ended on March 31, 2022 together with audited Financial Statements for the Financial Year 2021-22.

Your Company is steadily marching towards new milestones in spite of the challenges posed by COVID-19 pandemic. Following the trend of past financial years, the performance of your Company for financial year 2021-22 also is scripting the story of success, excellence and achievements.

400 kV D/C Palatana-Bongaigaon Transmission corridor comprising five assets having line length of 662.8 KMs has been under excellent state of commercial operation with transmission line availability of 99.94% during the Financial Year 2021-22 by adhering professionaland rigorous operation & maintenance practice.

The major milestones achieved during the financial year 2021-22 are as follows:

- Transmission system availability was 99.94%. The Company has received full incentive in line with the CERC Regulations, as the availability exceeded 99.75%.
- Total income of Rs. 320.76 crore and profit after tax (PAT) of Rs. 69.60 crore.
- Interim dividend at the rate of 10% has been paid and in addition, recommendation has been made to the members to approve 5 % as final dividend for the FY 2021-22.

1. FINANCIAL PERFORMANCE

(Amount in Rs.crore)

Particulars	Financial Year Ended	
	March 31, 2022	March 31, 2021
Paid- up Capital	411.40	411.40
Reserve & Surplus	84.02	67.91
Total Equity	**495.42**	**479.31**
Non-Current Liabilities:		
(a) Secured Loans	789.61	944.89
(b) Other Non-Current Liabilities	98.72	63.68
Current Liabilities	232.19	248.18
Total Equity and Liabilities	**1615.94**	**1736.06**
Non-current Assets	1343.61	1404.41
Current Assets	208.37	271.04
Regulatory Deferral Account Debit Balance	63.96	60.61
Total Assets	**1615.94**	**1736.06**
Total Income	320.76	323.96
Total Expenditure excluding depreciation and tax	79.66	149.87
Profit/(Loss) before Depreciation and Tax	241.10	174.09
Depreciation on Fixed Assets	117.38	117.37
Profit/(Loss) before Tax	123.72	56.71
Tax Expense	54.13	(18.52)
Profit / (Loss) after Taxation	**69.59**	**75.24**

Other Comprehensive Income	0.01	-
Total Profit	**69.60**	75.24
Dividend & Dividend Distribution Tax	53.48	61.71
Balance of Profit/(Loss) Brought Forward	67.90	54.37
Balance of Profit/(Loss) Carried Forward	84.02	67.91

1. DIVIDEND

Your company is paying dividend to the members consistently. The Board of Directors of the Company, in its 66th meeting held on 3rd March 2022, has declared an Interim Dividend for the Financial Year 2021-22 at the rate of 10% (Rs. 1.00/-per equity share) amounting to Rs. 41.14 crore, on the paid-up equity share capital of the Company. Based on the Company's performance, the Board of Directors of your Company is pleased to recommend a final dividend at the rate of 5% i.e. Rs.0.50 per equity share for Financial Year 2021-22. If the members declare the final dividend of said 5%, the total dividend for the Financial Year will reach to 15% i.e., Rs. 1.50 per share. Total dividend of 15% paid in the Financial Year 2020-21. The final dividend on equity shares, if approved by the members, would involve a cash outflow of Rs. 20.57 Crore. No dividend tax is payable for the Financial Year 2020-21 and onwards. The total cash outflow on account of dividend for Financial Year 2021-22 would aggregate Rs. 61.71 crore, resulting in a pay-out of 88.66% of the total profits (PAT) of 2021-22.

2. RESERVES

The closing balance of the retained earnings of the Company for the Financial Year 2021-22, after appropriations and adjustments was Rs.84.02 crore. However, this is subject to payment of final dividend for the FY 2021-2022. During the year, your Company has transferred Rs. 5.37 Crore to Self-Insurance Reserve on account of augmentation of corpus fund against contingency that might occur to the Transmission Line of the Company.

3. INTERNAL FINANCIAL CONTROLS AND ADEQUACY

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

M/s Vinay Jain & Associates, Chartered Accountants, are the Internal Auditor of the Company to conduct Internal Audit on quarterly basis. The observations of the internal auditor on quarterly basis and the management reply thereon along with follow-up actions are reported to the Audit Committee and the Board of Directors of the Company for their review.

4. OPERATIONAL EXCELLENCE

The transmission assets owned and operated by your Company stand at 1325.6 Ckt. kms of 400 kV Extra High Voltage line. During the Financial Year 2021-22, the Company maintained availability of the transmission system at 99.94%. To maintain such high availability, preventive maintenance activities are planned well in advance. During Financial Year 2021-22, no tower collapse or foundation failure occurred due to natural calamities or otherwise.

For optimum transmission line availability following innovative measures have been taken during the period under review:

a) Monitoring of the Tower Footing Resistance: Tower Footing Measurement carried out in all tower locations for maintaining healthy grid system to sustain the lighting strikes without any outages.

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BOARD'S REPORT

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b) Temporary Protection: Immediate temporary protection oftowers where damage was caused due to heavy rain leading to land slide. Additionally, vegetation plantations also carried to strengthen the tower base of these locations.

c) Additional Patrolling: Rigorous pre-monsoon ground and tower top patrolling carried out to avoid any vegetation infringement and also to clear the tower legs.

d) Strengthening & Rectification works: Non shutdown work in the spans, shut down related rectification tower locations, leg/tower body painting, counter poise earthing rectification, stub encasement of the tower in water logging area, thermo vision scanning etc. carried out during the period effectively to maintain cent percent availability of the line.

5. Credit Rating

During the year, ICRA Limited has affirmed the long-term rating for Rs. 1120 crore bank facility of credit of the Company at [ICRA]AA+(Stable).

6. MATERIAL CHANGES AND COMMITMENT

There is no material change and commitments affecting the financial position of the Company between the end of the financial year to which this financial statement relates and on the date of this report.

7. DEPOSITS

The Company has not invited any deposits from the public under Section 73 of the Companies Act, 2013. No application is made or any proceeding is pending under the Bankruptcy Code, 2016

8. SIGNIFICANT & MATERIAL ORDERS

There are no significant & material orders passed by the Regulators/Courts/Tribunals impacting the going concern status of the company's operations in future.

9. AUDITOR

The Auditor of your Company is appointed by the Comptroller & Auditor General of India. The office of the Comptroller and Auditor General of India (CAG) has appointed M/s. Shiv & Associates, Chartered Accountants, as the Statutory Auditor of the Company for the Financial Year 2021-22.

The auditor's report for the Financial Year 2021-22 does not contain any qualification, reservation or adverse remark. No fraud is reported by the auditor under sub-section (12) of section 143 of the Companies Act, 2013.

10. COST AUDITOR

In terms of the Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records and get them audited every year. Accordingly, the cost records are made and maintained by the Company.

Your company has appointed the M/s K. G. Goyal & Associates, Cost Accountants, as cost auditor of the Company for the financial year 2021-22. The Cost Auditor's report for the Financial Year 2021-22 does not contain any qualification, reservation or adverse remark.

The cost audit report would be filed with the Ministry of Corporate Affairs within prescribed timelines.
No fraud is reported by the cost auditor under sub-section (12) of section 143 of the Companies Act, 2013.

11. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/sKumar Naresh Sinha & Associates, a firm of Company Secretaries in practice, to conduct the Secretarial Audit of the Company for the Financial Year 2021-22. The report of the Secretarial Audit is enclosed to this report as Annexure I. The Secretarial Audit Report for the Financial Year 2021-22 does not contain any qualification, reservation or adverse remark.
No fraud is reported by the secretarial auditor under sub-section (12) of section 143 of the Companies Act, 2013.

The company has complied the Secretarial Standards 1 & 2 issued by the ICSI.

12. COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA (CAG)

The CAG has conducted the Supplementary Audit of the Financial Statements of the Company for the financial year ended on 31st March, 2022. The copy of the report received from CAG along with the Board explanation thereon is attached at Annexure-II to this Report.

13. RELATED PARTY TRANSACTION

None of the transactions with related parties, during the period under review, falls under the scope of section 188(1) of the Act. Information in this regard pursuant to section 134(3)(h) of the Act in form AOC-2 is attached at Annexure-III of the report.

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

Considering the nature of business activity of your Company, there is no material consumption of energy or technology absorption. Therefore, the provisions of section 134(m) of the Companies Act, 2013 do not apply to your Company. No specific expenditure was incurred on Research and Development. There was no foreign exchange inflow during the year. However, there was an outflow of Rs. 1 Lakh during the year under review.

15. PARTICULARS OF EMPLOYEES

The Company is not required to provide the disclosures in terms of section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 being an unlisted Company. However, any such information required shall be made available to any shareholder on a specific written request made by him/her before or after the date of the Annual General Meeting.

16. EXTRACT OF ANNUAL RETURN

As per the requirements of section 134 (3) (a) of the Companies Act, 2013, the Annual Return of the Company has been placed at the website of the company. The same may be accessed on the Company's website by visiting the link http://netcindia.in/pdf/Annual_Return_2021-22.pdf.

17. RISK MANAGEMENT POLICY

Identification of risk in advance and taking of preventive measure to avoid the risk and well-defined risk mitigating plan is very important to protect the property and business interest of the Company along with guarding the stakeholders' interest. Considering this fact, the Company has a Risk Management Policy duly approved by the Board of Directors of the Company. The Risk Management Policy has identified the elements of risk which may adversely affect the Company and the mitigation plan thereof.

18. BOARD AND INDIVIDUAL DIRECTOR'S EVALUATION

The Company has a formal process for evaluation of the Board, its committees and individual Directors on annual basis. The Board of Directors of the Company in its 68th meeting held on 25th August 2022 has evaluated the Board, its committees and individual Directors in accordance with the Board Evaluation Policy of the Company. The policy is available on our website www.netcindia.in.

19. BOARD OF DIRECTORS

The composition of the Board of Directors of the Company as on 31.03.2022 is as follows:

1.	Mr. K. Sreekant	:	Chairman
2.	Mr. Satyajit Ganguly	:	Managing Director
3.	Mr. Rajesh Gupta	:	Director (Projects)
4.	Mrs. Chaitali Dutta	:	Director
5.	Mr. O. P. Singh	:	Director
6.	Mr. P. Uma Shankar	:	Independent Director
7.	Mr. Vanlal Tlana	:	Director
8.	Mr. Yash Malik	:	Independent Director
9.	Mr. Y. K. Dixit	:	Director

During the Financial Year 2021-22 Mr. Rajesh Gupta and Mr. Yugesh Kumar Dixit were inducted in the Board of the Company with effect from 29.09.2021 and 03.03.2022 respectively. Mr. Debajyoti Das nominee of AEGCL and Mr. Deboshis Sarkar nominee of the Govt. of Tripura appointed as Directors with effect from 20.05.2022 and 25.08.2022 respectively.

During the Financial Year 2021-22 Mr. Ashwani Kumar Srivastava, Mr. Dhrubajyoji Hazarika, Dr. M. S. Kele and Mr. T. C. Sarmah have vacated the office of Directorship of the Company with effect from 29.06.2021, 12.11.2021, 08.02.2022 and 03.03.2022 respectively.

Mr. Yash Malik vacated the office independent Director of the company with effect from 04.08.2022. His appointment for the second term of 2 years is proposed in the forthcoming AGM.

The Board places on record its appreciation for the services rendered by the outgoing Directors during their tenure with the Company.

In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. K. Sreekant and Mrs. Chaitali Dutta retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment in the Annual General Meeting.

20. KEY MANAGERIAL PERSONNEL

As required under section 203 of the Companies Act, 2013 read with rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 following are designated/identified as Key Managerial Personnel of the Company as on 31.03.2022:

1. Mr. Satyajit Ganguly	:	Managing Director
2. Mr. Rajesh Gupta	:	Whole-time Director
3. Mr. Rajeev Maggo	:	C. F. O.
4. Mr. MukeshKumar	:	Company Secretary

Mr. Rajeev Maggo joined as CFO w.e.f. 27.07.2021. Mr. Ashwani Kumar Srivastava has vacated the office of Directorship of the Company with effect from 29.06.2021 due to his repatriation to POWERGRID. Mr. Rajesh Gupta has been appointed as Whole-time Director w.e.f. 14.12. 2021.

21. MEETING OF THE BOARD OF DIRECTORS

During the financial year 2021-22, four meetings of the Board of Directors were held on 19.05.2021, 27.08.2021, 14.12.2021 and 03.03.2022.

22. COMPOSITION & MEETINGS OF MANDATORY COMMITTEES

The company has following committees of the Board of Directors as on 31.03.2022

A. Corporate Social Responsibility Committee:
Composition:

i) Mr. P. Uma Shankar (Independent Director)	:	Chairman
ii) Mr. Satyajit Ganguly (Director)	:	Member
iii) Mr. T. C. Sarmah	:	Member
iv) Mr. Dhrubajyoti Hazarika	:	Member
v) Mrs. Chaitali Dutta	:	Member

The membership of Mr. Dhrubajyoti Hazarika and Mr. T. C. Sarmah of the CSR Committee have vacated due to their vacation of Directorship with effect from 12.11.2021 and 03.03.2022 respectively. During the financial year 2021-22 four meetings of the CSR Committee were held on 23.04.2021, 27.07.2021, 29.10.2021 and 31.01.2022.

B. Audit Committee:
Composition

i) Mr. P. Uma Shankar (Independent Director)	:	Chairman
ii) Mr. Yash Malik	:	Member
iii) Mr. Satyajit Ganguly	:	Member

During the financial year 2021-22, four meetings of the Audit Committee were held on 23.04.2021, 27.07.2021, 29.10.2021 and 28.01.2022.

C. Nomination and Remuneration Committee:
Composition

i) Mr. P. Uma Shankar (Independent Director)	:	Chairman
ii) Mr. K. Sreekant	:	Member
iii) Mr. Yash Malik (Independent Director)	:	Member

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iv) Mr. Om Prakash Singh : Member

During the financial year 2021-22 four meetings of the Nomination & Remuneration Committee were held on 19.05.2021, 27.08.2021, 14.12.2021 and 03.03.2022.

23. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

Your Company is a joint venture of POWERGRID, OTPC, AEGCL and the Governments of Tripura, Mizoram, Manipur, Meghalaya and Nagaland. The Board of Directors of the Company is comprising of three Directors nominated by POWERGRID, three Directors nominated by OTPC and one Director each nominated by AEGCL, Government of Tripura and Government of Mizoram. In addition to this the Company has Independent Directors. Managing Director and Director (Projects) are the Executive Directors nominated by OTPC and POWERGRID respectively. The Chairman of POWERGRID is the Chairman of the Company. The appointment of Directors and their remuneration, etc. are approved by the Board of Directors of the Company on the recommendation of the Nomination & Remuneration Committee of the Company. The Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters provided under sub-section (3) of section 178 of the Act has been disclosed in the Nomination and Remuneration Policy of the Company. Copy of the Nomination and Remuneration Policy of the Company is available on website of the Company www.netcindia.in.

24. CAPITAL STRUCTURE

There has not been any change in equity share capital and shareholding pattern of the Company during the Financial

S. No.	Name of Shareholder	Shares held (in %)	Shares held (in No.)
1	ONGC Tripura Power Company Limited	26	10,69,64,000
2	Power Grid Corporation of India Limited	26	10,69,64,000
3	Assam Electricity Grid Corporation Limited	13	5,34,82,000
4	Govt. of Tripura	10	4,11,40,000
5	Govt. of Mizoram	10	4,11,40,000
6	Govt. of Manipur	6	2,46,84,000
7	Govt. of Meghalaya	5	2,05,70,000
8	Govt. of Nagaland	4	1,64,56,000
	Total	**100**	**41,14,00,000**

25. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of clause (c) of sub-section (3) of Section134 of the Companies Act, 2013, the Board of Directors of your Company confirms that:

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

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

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

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

26. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules. In the opinion of the Board the Independent Directors have integrity, expertise and experience including the proficiency.

27. LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

28. MARKET AND FUTURE OUTLOOK

Power is among the most critical components of infrastructure, crucial for the economic growth and welfare of the nation. The existence and development of adequate power infrastructure is essential for sustained growth of the Indian economy. India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste.

India is the third largest producer and second largest consumer of electricity in the world and had an installed power capacity of 402.82 GW as on 31st May 2022. Electricity production reached 1,491.85 billion units (BU) in FY21-22. India was ranked 4th in wind power, 5th in solar power and 4th in renewable power installed capacity, as of 31.05.2022.India's rank jumped to 22 in 2019 from 137 in 2014 on World Bank's Ease of doing business - "Getting Electricity" ranking.

Under the Union Budget 2022-23, the government announced the issuance of sovereign green bonds, as well as conferring infrastructure status to energy storage systems, including grid-scale battery systems. In the same budget, Rs. 19,500 crore was allocated for a PLI scheme to boost manufacturing of high-efficiency solar modules.

The Government of India has identified power sector as a key sector of focus to promote sustained industrial growth. Some initiatives by the Government to boost the Indian power sector are as below:

- Electrification in the country is increasing with support from schemes like Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY), Ujwal DISCOM Assurance Yojana (UDAY), and Integrated Power Development Scheme (IPDS).

- In February 2022, a parliamentary standing committee recommended the government to take steps to increase the loan limit for the renewable energy sector under priority sector lending. The current limit stands at Rs. 30 crore.

In the current decade (2020-2029), the Indian electricity sector is likely to witness a major transformation with respect to demand growth, energy mix and market operations. India aims to reduce emissions intensity of its gross domestic product (GDP) by 33% to 35% by 2030 from 2005 levels and increase the share of non-fossil fuels to 40% of the total electricity generation capacity.

The Government of India has released its roadmap to achieve 227 GW capacity in renewable energy (including 114 GW of solar power and 67 GW of wind power) by 2022. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022.The Central Electricity Authority (CEA) estimates India's power requirement to grow to reach 817 GW by 2030. The government plans to establish renewable energy capacity of 500 GW by 2030.

Growing population along with increasing electrification and per capita consumption will provide further impetus to the power sector. Hence, the power sector in India is bound to flourish and there is huge business potential in the sector which also include power transmission business. NETC is performing above the CERC norm of 98.5% of transmission line availability. By attaining 99.94% of transmission line availability NETC is getting 100% of incentive under CERC Regulations.

29 Our Response to COVID-19

COVID-19 has changed the way of functioning of business.During the Financial Year 2021-22, businesses around the world was to battle due to the COVID-19 pandemic which taught us balancing employee well-being, new ways of remote and hybrid working and managing the changing expectations of employees and business associates. Due to this pandemic the future of the industry all over the world is being shaped bythe following trends:

- IT services and digital technology becoming major tools and technique of commercial and new growth pockets;
- A significant chunkof enterprise spending is on IT services, hybrid, multicloud-led transformation and other digital products;
- An intense war for talent is imminent as business enterprises are resorting to new ways of working through IT and digital enabling services, coupled with scarcity of niche digital skills.

We at NETC have taken a number of measures to monitor and prevent the effects of the COVID-19 virus, such as safety and health measures for our people (like social distancing, frequent sanitization of our work place, distribution of safety equipment and working from home) and thereby securing the seamless progress of our economic activities including O&M work. We are following the policies/guidelines/advice of concerned authorities and government, and in parallel will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.Due to the various measures taken by us, we have successfully maintained the health of our transmission line corridor which is evident from the Transmission Line availability surpassing of 99.94% during the Financial Year 2021-22.

30. CORPORATE SOCIAL RESPONSIBILITY POLICY

As a good corporate citizen, your Company is committed to ensure its contribution to the welfare of the communities in the society where it is present, through its Corporate Social Responsibility ("CSR") initiatives. The Company has duly constituted Corporate Social Responsibility Committee which has formulated and recommended to the Board, a Corporate Social Responsibility Policy(CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR policy is available at the website of the company www.netcindia.in.

The objective of the CSR Policy is to consistently pursue the concept of integrated development of the society in an economically, socially and environmentally sustainable manner. To attain its CSR objectives in a professional and integrated manner, the Company is undertaking the CSR activities as specified under the Act. During the year under review the Company has spent Rs. 238.97 Lakh in CSR Projects related to health, education and skill development. Pursuant to section 135 read with rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual report on CSR activities/initiatives is enclosed at Annexure-IV.

31. REPORT ON SEXUAL HARASSMENT

An Internal Complaints Committee has been constituted to look into grievance/complaints of sexual harassment lodged by women as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review no complaint was received and no complaint was pending as on 31st March 2022.

32. VIGIL MECHANISM

The Company has established a vigil mechanism under the supervision of the Audit Committee to investigate and address the genuine concerns expressed by the employees and Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided the employees of the Company the direct access to the Chairman of the Audit Committee for reporting the vigilance related issues, in exceptional cases. The Vigil Mechanism Policy of the Company is available at the website of the company www.netcindia.in.

33. ACKNOWLEDGEMENTS

The Board of Directors thanks the Ministry of Power, Government of India, Central Electricity Regulatory Commission, Central Electricity Authority, Ministry of Environment, Forest and Climate Change, Government of India and various other departments of Government of India, Governments of Tripura, Assam, Manipur, Mizoram, Meghalaya, Nagaland, Assam Electricity Grid Corporation Limited, Power Grid Corporation of India Limited, ONGC Tripura Power Company Limited, ONGC Limited, our banker and Contracting Agencies for their continued co-operation and support.

Your Directors place on record their appreciation to the officers and employees of the Company across levels for their dedication and team work.

For and on behalf of the Board of Directors

Sd/-

Place : Gurugram **K. Sreekant**

Date : 31.08.2022 **Chairman**

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

121, Vinayak Apartment, Plot No.: C-58/19
Sector-62, Noida-201309 (U.P)
Mobile: 9868282032, 9810184269
Email: kumarnareshsinha@gmail.com

FORM MR–3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,
The Members,
NORTH EAST TRANSMISSION COMPANY LIMITED
Vill- East Champamura, Bypass Road, Near Asian Paint Godown,
P/O- Old Agartala, Agartala West Tripura - 799008

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NORTH EAST TRANSMISSION COMPANY LIMITED [CIN: U40101TR2008PLC008249]** (hereinafter called the "Company") having its Registered Office at **Vill- East Champamura, Bypass Road, Near Asian Paint Godown, P/O- Old Agartala, Agartala West Tripura - 799008**

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion there on.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2022** 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 herein after:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2022** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign

Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable during the period under review)**

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBIAct'): -

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not Applicable during the period under review, as the Company is not Listed) ;**

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011; **(Not Applicable during the period under review, as the Company is not Listed) ;**

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015; **(Not Applicable during the period under review, as the Company is not Listed) ;**

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009; **(Not Applicable during the period under review, as the Company is not Listed) ;**

(e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable during the period under review, as the Company is not Listed) ;**

(f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable during the period under review, as the Company is not Listed) ;**

(g) 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 ;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable during the period under review, as the Company is not Listed) ;**

(I) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable during the period under review, as the Company is not Listed) ;** and

(v) The other law, as informed and certified by the management of the Company which, is specifically applicable to the Company based on their sector/ industry is:

The Electricity Act, 2003

Being Electricity Transmission Company, the Electricity Act, 2003 is specifically applicable to the Company in respect of which, we have only verified the license and terms thereof issued by Central Electricity Regulatory Commission dated 16.06.2009 which is valid for a period of 25 years from the date of issue. Further, we have relied upon the representation made by the Management with respect to compliance of the terms of the Electricity Transmission License.

For the compliances of Labour Laws & other General Laws, our examination and reporting are based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. In our opinion, there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws. The company has generally been regular in depositing statutory dues including Provident fund during the period under review.

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory auditor and other designated professionals.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by Institute of Company Secretaries of India.

During the period under review and as per the explanations and representations made by the officers and management and subject to the clarifications given to us, the Company has satisfactorily complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted. 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, including Committees thereof, along with agenda and detailed notes on agenda were generally sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the members' views are captured adequately 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.

Date : 09.08.2022
Place: Noida

For, Kumar Naresh Sinha & Associates
Company Secretaries

Sd/-
Naresh Kumar Sinha
(Proprietor)
FCS No.: 1807; CP No.: 14984
PR No.: 610/2019
FRN : S2015UP440500
UDIN: F001807D000768980

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

KUMAR NARESH SINHA & ASSOCIATES
Company Secretaries

121, Vinayak Apartment, Plot No.: C-58/19
Sector-62, Noida-201309 (U.P)
Mobile: 9868282032, 9810184269
Email: kumarnareshsinha@gmail.com

To,
The Members
NORTH EAST TRANSMISSION COMPANY LIMITED
Vill- East Champamura, Bypass Road, Near Asian Paint Godown,
P/O- Old Agartala, Agartala West Tripura - 799008

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our finding/ audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for ouropinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5 .The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.

6. The Secretarial Audit report is neither assurance asto the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date : 09.08.2022
Place : Noida

For, Kumar Naresh Sinha & Associates
Company Secretaries

Sd/-
Naresh Kumar Sinha
(Proprietor)
FCS No.: 1807; CP No.: 14984
PR No.: 610/2019
FRN : S2015UP440500
UDIN: F001807D000768980

NOTICE BOARD'S REPORT FINANCIAL STATEMENT

ANNEXURE-II

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NORTH EAST TRANSMISSION COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of North East Transmission Company Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 20.05.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of North East Transmission Company Limited for the year ended 31 March 2022 under section l43(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

(A) Balance Sheet

Assets - Current Assets

Cash and Cash Equivalents-Rs. 4382.61 lakh (Note No. 12)

As per Para 7 of Ind AS7 an investment qualifies as a cash equivalent only when It has a short maturity up to 3 months from date of acquisition.

‘Cash and Cash Equivalents '(Note No.12), however, includes term deposit accounts of Rs. 1839.64 lakh which had maturity beyond 3 months from date of acquisition. Therefore, 'Cash and Cash Equivalents' (Note No. 12) is overstated and 'Other Bank Balances' (Note No. 13) is understated by Rs. 1839.64 lakh each.

Significant accounting Policy No.2.8 is also incorrect to the extent of making ‘Other Bank Balances' a part of 'Cash and Cash Equivalents'.

B. Cash Flow Statement

Cash Flow from Investing Activities–Rs. 165.75 lakh

Cash and Cash Equivalent at the end of the year – Rs. 4382.64 lakh

In violation of Para 7 of Ind AS-7, 'Cash and Cash Equivalents at the end of the year' includes an amount of Rs.1839.64 lakh ,which, being term deposit account shaving maturity over 3months from date of acquisition, should have been classified as' Other Bank Balances' under current assets and adjustment there of should have been made as' Increase/decreaseincurrentandnon-currentassets' under 'Cash from Operating Activities'.
‘Cash Flow Statement' is therefore, incorrect to the above extent.

For and on behalf of the
Comptroller & Auditor General of India
Sd/-
(D. K. Sekar)
Director General of Audit (Energy), Delhi

Place: New Delhi
Dated: 29.08.2022

Reply to Comments of the C&AG on the Financial Statements of North East Transmission Co. Ltd. (NETCL) for the year ended 31st March 2022.

Sr. No	Comment	Replies of NETCL
1	**(A) Balance Sheet** **Assets-Current Assets** **Cash and Cash Equivalents-** **Rs. 4382.61 lakh (Note No. 12)** As per Para 7 of Ind AS-7 an investment qualifies as a cash equivalent only when it has a short maturity up to 3 months from the date of acquisition. 'Cash & Cash Equivalents' (Note No. 12), however, includes term deposit accounts of Rs. 1839.64 lakh which had maturity beyond 3 months from date of acquisition. Therefore, 'Cash & Cash Equivalents' (Note No. 12) is overstated and 'Other Bank Balance' (Note No. 13) is understated by Rs. 1839.64 lakh each. Significant accounting Policy No. 2.8 is also incorrect to the extent of making 'Other Bank Balance' a part of 'Cash & Cash Equivalents'.	As suggested by Audit, Cash and Cash Equivalents, Other Bank Balances and accounting policy for financial year 2022-23 onwards will be modified to reflect this classification.
2	**(B) Cash Flow Statement** Cash Flow from Investing Activities- Rs. 165.75 lakh Cash and Cash Equivalent at the end of the year –Rs. 4382.64 lakh In violation of Para 7 of Ind AS-7, 'Cash & Cash Equivalents at the end of the year' includes an amount of Rs. 1839.64 lakh, which, being term deposit accounts having maturity over 3 months from date of acquisition, should have been classified as 'Other Bank Balance' under current assets and adjustment thereof should have been made as 'Increase/decrease in current and non-current assets' under 'Cash from Operating Activities'. 'Cash Flow Statement' is therefore, incorrect to the above extent.	As suggested by Audit, Cash Flow for Financial year 2022-23 onwards will be modified to reflect this classification.

NOTICE

BOARD'S REPORT

FINANCIAL STATEMENT

ANNEXURE-III

Form No. AOC-2

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

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2022, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis during the financial year 2021-22

(a)	**Name of related party**	Power Grid Corporation of India Limited		
(b)	**Nature of relationship**	Investing Company		
(c)	**Nature of contract/ arrangement/ transactions**	**Project consultancy services**	**Operation & Maintenance service**	**Project/civil work**
(d)	**Duration of contract/ arrangement/transactions**	Running contract	Running contract	up to the date ofthe completion of project/civil work
(d)	**Salient terms of the contract or arrangements or transaction**	Consultancy service for monitoring of capital work of transmission line projects	Routine O & M of Transmission Lines, minor preventive maintenance, minor and breakdown rectification of transmission lines	Construction of site office in Guwahati, purchase of line material, tools and plants for O&M, pile work and construction of protection wall
(e)	**Value, if any**	NIL	Rs.91.86 Lakh	NIL
(f)	**Date of approval by the Board, if any**	19.08.2013	29.02.2016	23.06.2015
(g)	**Amount paid in advance, if any**	NIL	NIL	Rs. 1517.65 Lacs

For and on behalf of the Board of Directors of
North East Transmission Company Limited

Place : Gurugram
Date : 31.08.2022

Sd/-
Chairman

NOTICE BOARD'S REPORT FINANCIAL STATEMENT

ANNEXURE-IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to Section 135 of the Act & Rules made thereunder]
Financial Year 2021-22

Corporate Social Responsibility

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has established Corporate Social Responsibility (CSR) Committee. The statutory disclosures with respect to the CSR Committee and the annual report on the CSR activities forms part of this Report.

1. A brief outline of the Company's CSR policy: -

CSR Policy - As a corporate citizen, your Company, is committed to ensure the social upliftment of the communities in which it operates through Corporate Social Responsibility (CSR) initiatives.

Your Company's thrust areas for undertaking the CSR activities includes the areas specified in Schedule VII of the Companies Act, 2013 and changes/enactment therein from time to time.

Web-Link to the CSR Policy - **http://www.netcindia.in/CSR1.aspx**

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy and projects or programs undertakenby the Company are available on links given below: **http://www.netcindia.in/CSR1.aspx**

2. Composition of CSR Committee as on 31.03.2022:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meeting of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. P. Uma Shankar	Chairman, Independent Non-Executive Director	4	4
2	Mr. Satyajit Ganguly	Member, Non-Independent, Executive Director	4	4
3	Mrs. Chaitali Dutta	Member, Non-Independent, Non-Executive Director	4	4
4	Mr. Dhrubajyoti Hazarika	Member, Non-Independent, Non-Executive Director	4	3*
5	Mr. T. C. Sarmah	Member, Non-Independent, Non Executive Director	4	2*

* The membership of Mr. Dhrubajyoti Hazarika and Mr. T. C. Sarmah of the CSR Committee have vacated due to their vacation of Directorship with effect from 12.11.2021 and 03.03.2022 respectively.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company

   Composition of the CSR committee shared above is available on the Company's website on
   http://netcindia.in/Composition-of-%20CSR-Committee.aspx.
   CSR policy - http://www.netcindia.in/CSR1.aspx
   CSR projects - http://www.netcindia.in/CSR1.aspx

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required to set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be setoff for the financial year, if any
	-	NIL	NIL

6. Average net profit of the Company during the last three financial years i.e. Financial Years 2018-19, 2019-20 and 2020-21: Rs.71.76 Crore.

7. (a) Two per cent of average net profit of the Company as per section 135(5): Rs. 143.52 Lacs

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:NIL
   (c) Amount required to be set off for the financial year, if any:NIL
   (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 143.52 Lacs

8. (a) CSR amount spent or unspent for the financial year:

<table>
<tr><th>Total Amount Spent for the Financial Year Amount in Rs. in Lacs</th><th colspan="5">Amount unspent</th></tr>
<tr><td rowspan="3">Advance Paid Rs. 135.43 Lacs (Utilisation booked for Rs. 118.40)</td><td colspan="2">Total Amount transferred to Unspent CSR Account as per section 135(6)</td><td colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)</td></tr>
<tr><td>Amt</td><td>Date of Transfer</td><td>Name of Fund</td><td>Amount</td><td>Date of Transfer</td></tr>
<tr><td>8.09 Lacs</td><td>30.04.2022</td><td colspan="3">NIL</td></tr>
</table>

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/ No).	Location of the Projects		Project Dura-tion (in) Year	Amount allocated for the project (in Rs. Lakh)	Amount spent FY for the project (Rs. in Lakh)	Amount transferred to unspent CSR Account for the project as per section 135(6) (in Rs. Lakh)	Mode of impleme-ntation - Direct (Yes/ No)	Mode of impleme-ntation - Through implementing agency.	
				State	Dist-rict						Name	CSR Registr-ation No.
1	X-Ray machine for covid patient	Health/ Edu.	Yes	Meghalaya	Ri-bhoi	1	19.23	17.31	NA	No	DC, Ri-Bhoi	NA
2	Conservation of Aquatic Fauna (Turtle)	Ecology	Yes	Assam	Kamrup	1	6.93	Nil	NA	No	DC, Kamrup	NA
3	Construction of additional class room and hostel room in 2 nos schools	Health/ Edu.	Yes	Meghalaya	Ri-bhoi	1	27.29	19.11	NA	No	DC, Ri-Bhoi	NA
4	Drinking water facilities in 8 Nos Govt schools and construction of the 2 Nos Deep Tube Well	Health/ Edu.	Yes	Assam	Cachar, Silchar	1	10.31	9.28	NA	No	DC, Cachar	NA
5	Installation of Boyles apparatus with Ventilator	Health/ Edu.	Yes	Assam	Goalpara	1	10.20	9.18	NA	No	DC, Goalpara	NA
6	Construction of one Toilet Block in Chandra Kumar S.B.School	Health/ Edu.	Yes	Tripura	RD Block West Tripura	1	4.97	3.48	NA	No	DC, West Tripura	NA
7	Construction of 2 Nos maternity ward (Covid positive)	Health/ Edu.	Yes	Assam	Cachar, Silchar	1	19.98	11.99	NA	No	DC, Cachar	NA
8	Construction of Health Sub -Centre	Health/ Edu.	Yes	Tripura	RD Block West Tripura	1	25.75	18.03	NA	No	DC, West Tripura	NA
9	Supply & Installation of water Purifier & Sanitary Pad Vending facilities & incinerators machine in 8nos. H.S.& High School	Health/ Edu.	Yes	Tripura	RD Block West Tripura	1	3.60	2.52	NA	No	DC, West Tripura	NA
	TOTAL				-	-	**128.26**	**90.90**	-	-	-	-

(C) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/ No).	Location of the Projects		Amount spent for the project (Rs. in Lakh)	Mode of implementation - Direct (Yes/ No)	Mode of implementation Through implementing agency.	
				State	District			Name	CSR Registration Number
1	Supply of "One number TATA Cesspool tanker 3000 Litres	Health/ Edu.	Yes	Meghalaya	East Jaintia Hills	25.50	No	DC, East Jaimtia Hills	NA
2	Providing aid to the conservation team for conservation of endangered Greater Adjutant Stork (Hargila) bird by procuring nets that can help to reduce the new hatching fatalities	Ecology	Yes	Assam	Kamrup	2.00	No	DC, Kamrup	NA
	Total	-	-	-	-	**27.50**	-	-	-

(d) Amount spent in Administrative Overheads: Not applicable

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b +8c +8d+ 8e): Rs. 118.40 Lacs

(g) Excess amount for set off, if any:Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years: Rs. 127.86 Lacs

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs. Lacs)	Amount spent in the reporting Financial Year (in Rs. Lacs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs. Lacs)
				Name of the Fund	Amount (in Rs. Lacs)	Date of transfer	
1	2020-21	NIL	71.08	NA	NIL	NA	8.55
2	2019-20	NIL	39.91	NA	NIL	NA	0.10
3	2018-19	NIL	8.22	NA	NIL	NA	Nil
	Total	-	119.21	-	-	-	8.65

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Rs.

Sr. No.	Project ID	Name of the Project	Financial Year in which the project	Project duration	Total amount allocated for the project (Rs. In Lacs)	Amount spent on the project in the reporting Financial Year (in Rs. Lacs)	Cumulative amount spent at the end of reporting Financial Year	Status of the project Completed/Ongoing
1	-	Skill Development Training (10 Nos) for women Empowerment, West Tripura, Khowai.	2017-18	Six months	18.95	0.10	18.95	Completed
2	-	Construction of 4 Nos Water storage tank with pump Installation & Supply of 10 Nos portable Water Tank. (PHC & School)., Khowai	2017-18	Six months	14.00	1.25	14.00	Completed
3	-	Construction of Inclusive Education Resource Centre for the Children with Special Needs	2018-19	Twelve months	46.60	6.60	46.60	Completed
4	-	Distribution of additional Joint Benches 200 Nos in 20 Nos additional Govt Schools. Sephaijhala	2018-19	Six months	6.49	1.62	6.49	Completed
5	-	Drinking Water Facilities for 33 Nos. Govt. Schools under Goalpara District	2019-20	60 Days	28.69	2.07	28.69	Completed
6	-	Renovation of existing Class rooms, Construction of Girls/Boys toilet block and running water supply facility for 05 nos Schools	2019-20	60 Days	39.57	37.84	39.57	Completed
7	-	Construction of Computer Laboratory for Higher Secondary Schools (2 Lab in 2 nos. of Govt School).- Hailakandi assam	2020-21	Seven months	30.00	27.00	27.00	Ongoing
8	-	Providing 200 pairs of Desks & Benches to 10 Nos Govt. Schools in West Jaintia Hills District Meghalaya	2020-21	Six months	6.50	6.50	6.50	Completed

9	-	Installation of a 5kWp Hybrid Solar PV Power Plant and a 100 LPD Solar RO Plant in Shirikaribari ST Girls Hostel under Ambassa R.D. block, Dhalai.	2020-21	Six months	11.15	10.04	10.04	Ongoing
10	-	Construction of 10 bedded ward (Assam Type) at Chargola PHC in Karimganj district under NHM, Assam.	2020-21	Six months	19.98	15.98	15.98	Ongoing
11	-	Distribution of Bicycles to ASHA workers district Goalpara, Assam	2020-21	Six Months	6.00	6.00	6.00	Completed
12	-	Supply of one No Ambulance (Mahindra Bolero) Hnahthial District Mizoram	2020-21	Six Months	6.00	5.56	5.56	Ongoing
				Total	**233.93**	**120.56**	**225.38**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Rs. 8.09 Lakh could not be spent due to long gestation period of the projects. The unspent amount has been transferred to bank account under the name and style of "Unspent CSR Account of M/s North East Transmission Company Limited for the year 2021-22".

Sd/-
(Satyajit Ganguly)
Managing Director
DIN : 06961418
Date : 29.08.2022

Sd/-
(P. Uma Shankar)
Chairman, CSR Committee
DIN: 00130363
Date : 29.08.2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NORTH EAST TRANSMISSION COMPANY LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of North East Transmission Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022,the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention in respect to the note no.26.1 to the financial statements:

During the year Company has booked the transmission charges based on the CERC tariff order dated 28.02.2022 taking effect for the block year 2014-19 except for the amount of Rs. 27.98 crore which is difference on account of the wrong consideration of some components in aforesaid order relating to the Annual fixed cost pertaining to the block of 2014-19. Company has filed the corrigendum and review petition for the same.

Our opinion is not modified in respect to the above matter.

Key Audit Matter

Sr. No	Key Audit Matter	Auditor Response
1	Capitalization and de-capitalization of Assets during the year in case of replacement of Regulated Fixed Assets. We identified this as Key Audit Matter due to the nature and extent of estimates made as capitalization and depreciation on regulated fixed assets is governed by CERC Tariff regulations Refer Note No. 3 & 31 to the Financial Statements	**Principal Audit Procedure** Our audit approach was a combination of test of internal controls and substantive procedures which included the following: 1) Obtained details of Regulated fixed assets replaced during the year. 2) Evaluated the design of internal controls relating to recording transaction in respect of replaced Fixed Assets. 3) Review of contracts in respect to addition in fixed assets. 4) Evaluate the method adopted by the company to determine the carrying value of replaced part of the regulated assets in view of related Ind-AS & accounting policy of the company. 5) Performed analytical procedures and test of details for reasonableness of carrying value of the replaced part.
2	Recognition of Revenue from Transmission Income: Transmission Income is accounted for based on tariff orders notified by the CERC. Difference, if any, is accounted on issuance of final tariff orders by the CERC. We identified this as Key Audit Matter due to the nature and extent of estimates made as per CERC Tariff Regulations for recognition of revenue. Refer Note No. 26 to the Financial Statement.	**Principal Audit Procedures** Our audit approach was a combination of test of internal controls and substantive procedures which included the following: 1) Obtained details of CERC Tariff Regulations, Orders, Circulars, Guidelines and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from transmission of power. 2) Evaluated the design of internal controls relating to recording transaction in respect of revenue recognition. 3) Review of revenue based on CERC tariff orders, circulars and guidelines 4) Evaluate the method adopted by the company to determine the transmission income. 5) Performed analytical procedures and test of details for reasonableness of transmission Income.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The above reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management the Intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

➢ Identify and assess the risks of material mis statement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Undersection 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in :

(I) planning the scope of our audit work and in evaluating the results of our work; and

(ii) to evaluate the effect of any identified misstatements in the financials tatements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As requiredbySection143(3)of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. .

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section133 of the Act, read with Rule 7 of the Companies (Accounts)Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31,2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 any 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.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has explained that pending litigation would not have impact on its financial position.

ii. There is no such case for which the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend o rinvest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries")or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (I) and (ii) of Rule 11 (e), as provided under (a)and (b)above, contain any material misstatement.

v. (a) The final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with Section 123 of the Act, as applicable

(b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

(c) The Board of Directors of the Company have not proposed final dividend for the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") 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.

3. Based on the verification of books of account of the Company and according to information and explanations given to us, we give in the "Annexure-C", a report on the directions and sub directions, issued by the Comptroller and Auditors General of India in terms of section 143 (5) of the Act

For Shiv & Associates
Chartered Accountants
Firm Reg. No. 009989N

Sd/-
SHIV PRAKASH CHATURVEDI
PARTNER
Membership No. 085084
Place: Delhi
Date: 20.05.2022
UDIN : 22085084AJIGUY5713

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph I(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NORTH EAST TRANSMISSION COMPANY LIMITED 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 North East Transmission Company Limited ("the Company") as of March 31, 2022 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 Board of Directors of the Company 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 respective 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 internal financial controls over financial reporting of the Company 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 internal financial controls system over financial reporting of the Company.

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.

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 March 31, 2022, 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 Shiv & Associates
Chartered Accountants
Firm Reg. No. 009989N

Sd/-
SHIV PRAKASH CHATURVEDI
PARTNER
Membership No. 085084
Place: Delhi
Date: 20.05.2022
UDIN:22085084AJIGUY5713

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NORTH EAST TRANSMISSION COMPANY LIMITED of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit we state that:

I. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and right to use;

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) As explained by the Company the Fixed Assets have been physically verified by the company during the year as it is also explained by the Company that regular patrolling at frequent interval is being conducted by external agency for regular maintenance. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds/registered/sale deed provided to us, we report that, the title deeds, in respect of Agartala and Guwahati Land which are freehold, and are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. a) Physical verification of inventory has been done by the management at the reasonable intervals.
According to the information and explanations given to us, no material discrepancies were noticed on such verification.

b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3 (ii) (b)of the Order is not applicable.

iii. The company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to the companies, firm, Limited Liability Partnership or any other firms, hence reporting under clause 3 (iii) (a), (b), (c), (d), (e) and (f) is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2022 and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.

vi. Company is required to maintain the cost records under sub section1 of the section148(l)of the Companies Act, 2013 in respect of transmission operations. The company has integrated financial and cost records. We have, however not made detailed examination of Cost Records with a view to determine whether they are accurate or complete as the cost records of the company are subject to the audit by cost auditor.

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

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Service Tax, duty of Custom, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Service Tax, duty of Custom, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) There is no dues as mentioned in subclause (a) which have not been deposited as at March 31, 2022 on account of dispute.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.

ix. a) As explained by the management the Company has not defaulted in the repayment of dues to financial institutions, banks and government and has not issued any debentures.

b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loan during the year and outstanding term loans at the beginning of the year is applied for the purpose it was taken for.

d) On an overall examination of the financial statements of the Company, we conclude that no funds have been raised during the year under audit. Hence reporting under 3(ix)(d) is not applicable.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a)of the Order is not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) Company has not received any whistle blower complaints during the year (and upto the date of this report), hence clause 3(xi)(c) is not applicable.

xii The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where ever applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

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 to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi) (a), (b) and (c) of the Order is not applicable.

b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016)and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii There has been no resignation of the statutory auditors of the Company during the year.

xix On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to-our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee no rany assurance that all liabilities falling due with in a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to special account in compliance with provision(6) of Section135 of the said Act. Accordingly, reporting under clause 3 (xx)(b)of the Order is not applicable for the year.

xxi As company do not have any subsidiary/associate/joint venture hence requirement of making consolidated financial statements is not there. Hence reporting under clause 3(xxi) is not applicable.

For Shiv & Associates
Chartered Accountants
Firm Reg. No. 009989N

Sd/-
SHIV PRAKASH CHATURVEDI
PARTNER
Membership No. 085084
Place: Delhi
Date: 20.05.2022
UDIN:22085084AJIGUY5713

Annexure C to the Independent Auditor's Report

Directions under section 143 (5)of the Companies Act 2013 for the year 2021-22.

1. The company is having the system in place to process all accounting transaction through Tally software system. In our knowledge and as explained by the company there is no accounting transaction outside IT system maintained by the company.

2. As explained by the company there is no case of restructuring of the existing loan during the year or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan.

3. As explained by the company there is no funds received/receivable for specific schemes from central/state agencies.

For Shiv & Associates
Chartered Accountants
Firm Reg. No. 009989N

Sd/-
SHIV PRAKASH CHATURVEDI
PARTNER
Membership No. 085084
Place: Delhi
Date: 20.05.2022
UDIN:22085084AJIGUY5713

NOTICE

BOARD'S REPORT

FINANCIAL STATEMENT

Balance Sheet as at March 31, 2022

(All Amounts are in Rs. Lacs)

Sr. No.	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
1	**ASSETS**			
	Non-current asset			
	(a) Property, plant and equipment	3	122,988.24	134,309.91
	(b) Capital work in progress	4	691.55	86.03
	(c) Intangible assets	5	3,219.73	3,535.81
	(d) Intangible assets under development	5A	155.13	155.13
	(e) Right to use assets	6	150.06	180.24
	(f) Financial assets			
	(I) Other	7	5,638.96	31.75
	(g) Other non-current assets	8	1,517.65	2,126.08
	Total non- current assets		**134,361.31**	**140,424.94**
2	**Current assets**			
	(a) Inventories	9	142.78	70.79
	(b) Financial assets			
	(i) Investments	10	8,145.36	7,861.37
	(ii) Trade receivables	11	-	4,827.47
	(iii) Cash and cash equivalents	12	4,382.61	5,957.22
	(iv) Other bank balances	13	5,827.79	5,324.42
	(v) Other financial assets	7	2,287.24	3,002.64
	(c) Others Current Assets	14	51.03	76.74
	Total current assets		**20,836.81**	**27,120.65**
3	**Regulatory Deferral Account Debit Balance**	15	6,395.61	6061.93
	Total assets		**161,593.74**	**173,606.98**
II.	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity share capital	15	41,140.00	41,140.00
	(b) Other equity		8,402.31	6,790.88
	Total equity		**49,542.31**	**47,930.88**
1	**LIABILITIES**			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17	78,960.36	94,488.81
	(ii) Lease Liabilities	18	163.19	186.42
	(ii) Other financial liabilities	19	-	12.41
	(b) Provisions	20	41.21	28.73
	(c) Deferred tax liabilities (net)	21	9,667.55	6,140.07
	(d) Other non-current liabilities	23	-	-
	Total non- current liabilities		**88,832.31**	**100,856.94**
2	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade payables due for payment -	24		-
	Total outstanding dues of Micro Enterprises and Small Enterprises		46.50	
	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		254.87	275.15
	(ii) Lease Liabilities	18	23.23	21.71
	(iii) Other financial liabilities	19	11,486.69	47.65
	(iv) Borrowings	19A	10,798.72	10,798.72
	(b) Other current liabilities	23	282.49	13.65
	(c) Current tax liabilities	25	-	-
	(d) Provisions	20	326.62	13,661.29
	Total current liabilities		**23,219.12**	**24,818.17**
	Total liabilities		**112,051.43**	**125,675.62**
	Total equity and liabilities		**161,593.74**	**173,606.98**

Significant accounting policies and note to financial statements 1-36. The notes referred to above are an integral part of financial statements
As per our report of even date attached

FOR SHIV & ASSOCIATES
Chartered Accountants
FRN 009989N

Sd/-
(Shiv Prakash Chaturvedi)
Partner
(M. No. 085084)
Place : Delhi
Date : 20.05.2022

For and on behalf of the Board of Directors of North East Transmission Company Limited

Sd/-
(Satyajit Ganguly)
Managing Director
DIN : 06961418

Sd/-
(Rajesh Gupta)
Director (Projects)
DIN : 0009325275

Sd/-
(Rajeev Maggo)
CFO

Sd/-
(Mukesh Kumar)
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2022

(All Amounts are in Rs. Lacs)

Sr. No.	Particulars	Note No.	Year Ended March 31,2022	Year Ended March 31,2021
I	Revenue from operations	26	30,924.54	30,662.73
II	Other income	27	1,151.92	1,733.39
III	**Total income (I+II)**		**32,076.46**	**32,396.13**
IV	**EXPENSES**			
	Employee benefit expenses	28	697.57	576.32
	Finance Costs	29	5,992.14	13,181.72
	Transmission, Adminstration Expenses	30	700.18	786.05
	Depreciation on Right to use Assets	6	30.18	42.63
	Depreciation and amortisation	31	11,707.50	11,694.69
	Loss on Assets Discarded	33	0.39	0.39
	Corporate Social Responsibility Expenses		238.97	149.81
	Other Expenses	32	337.63	293.03
	Total expenses		**19,704.54**	**26,723.14**
V	**Profit before tax and Rate Regulated Activities (III-IV)**		**12,371.92**	**5,672.98**
VI	**Tax expense:**	34		
	(a) Current tax :			
	Current Year		2,161.62	971.57
	Earlier Year		-	-386.66
	(b) Deferred tax Liability/ (Assets)	21	3,527.48	1,133.58
	Total Tax Expenses		**5,689.10**	**1,718.49**
VII	**Profit for the year before Rate Regulated Activities (V-VI)**		**6682.82**	**3,954.49**
	Net Movement in Deferral Regulatory Account balance (Debit)/Credit (Net of Tax)	22	-275.83	-3,570.85
	Profit for the year (VI-VII)		**6,958.65**	**7,525.34**
VIII	Other comprehensive income			
	(a) Items that will not be reclassified to profit or loss (net of taxes)		0.97	0.55
	Other Comprehensive Income - Earlier Years		-	-
	Income tax relating to items that will not be reclassified to profit or loss		-	-
			-	-
	(b) Items that will be reclassified to profit or loss		-	-
	Total Other Comprehensive Income		**0.97**	**0.55**
IX	**Total Comprehensive income for the year (VII+VIII)**		**6,959.63**	**7,525.89**
X	**Earning per equity share:**	35		
	A) Including movement in Deferral Regulatory Account balance - Basic and Diluted (Rs.)		**1.69**	**1.83**
	B) Excluding movement in Deferral Regulatory Account balance - Basic and Diluted (Rs.)		**1.62**	**0.96**

See accompanying notes to the standalone financial statements 1-36

For and on behalf of the Board of Directors of North East Transmission Company Limited

FOR SHIV & ASSOCIATES
Chartered Accountants
FRN 009989N

Sd/-
(Shiv Prakash Chaturvedi)
Partner
(M. No. 085084)
Place : Delhi
Date : 20.05.2022

Sd/-
(Satyajit Ganguly)
Managing Director
DIN : 06961418

Sd/-
(Rajesh Gupta)
Director (Projects)
DIN : 0009325275

Sd/-
(Rajeev Maggo)
CFO

Sd/-
(Mukesh Kumar)
Company Secretary

Cash flow statement for the year ended March 31, 2022

(All amounts are in Rs. Lacs)

Particulars	Year Ended March 31, 2022		Year Ended March 31, 2021	
A. **CASH FROM OPERATING ACTIVITES :**				
Profit before tax & Deferral Regulatory Account balance		12,371.92		5,671.48
Add: Net Movement in Deferral Regulatory Account balance (Net of Tax)		-275.83		-3,570.85
Add: Tax on Net Movement in Deferral Regulatory Account balance		58.40		755.98
Adjustments For:				
Depreciation & Amortisation expenses	11,737.68		11,737.32	
Truing up	-		5,005.19	
Truing up Interest	-510.83		613.27	
Balances Written back	-		0.06	
Deferral Regulatory Account debit balance	217.44		2,814.87	
Loss on Assets Discarded & Impairment of Assets	0.39		0.39	
MTM on Inventment	-34.84		98.68	
Interest Income	-591.29		-339.63	
Interest Expense	6,473.44		9,049.67	
Other Non operating Income	-294.42		-1,492.45	
Other Comprehensive Income Adjustment	0.97		-0.55	
		16,998.54		27,486.83
Operating Profit before Working Capital Changes		**29,153.02**		**30,343.45**
Movement in working capital:				
(Increase)/decrease in Trade and other receivables	4,827.47		1,752.48	
(Increase)/decrease in current and Non-current assets	396.89		-1,819.75	
Increase/(decrease) in other current liabilities	-6,731.85		3,841.00	
		-1,507.49		3,773.73
Net cash from operating activities		27,645.53		34,117.18
Direct taxes paid (net of refunds)		-2,012.26		-1,581.32
Net cash Provided/(used)from operating activities(A)		**25,633.27**		**32,535.86**
B. **CASH FLOWS FROM INVESTING ACTIVITIES:**				
Purchase for Property, Plant & Equipment's	-71.57		-178.52	
Capital Advances given	-		-61.48	
Purchase of Mutual Funds	-27,921.01		-32,121.48	
Sale proceeds of Mutual Funds	27,671.86		34,633.39	
Investment in FDR	-254.55		-3,004.17	
Interest received	446.52		226.28	
Disposal of Fixed Assets	0.09		0.05	
Other non operating income	294.42		1,491.54	
		165.75		985.61
Net cash (used in)/generated by Investing Activities "B"		**165.75**		**985.61**
C. **CASH FLOWS FROM FINANCING ACTIVITIES:**				
Loan accepted/(Repaid) during the year -Long Term	-15,528.45		-10,280.00	
Payment of Principal of Lease Liability	-21.71		-29.80	
Dividend	-5,348.20		-6,171.00	
Payment of Interest on borrowings	-6,475.24	-27,373.60	-11,245.02	-27,725.83
Net Cash Used in Financing Activities "C"		-27,373.60		-27,725.83
Net increase in cash and cash equivalents (A+B+C)		-1,574.58		5,795.64
Cash and cash equivalents at the beginning of the year		5,957.22		161.56
Cash and Cash Equivalents at the end of the Year		**4,382.64**		**5,957.19**

Note: 1. Cash flow has been prepared as per Indirect method prescribed in IND AS 7.

2. Cash and cash equivalents consist of Balance with Bank and deposits with orignal maturity of upto three months.

FOR SHIV & ASSOCIATES
Chartered Accountants
FRN 009989N

Sd/-
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Partner
(M. No. 085084)
Place : Delhi
Date : 20.05.2022

For and on behalf of the Board of Directors of North East Transmission Company Limited

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Director (Projects)
DIN : 0009325275

Sd/-
(Rajeev Maggo)
CFO

Sd/-
(Mukesh Kumar)
Company Secretary

17 Statement of change in equity for year ended March 31, 2022

a. Equity share capital (All Amount are in Rs Lacs)

Name of equity share holders	Amount
Balance at April 1, 2021	41,140.00
Changes in equity share capital during the year	-
Balance at March 31, 2022	**41,140.00**

b. Other equity (All Amounts are in Rs. Lacs)

Particulars	Reserve and Surplus			Other Comprehensive Income	Total
	Self Insurance Reserve	Corporate Social Responsibility Reserve	Retained earnings	Other items of other comprehe-nsive income (specify nature)	
Balance at March 31, 2020	**3,065.40**	**16.61**	2,362.08	**-6.60**	**5,437.49**
Profit for the year	-	-	7,523.84	-	7,523.04
Other comprehensive income for the year, net of income tax	-	-	-	0.55	0.55
Total comprehensive income	**3,065.40**	**16.61**	**9,885.92**	**-6.05**	**12,961.88**
Transferred to Self Insurance Reserve	536.57	-	-536.57	-	-
Transferred to Corporate Social Responsibility Reserve	-	-16.61	16.61	-	-
Dividend	-	-	-6,171.00	-	-6,171.00
Dividend Distribution Tax	-	-	-	-	-
Balance at March 31, 2021	**3,601.97**	-	**3,194.97**	**-6.05**	**6,790.88**
Profit for the period	-	-	6,958.65	-	6,958.65
Other comprehensive income for the year, net of income tax	-	-	-	0.97	0.97
Total comprehensive income	**3,601.97**	-	**10,153.62**	**-6.05**	**13,750.51**
Transferred to Self Insurance Reserve	536.74	-	-536.74	-	-
Transferred to Corporate Social Responsibility Reserve	-	-	-	-	-
Dividend	-	-	-5,348.20	-	-5,348.20
Balance at 31st March, 2022	**4,138.71**	-	**4,268.68**	**-6.05**	**8,402.31**

Note : The amount of per share dividend recognized as distribution to equity shareholders is as follows:

	Year 2021-2022		Year 2020-21		Year 2019-20	
	Divident (in %)	Amount (Rs. Lacs)	Divident (in %)	Amount (Rs. Lacs)	Divident (in %)	Amount (Rs. Lacs)
Internim Dividend*	10.00	4,114.00	12.00	4,936.80	7.00	3,471.75
Final Dividend*	-	-	3.00	1,234.20	3.00	1,234.20

During the year ended March 31, 2022, the company has paid Rs. 12.34 crore on account of the final dividend for fiscal 2021, and interim dividend for fiscal 2022 the Company has incurred a net cash outflow of Rs 41.14 crore.

The Board of Directors in their meeting held on .... recommended a final dividend of Rs. ...../- per equity share for the financial year ended March 31, 2022. This payment is subject to the approval of shareholders in the Annual General Meeting date which will be announced by the company in due course. The Final dividend , if approved by shareholders would result in net cash outflow of crore.

FOR SHIV & ASSOCIATES
Chartered Accountants
FRN 009989N

Sd/-
(Shiv Prakash Chaturvedi)
Partner
(M. No. 085084)
Place : Delhi
Date : 20.05.2022

For and on behalf of the Board of Directors of North East Transmission Company Limited

Sd/-
(Satyajit Ganguly)
Managing Director
DIN : 06961418

Sd/-
(Rajesh Gupta)
Director (Projects)
DIN : 0009325275

Sd/-
(Rajeev Maggo)
CFO

Sd/-
(Mukesh Kumar)
Company Secretary

Notes to Standalone Financial Statements

1. Corporate and General Information

North East Transmission Company Limited (NETC) is a public company domiciled and incorporated in India under the provisions of Companies Act. The registered office of the Company is situated at Vill- East Champamura, Khayerpur By-pass Road, P/O & P/S- Old Agartala, District- West Tripura. Pin - 799008

The Company is notified as the 'Transmission licensee (under The Electricity Act, 2003).

2. Significant Accounting Policies

A summary of significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

2.1 Basis of Preparation

i) Statement of Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013(the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act and the provisions of the Electricity Act, 2003 to the extent applicable and as amended thereafter.

ii) Historical Cost convention

The financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value,
- Defined benefit plans – plan assets measured at fair value

iii) Functional and presentation currency

The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Company's functional and presentation currency and all values are rounded to the nearest two decimal Lakhs except otherwise stated.

iv) Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years.

v) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

The Company recognizes twelve months period as its operating cycle.

2.2 Property, Plant and Equipment

On the date of transition to Ind AS, the Company has considered the carrying value of Property, Plant and Equipment as per previous IND GAAP, to be the deemed cost as per Ind AS 101.

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, deposit works/cost- plus contracts where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement. Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates/ assessments.

Transmission system assets are considered as ready for intended use from the date of commercial operation declared in terms of CERC Tariff Regulations and capitalized accordingly.

Spares parts, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalised. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption.

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

Subsequent costs

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the company and cost of the item can be measured reliably.

The cost of replacing part of an item of Property, Plant & Equipment is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

2.3 Capital Work-In-Progress (CWIP)

On the date of transition to Ind AS, the Company has considered the carrying value of CWIP as per previous GAAP to be the deemed cost as per Ind AS 101.

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Deposit works/cost-plus contracts are accounted for on the basis of statement received from the contractors or technical assessment of work completed.

Unsettled liability for price variation/exchange rate variation in case of contracts is accounted for on estimated basis as per terms of the contracts.

2.4 Intangible Assets and Intangible Assets under development

On the date of transition to Ind AS, the Company has considered the carrying value of Intangible Assets as per previous GAAP to be the deemed cost as per Ind AS 101.

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Expenditure incurred eligible for capitalisation under the head Intangible assets are carried as “Intangible assets under Development” till such assets are ready for their intended use.

Expenditure on development shall be recognised as Intangible asset if it meets the eligibility criteria as per Ind AS 38 'Intangible Assets', otherwise it shall be recognised as an expense.

Subsequent expenditure on already capitalized Intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

2.5 Depreciation / Amortisation

Regulatory Assets:

Depreciation on Property, plant and equipment in respect of transmission business of the Company is charged on straight line method following the rates and methodology as notified by the Central Electricity Regulatory Commission for the purpose of recovery of tariff.

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets of transmission business, following the rates and methodology notified by the CERC.

Afforestation charges are amortized over thirty-five years from the date of capitalization of related transmission assets following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulations.

Non-Regulatory Assets:

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation/ Amortization on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

I.T. Equipment's (including Software) will be amortised in 3 years with NIL residual value.

Mobile phones are charged off in the year of purchase.

Fixed Assets costing 5,000/- or less, are fully depreciated in the year of acquisition.

Freehold land is not depreciated.

2.6 Impairment of PPE and intangible assets

The Company reviews the carrying amounts of its PPE (including capital work-in-progress) and intangible assets of a cash generating unit to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recoznised for the asset in prior years. After a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the statement of profit and loss.

2.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 Cash and cash equivalents

Cash and Cash Equivalents include cash on hand and at bank, and deposits held at call with banks. Deposits having a maturity of three months or more from the date of acquisition is shown in the Sub head “Other Bank Balances” under the head “Cash and Cash Equivalents”.

2.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Effective 1 April 2019, the Company adopted Ind AS 116 'Leases' and applied to all lease contracts existing on 1 April 2019 using the modified retrospective transition method. Consequently, the lease liability is measured at the present value of remaining lease payments discounted at incremental borrowing rate applicable at the date of initial application and the right-of-use asset has been recognized at an amount equal to lease liability. Comparatives as at and for the year ended 31 March 2019 have not been adjusted and therefore will continue to be reported as per Ind AS 17. The details of accounting policies as per Ind AS 17 are disclosed separately if they are different from those under Ind AS 116.

As lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contact involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for low value underlying assets. For these short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised/option to terminate the lease will not be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/amortization and impairment losses.

Right-of-use assets are depreciated/amortized from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right-of-use assets reflects that the purchase option will be exercised. Otherwise, Right-of-use assets are depreciated /amortized from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

In the comparative period, as lessee the leases were accounted as per Ind AS 17 and classified as finance lease and operating lease, and accounted as follows:

Accounting for finance leases

In the comparative period, leases of property, plant and equipment where the Company, as lessee has substantially all risks and rewards of ownership were classified as finance lease. On initial recognition, assets held under finance leases were recorded as property, plant and equipment and the related liability was recognized under borrowings. At inception of the lease, finance leases were recorded at amounts equal to the fair value of the leased asset or if lower the present value of the minimum lease payments. Minimum lease payments amount under finance leases were apportioned between the finance cost and the reduction of the outstanding liability.

The finance cost was allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Accounting for operating leases

In the comparative period, leases in which a significant portion of the risks and rewards of ownership were not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases were recognized as an expense on a straight-line basis over the lease term unless the payments were structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received were recognized as an integral part of the total lease expense, over the term of the lease.

As a lessor

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

Company as a lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in that reporting period in which such benefits accrue.

2.10 Foreign Exchange Transactions

The functional currency of the Company is Indian Rupee which represents the currency of the primary economic environment in which it operates.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using exchange rate prevailing on the last day of the reporting period.

Exchange differences on monetary items are recognised in statement of profit and loss in the period in which they arise.

2.11 Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

(i) Defined Contribution Plan:

Employee benefit under defined contribution plan comprising of Provident fund is recognised based on the amount of obligation of the company to contribute to the plan. The contribution is paid to the Provident Fund authorities which is expensed during the year.

Defined Benefit Plans

Payments towards defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- ➢ service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- ➢ net interest expense or income; and
- ➢ remeasurement

The company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The gratuity benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(ii) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered annually on actuarial valuation amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Estimation of defined benefit obligation involves certain significant actuarial assumptions which are listed in Note.

2.12 Financial instruments

Financial Assets

Financial assets of the Company comprise cash and cash equivalents, bank balances, investments in mutual funds, equity shares of companies other than in subsidiaries & joint ventures, loans to subsidiaries/employees, advances to employees, security deposit, claims recoverable etc.

Classification

The Company classifies its financial assets in the following categories:

- at amortised cost,
- at fair value through other comprehensive income.

The classification depends on the following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset

Initial recognition and measurement

All financial assets except trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, if any, that are attributable to the acquisition of the financial asset.

The Company recognises the difference as a gain or loss (unless it qualifies for recognition as some other type of asset) only where the fair value is evidenced by a quoted price in an active market for an identical asset, or based on a valuation technique using only data from observable markets.

Subsequent measurement

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. The company may, on initial recognition, make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (FVOCI) on an instrument by-instrument basis.

For equity instruments classified as at FVOCI, all fair value changes on the instrument, excluding dividends are recognized in the OCI. There is no recycling of the amounts from OCI to Profit or Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

De-recognition of financial assets

A financial asset is derecognized only when the group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company. The Company's financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective rate of interest.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

The EIR amortisation is included as finance costs in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance cost.

2.13 Income Tax:

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is recognised directly in equity or other comprehensive incomes.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred taxes are recognised in respect of temporary differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of temporary difference is determined using first in first out method.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax expense is recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.14 Revenue Recognition and Other Income

Revenue is measured based on the consideration specified in a contract with the customer and excludes amount collected on behalf of third parties. The company recognize revenue when it transfers control over a product or service to a customer. The company has applied IND AS 115 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under IND AS 18 and IND AS 11.

In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are net of returns, trade allowances, rebates, GST and value added taxes.

Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for as per tariff norms and other amendments notified by the CERC in similar cases. "Transmission income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year-to-year basis as per CERC Tariff Regulations. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed i.e. unbilled revenue.

Difference, if any, is accounted on issuance of final tariff orders by the CERC. Transmission Income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on actual expenditure incurred on year-to-year basis as per CERC tariff regulations.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the CERC tariff regulations.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition."

Scrap other than steel scrap & conductor scrap are accounted for as and when sold. The steel scrap & conductor scrap are valued at estimated realisable value or book value, whichever is less.

Surcharge recoverable from trade receivable, liquidated damages, warranty claims and interest on advances to suppliers are recognised when no significant uncertainty as to measurability and collectability exists.

Unclaimed Security Deposit, Unclaimed Retention monies & Dead cheques more than 3 years old are accounted as miscellaneous receipts.

2.15 Dividends

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

2.16 Provisions and Contingencies

a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

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b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are not recognised.

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Self-insurance reserve is created @ 0.25% p.a. on Gross Block of Property, Plant and equipment as at the end of the year by appropriating current year profit to mitigate future losses which may arise from un-insured risks. The same is shown as "Self-insurance reserve" under 'Other equity'.

2.18 Prior Period Items

Material prior period errors are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

2.19 Segment Reporting

The Company is engaged in the business of transmission operation and maintenance. As the company operates in a single business and geographical segment, the reporting requirements for primary and secondary segment disclosure prescribed by IND AS 108 are not applicable.

2.20 Earnings per Share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.

2.21 Cash Flow Statement

Cash flow statement is prepared as per indirect method prescribed in IND AS 7 "Statement of Cash Flows".

2.22 Regulatory Deferral Account

Expenses/income recognized in the Statement of Profit & Loss to the extent recoverable from or payable to the beneficiaries in subsequent period as per CERC tariff Regulations are recognized as per the provision s of Ind AS 114 as "Regulatory Deferral Account Balances" Such expenses and income to the extent recoverable from or payable as part of tariff under CERC regulations are treated as Regulatory Deferral Assets/ Liabilities.

Regulatory deferral account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

Regulatory deferral account balances are evaluated at each balance sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the regulatory deferral account balances are derecognised.

The company presents separate line items in the Balance Sheet for:

(a) the total of all Regulatory Deferral Account Debit Balances, and

(b) the total of all Regulatory Deferral Account Credit Balances.

Separate line item is presented in the profit or loss section of the Statement of Profit and Loss for the net movement in all Regulatory Deferral Account Balances for the reporting period.

3. Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and intangible assets. In assessing the recoverability of trade receivables, unbilled revenue and investments, the company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. and consensus estimates from market sources on the expected future performance of the Company.

As the company's revenue is mainly based on regulated tariff mechanism and falls under essential services and based on the current indicators of future economic conditions, the company expects to recover the carrying amount of these assets.

3.1 Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Inherent in the application of many of the accounting policies used in preparing the standalone financial statements is the need for management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of judgement and estimation of uncertainty in the preparation of the standalone financial statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of revenue and recognition of deferred tax assets.

3.2 Critical judgements in applying accounting policies

Revenue

The Company records revenue from sale of energy based on tariff rates approved by the CERC (except items indicated as provisional) as modified by the orders of Appellate Tribunal for Electricity as per principles enunciated under Ind AS 115 'Revenue'. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement has been used in assessing the impact of any legal or economic limits or uncertainties.

Deferred tax has been recognised in respect of temporary differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of temporary difference has been determined using first in first out method.

3 Property, Plant and Equipment

(All Amounts are in Rs. Lacs)

Carrying Amount of	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Freehold land	679.37	679.37	679.37
Building	528.18	542.21	589.15
Transmission Lines	121,377.98	132,666.39	143,842.85
Assets Discarded ready for reuse	36.92	36.92	36.92
Computers	15.90	17.17	11.41
Office equipment	57.22	54.72	57.75
Furniture and fixtures	94.39	100.61	106.62
Plant and equipment	198.27	211.22	213.53
Total	**122,988.24**	**134,309.41**	**145,537.60**

Cost or deemed cost	Freehold Land	Building	Tans-mission Lines	Assets Discarded ready for reuse	Computers	Office Equipment	Furniture & Fixtures	Plant & Equipment	Total
Balance at March 31, 2020	**679.37**	**610.77**	**212,680.82**	**36.92**	**40.37**	**69.77**	**120.94**	**238.54**	**214,477.50**
Additions	0.47	-	150.16	-	13.53	2.38	1.78	10.64	178.97
Disposals/ adjustments	0.47	28.44	-	-	0.97	-	-	-	29.88
Balance at March 31, 2021	**679.37**	**582.34**	**212,830.97**	**36.92**	**52.93**	**72.15**	**122.73**	**249.18**	**214,626.59**
Additions	-	6.47	46.48	-	8.39	8.38	1.64	0.21	71.57
Disposals/ adjustments	-	-	-	-	-	0.79	-	-	0.79
Balance at March 31, 2022	**679.37**	**588.81**	**212,877.46**	**36.92**	**61.32**	**79.74**	**124.36**	**249.39**	**214,697.37**

Notes to the financial statement for the year ended March 31, 2022

(All Amounts are in Rs. Lacs)

Accumulated depreciation and impairment	Freehold Land	Building	Tans-mission Lines	Assets Discarded ready for reuse	Computers	Office Equipment	Furniture & Fixtures	Plant & Equipment	Total
Balance at March 31, 2020	-	**21.62**	**68,837.96**	-	**28.96**	**12.02**	**14.33**	**25.01**	**68,939.90**
Depreciation expense	-	20.40	11,326.63	-	7.33	5.41	7.79	12.95	11,380.51
Impairment loss/revaluation recognised in profit or loss	-	-	-	-	-	-	-	-	-
Eliminated on disposal / adjustments / transfer of assets	-	1.90	-	-	0.53	-	-	-	2.43
Balance at March 31, 2021	-	**40.12**	**80,164.59**	-	**35.75**	**17.43**	**22.12**	**37.97**	**80,317.98**
Depreciation expense	-	20.51	11,334.89	-	9.67	5.35	7.85	13.16	11,391.42
Impairment loss/revaluation recognised in profit or loss	-	-	-	-	-	-	-	-	-
Eliminated on disposal / adjustments / transfer of assets	-	-	-	-	-	0.27	-	-	0.27
Balance at March 31, 2022	-	**60.63**	**91,499.47**	-	**45.42**	**22.52**	**29.97**	**51.12**	**91,709.13**

4. Intangible assets under development

Particulars	Railways Diversion	Guwahati Building	Dwarka Office WIP	Jowai Land	Rist	Furniture and Fixtures	Plant and Equip-ment	Total
Balance at March 31, 2020	-	**-**	-	**0.47**	**70.79**	-	-	**314.62**
Additions during the year	-	86.03	-	-	-	-	-	86.03
Less: Transfer to Advance/Inventory	-	-	-	-	-70.79	-	-	-70.79
Less: Disposals/ adjustments	-	-	-	-0.47	-	-	-	-0.47
Balance at March 31, 2021	-	**86.03**	-	-	-	-	-	86.03
Additions during the year	-	332.73	-	-	272.78	-	-	605.52
Less: Transfer to Advance/Inventory	-	-	-	-	-	-	-	-
Less: Disposals/ adjustments	-	-	-	-	-	-	-	-
Balance at March 31, 2022	-	**418.76**	-	-	**272.78**	-	-	**691.55**

Note : These all assets are mortgaged with ICICI Bank Limited against Loan availed, Refer Note- 17

Jowai Land : Land at Jowai measuring 1749 square meter is in possession for a lease period of 99 years.

5 Intangible assets

(All Amounts are in Rs. Lacs)

Carrying Amount of	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Forest & Afforestation	3,219.17	3,535.21	3,851.24
Web Site Designing Expenses	0.56	0.60	0.64
Total	**3,219.73**	**3,535.81**	**3,851.89**

Cost or deemed cost	Forest & Afforestation	Web Site Designing Expenses	Total
Balance at March 31, 2020	**5,985.54**	**0.82**	**5,986.36**
Additions	-	-	-
Disposals/ adjustments	-	-	-
Balance at March 31, 2021	**5,985.54**	**0.82**	**5,986.36**
Additions	-	-	-
Disposals/ adjustments	-	-	-
Balance at March 31, 2022	**5,985.54**	**0.82**	**5,986.36**
Accumulated amortisation and impairment			
Balance at March 31, 2020	**2,134.30**	**0.18**	**2,134.48**
Amortisation expense	316.04	0.04	316.08
Revaluation/Impairment loss recognised in profit or loss	-	-	-
Disposals/ adjustments	-	-	-
Balance at March 31, 2021	**2,450.34**	**0.22**	**2,450.56**
Amortisation expense	316.04	0.04	316.08
Revaluation/Impairment loss recognised in profit or loss	-	-	-
Disposals/ adjustments	-	-	-
Balance at March 31, 2022	**2,766.37**	**0.26**	**2,766.64**

5A Capital Work in-progress

Carrying Amount of	Forest Afforestation - RIST	
	As at March 31, 2022	As at March 31, 2021
Balance at March 31, 2020	155.13	155.13
Additions during the year	-	-
Less: Transfer to Advance/Inventory	-	-
Less: Disposals/ adjustments	-	-
Balance at March 31, 2021	155.13	155.13
Additions during the year	-	-
Less: Transfer to Advance/Inventory	-	-
Less: Disposals/ adjustments	-	-
Balance at 31st March, 2022	**155.13**	**155.13**

Intangible assets under development : **(All Amounts are in Rs. Lacs)**

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
RIST	-	-	-	155.13	155.13
	-	-	-	155.13	155.13

Intangible assets under development completion

	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
RIST	155.13			
	155.13	-	-	-

6 Right to use Assets

Particulars	As at March 31, 2022		As at March 31, 2021	
Fair value of Leasehold office in Delhi				
Fair value	176.95		203.85	
Less: Depreciation	26.90	150.06	26.90	176.95
Fair value of Vehicle at Jowai				
Fair value	1.05		7.36	
Less: Depreciation	1.05	-	6.31	1.05
Fair value of Vehicle at Agartala, Tripura				
Fair value	1.17		5.83	
Less: Depreciation	1.17	-	4.66	1.17
Fair value of vehicle at Silchar, Guwahti				
Fair value	1.07		5.35	
Less: Depreciation	1.07	-	4.28	1.07
		150.06		180.24

7 Other financial assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
Security deposits		15.06	-	17.03
Interest Accrued on deposits				
On Fixed deposits with more than 12 months maturity	156.25	2,272.18	2.57	-
Other Receivable	-		-	2,985.61
Others				
Fixed deposits with more than 12 months maturity	5,482.71	-	29.18	-
Total	**5,638.96**	**2,287.24**	**31.75**	**3,002.64**

7.1 Other receivables represents one month unbilled revenue for the period ended 31.03.2022.

8 Other Non-current assests

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance for Capital Expenditure		
Realted Parties:		
Powergrid Corporation of India Limited	1,517.65	2,126.08
Total	**1,517.65**	**2,126.08**

9 Inventories

Particulars	As at March 31, 2022		As at March 31, 2021	
	Qty. in unit	Amount	Qty. in unit	Amount
Consumables, Stores and Spares				
Conductor Transferred from WIP	-	70.79	-	70.79
Wedge Connector, Line Material and Moose conductor	-	71.98	-	-
Total	-	**142.78**	-	**70.79**

10 Other Investments

Particulars	As at March 31, 2022		As at March 31, 2021	
	Qty. in unit	Amount	Qty. in unit	Amount
Financial assets carried at fair value through profit or loss				
Quoted Investments				
Investments in Mutual funds				
SBI Mutual Fund	17,277,860.85	6,144.25	22,988,126.41	7,861.37
UTI Mututal Fund	80,340.98	2,001.11	-	-
Total investments carrying value	**17,358,201.82**	**8,145.36**	**22,988,126.41**	**7,861.37**

Note : 1. The method of valuation of Mutual fund is NAV of the Mutual Fund as at the end of Financial Year
2. The cost of Investment is Rs. 60,87,50,754/- in SBI Mutual Fund and Rs. 19,98,64,000 in UTI Mutual fund (Previous Year Rs. 78,36,99,387/- in SBI Mutual Fund).

11 Trade receivables

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
(secured, considered good unless otherwise stated)		
considered good - secured	-	-
considered good - unsecured	-	4,827.47
having significant increase in credit risk	-	-
credit impaired	-	-
Total	-	**4,827.47**

Trade Receivables ageing schedule **(All Amounts are in Rs. Lacs)**

Particulars	Outstanding for following periods from due date of payment - As At 31st March, 2022					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade receivables - having significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
(vi) Disputed Trade receivables - having significant increase in credit risk	-	-	-	-	-	-
	-	-	-	-	-	-

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment - As At 31st March, 2021					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	4,827.47	-	-	-	-	4,827.47
(ii) Undisputed Trade receivables - having significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
(vi) Disputed Trade receivables - having significant increase in credit risk	-	-	-	-	-	-
	4,827.47	-	-	-	-	**4,827.47**

11.1 Collection of revenue is done through CTU as per agreed payment term and accordingly surcharge is applicable for delay in collection and rebate is allowed on early payment.

12 Cash and cash equivalents

Particulars	As at March 31, 2022		As at March 31, 2021	
	Qty. in unit	Amount	Qty. in unit	Amount
Cash and Cash Equivalents				
Balances with Banks				
- Escrow Account	396.38		0.12	
- Current Account	0.10	396.48	4,010.99	4,011.12
Other Bank Balances				
Term Deposit Accounts having maturity upto 3 months		3,903.34		1,849.80
Interest Accrued on deposits on FDR with Maturity upto 3 months		82.79		96.28
Total		**4,382.61**		**5,957.19**

13 Bank Balances other than Cash and cash equivalents

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Term Deposit Accounts having maturity more than 3 months upto 12 months	5,663.36	5,198.98
Interest Accrued on deposits 'on FDR with Maturity more than 3 months upto 12 months	164.44	125.44
Total	**5,827.79**	**5,324.42**

13.1 The deposits maintained by the Company with banks comprise of time deposits, which can be withdrawn by the company at any point without period notice or penalty on the principal.

14 Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid Expenses	22.06	16.19
Prepaid Expenses IND AS	3.92	1.97
Advance to Employees	4.44	4.53
Advance to others	1.93	0.10
Advance for CSR Projects	18.69	53.95
Total	**51.03**	**76.74**

15 Regulatory Deferral Account Debit Balance

Particulars	As at March 31, 2022	As at March 31, 2021
Reconciliation of Regulatory Asset/(Liability) as per Rate Regulated Activities		
Opening Balance	6,061.39	1,734.55
Addition during the year	3,527.48	4,326.84
Reversal during the year	-3,193.25	-
Closing Balance	**6,395.61**	**6,061.39**

16 Share Capital

Particulars	As at March 31, 2022	As at March 31, 2021
Share Capital		
Authorised Share Capital: 600,000,000 Equity Shares of Rs. 10 each	**60,000.00**	**60,000.00**
Issued and Subscribed Share Capital: 411,400,000 (Previous Year 411,400,000) Equity Shares of Rs.10/- each fully paid up	**41,140.00**	**41,140.00**
Fully paid equity shares: 411,400,000 (Previous Year 411,400,000) Equity Shares of Rs.10/- each fully paid up	**41,140.00**	**41,140.00**
Total	**41,140.00**	**41,140.00**

16.1. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	Number of shares in lacs	Share Capital
Balance at April 1, 2021	4,114.00	41,140.00
Shares issued during the year		
Balance at March 31, 2022	**4,114.00**	**41,140.00**
Outstanding as at March 31, 2022	**4,114.00**	**41,140.00**

16.2. Terms/rights attached to equity shares

The Company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.3. Details of promoters holding and shareholders holding more than 5% shares in the Company are as under:

Name of equity shareholders	As at March 31, 2022		As at March 31, 2021	
	No.	% holding	No.	holding
ONGC Tripura Power Company Limited	106,964,000	26%	106,964,000	26%
Powergrid Corporation of India Limited	106,964,000	26%	106,964,000	26%
Assam Electricity Grid Corporation Limited	53,482,000	13%	53,482,000	13%
Government of Tripura	41,140,000	10%	41,140,000	10%
Government of Mizoram	41,140,000	10%	41,140,000	10%
Government of Manipur	24,684,000	6%	24,684,000	6%

16.4. Details of promoters shareholders:-

(All Amounts are in Rs. Lacs)

Name of equity shareholders	As at March 31, 2022		As at March 31, 2021		Change in Promoters Holding
	No. of Share	% holding	No. of Share	% holding	
ONGC Tripura Power Company Limited	106,964,000	26%	106,964,000	26%	0%
Powergrid Corporation of India Limited	106,964,000	26%	106,964,000	26%	0%
Assam Electricity Grid Corporation Limited	53,482,000	13%	53,482,000	13%	0%
Government of Tripura	41,140,000	10%	41,140,000	10%	0%
Government of Mizoram	41,140,000	10%	41,140,000	10%	0%
Government of Manipur	24,684,000	6%	24,684,000	6%	0%
Government of Meghalaya	20,570,000	5%	20,570,000	5%	0%
Government of Nagaland	16,456,000	4%	16,456,000	4%	0%

17 Borrowings

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured – From banks		
Rupee Term Loan: ICICI Bank	78,960.36	94,488.81
Total	**78,960.36**	**94,488.81**

Further Note: (Refer Note [1-3] below)

1. The company has availed new Loan vide Agreement signed w.e.f. 11.12.2020 for an amount Rs. 11,20,00,00,000/- from ICICI Bank Ltd. and foreclosed the old loan availed from Power Finance Corporation Limited. An exclusive charge has been created in favour of ICICI bank, on the company's movable and immovable properties acquired for the project along with the revenue and receivables from the project, present and future. Satisfaction of charge created in favour of Power Finance Corporation has been filed in ROC.

2. Repayment of New Loan is scheduled in 39 equal quarterly installments and starting from 02nd April 2021.

3. The prevailing rate of Interest, as on 31.03.2022 is @ 6.75% p.a (3 M T-bill rate + "Spread" per annum, to be reset at every 3 month.

Repayment Schedule of Rupee Term Loan **(All Amounts are in Rs. Lacs)**

Year of Repayment	ICICI Bank		Power Finance Corporation of India Ltd.	
	As At 31st March, 2022	As At 31st March, 2021	As At 31st March, 2022	As At 31st March, 2021
2021-22	-	10,528.45	-	-
2022-23	10,258.18	10,258.18	-	-
2023-24	10,258.18	10,258.18	-	-
2024-25	10,258.18	10,258.18	-	-
2025-26	10,258.18	10,258.18	-	-
2026-27	10,258.18	10,258.18	-	-
2027-28	10,258.18	10,258.18	-	-
2028-29	10,258.18	10,258.18	-	-
2029-30	10,258.18	10,258.18	-	-
2029-30	7,693.64	7,693.64	-	-
Total	**89,759.08**	**100,287.53**	-	-

18 Lease Liabilities

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Lease Liability - Delhi Office	163.19	23.23	186.42	18.16
Lease Liability - Jowai Vehicle	-	-	-	1.14
Lease Liability - Agartala Vehicle	-	-	-	1.26
Lease Liability - Silchar Vehicle	-	-	-	1.15
Total	**163.19**	**23.23**	**186.42**	**21.71**

19 Other financial liabilities

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non current	Current
Interest accrued	-	16.60	-	18.40
Other Current Liability	-	3.05	-	3.05
Creditors for Capital Expenditure	-	-	12.41	-
Payable to Employees	-	-	-	22.88
Audit Fee Payable	-	3.78	-	3.32
Advance from Customers	-	11,463.26	-	-
Total	-	**11,486.69**	**12.41**	**47.65**

19.1. The Statutory Auditors Remuneration is as under:

Particulars	As at March 31, 2022	As at March 31, 2021
Audit Fees	4.13	3.54
Tax Audit Fees	0.87	1.42
Certification and Other Services	3.19	4.53
Travelling and Out of Pocket Expenses	0.30	0.43
Total	**8.48**	**9.92**

19.A. Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Current maturities of Long term borrowings	10,798.72	10,798.72
Total	**10,798.72**	**10,798.72**

20 Provisions

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non current	Current
Provision for Truing Up (Refer Note [20.1])	-	-	-	14,600.17
Less: Amount Paid to CTU	-	-	-	-3,831.81
Provision for Interest on Truing up (Refer Note [20.1])	-	-	-	2,772.83
Provision for Income Tax (Net of Taxes paid)	-	325.95	-	118.00
Provision for Employee benefits:	-	-	-	-
For Leave encashment	19.40	0.66	12.03	1.82
For Gratuity	21.82	-	16.69	0.27
Total	41.21	326.62	28.73	13,661.29

20.1. CERC Tariff Order dated 28.02.2022, against petition no. 308/TT/2020, has been received and accordingly, provision for truing up has been settled.

21 Deferred Tax Liabilities (net)

The following is the analysis of deferred tax assets/ (liabilities) presented in the Standalone Balance Sheet:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	6,140.07	5,006.49
Addition during the period	3,527.48	1,133.58
Total	**9,667.55**	**6,140.07**

22 Movement in Deferral Regulatory Account Debit balance

The following is the analysis of Movement in Deferral Regulatory Account balance presented in the Standalone Balance Sheet :

Particulars	As at March 31, 2022	As at March 31, 2021
Addition during the period	334.23	4,326.84
Tax on Movement in Deferral Regulatory Account balance	-58.40	-755.98
Total	**275.83**	**3,570.85**

23 Other liabilities

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non current	Current	Non current	Current
Statutory Dues Payables	-	282.49	-	13.65
Total	-	282.49	-	13.65

23.1 - Statutory dues represents Govt. dues such as PF, TDS, GST etc.

24 Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Creditors for Goods, expenses & Services to MSME	46.50	10.95
Creditors for Goods & Services	96.02	130.25
Retention Money & Others	158.84	134.10
Total	**301.37**	**275.30**

Trade Payables ageing schedule **(All Amounts are in Rs. Lacs)**

Particulars	Outstanding for following periods from due date of payment - As At 31st March, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	46.50	-	-	-	46.50
(ii) Others	150.40	0.74	0.09	103.64	254.87
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**196.90**	**0.74**	**0.09**	**103.64**	**301.37**

Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment - As At 31st March, 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	12.16	-	-	-	12.16
(ii) Others	160.27	0.09	-	102.79	263.14
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**172.43**	**0.09**	-	**102.79**	**275.30**

25 Current Tax Liabilities (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Income Tax	5,116.61	4,092.52
Income tax on Deferred Regulatory Account balance	58.40	755.98
Reversal of Provision of earlier Years	-3,414.07	-703.46
Provision for Income Tax Current Year	2,161.62	971.57
Less: Advance Tax Paid	-3,516.52	-4,863.24
Less: TDS Recoverable	-80.09	-135.36
Excess Tax paid/provision transferred to Note 20	**-325.95**	**-118.00**

25.1 The Company has created Deferred Tax Liability after netting off Deferred Tax assets on Losses brought forward and MAT paid, and shown the net deferred tax liability.

26 Revenue From Operations

Particulars	As at March 31, 2022		As at March 31, 2021	
Transmission Charges	30,238.29		35,044.92	
Incentive	449.50		447.02	
RLDC Fees	236.74		175.97	
Less: Provision for Truing Up	-	30,924.54	-5,005.19	30,662.73
Total		**30,924.54**		**30,662.73**

26.1 The Transmission charges has been booked based on CERC Tariff order dated 28.02.2022, including Rs. 27.98 crores being the difference on account of apparent wrong consideration of Interest on Term Loan and ROE for the block period 2014-19. The company has already filed a corrigendum and review petition.

27 Other Income

(All Amounts are in Rs. Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on:		
Fixed Deposits with Banks	591.29	339.63
	591.29	339.63
Dividend Income from:		
Investment in Mutual fund investment	293.61	603.68
MTM on Mutual Fund	34.84	-98.68
	328.46	504.99
Other Non-Operating Income		
Interest on Security Deposit	0.72	0.91
Surcharge	231.37	764.57
Interest on Income Tax Refund	-	111.04
Other Non-operating Income	0.08	12.24
	232.18	888.77
Total	**1,151.92**	**1,733.39**

28 Employee benefit expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and other allowances	591.59	537.40
Contribution to Provident fund and other funds	17.80	16.41
Staff Welfare Expenses	88.18	22.51
Total	**697.57**	**576.32**

29 Finance Cost

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Interest cost on loan:		
Interest on Term Loan	6,473.44	9,049.67
(b) Other Interest/Finance Cost:		
Interest on Truing Up	-510.83	613.27
Prepayment charges	-	3,497.78
Interest on Leasehold Assets	17.51	19.83
Interest on Income Tax	11.68	-
Bank charges	0.34	1.16
Total	**5,992.14**	**13,181.72**

30 Transmission, Administration Expenses

Particulars	As at March 31, 2022	As at March 31, 2021
CERC Tariff Fee	77.34	81.34
Operation & Maintenance Expenses	622.84	704.71
Total	**700.18**	**786.05**

31 Depreciation, Depletion, Amortization and Impairment

Particulars	As at March 31, 2021		As at March 31, 2020	
Depreciation of property, plant and equipment	11,391.42		11,378.61	
Amortisation of intangible assets	316.08	11,707.50	316.08	11,694.69
Total		**11,707.50**		**11,694.69**

32 Other Expenses

(All Amount are in Rs. Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Electricity Expenses	7.27	6.98
Office Expenes	56.53	36.93
Repair & Maintenance	-	-
-Machinery	2.42	10.83
Rent Expenses	19.31	14.75
Rates & Taxes	2.45	1.10
Recruitment Expenses	7.53	1.10
Travelling & Conveyance	82.91	50.29
Communication Expenses	9.38	9.40
Printing & Stationery	3.85	4.67
Auditors' remuneration	8.19	8.52
Legal & professional	119.78	131.39
Audit Expenes(Internal)	1.49	1.53
Advertisement & exhibition expenses	1.94	3.08
Meeting Expenses	14.16	12.04
Cost Audit Expenses	0.41	0.41
Total	**337.63**	**293.03**

33 Loss on Assets Discarded

(All Amounts are in Rs. Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Laptop		
Cost of Assets Sold/Discarded	0.79	0.97
Less: Depreciation	-0.27	-0.53
Less: Sale Value	-0.09	-
Loss/(Profit) on Sale of Assets	-0.05	-0.05
Total	**0.39**	**0.39**

34 Income Taxes

34.1. Income tax recognised in profit or loss

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax		
- In respect of the current year	2,161.62	1,299.77
- In respect of prior years	-	2.97
	2,161.62	**1,302.73**

35 Earnings per share

Particulars	As at March 31, 2022	As at March 31, 2021
Profit for the year including movement in Deferral Regulatory Account balance attributable to equity shareholders (in Rs. Lacs)	6,959.63	7,524.39
Profit for the year excluding movement in Deferral Regulatory Account balance attributable to equity shareholders (in Rs. Lacs)	6,682.82	3,952.99
Weighted average number of equity shares (Nos. Lacs)	4,114.00	4,114.00
Basic & Diluted earnings per equity share including movement in Deferral Regulatory Account balance (in Rs.)	1.69	1.83
Basic & Diluted earnings per equity share excluding movement in Deferral Regulatory Account balance (in Rs.)	1.62	0.96
Face Value per equity share (in Rs.)	10.00	10.00

35A. Ratios **(All Amounts are in Rs. Lacs)**

Particulars	Numerator	Denominator	As At 31st March, 2022	As At 31st March, 2021	Variance
(a) Current Ratio	Current Assets	Current Liabilities	0.90	1.09	-18%
(b) Debt-Equity Ratio	Total Debt includes Lease Liabilities	Shareholder's Equity	1.85	2.23	-17%
(c) Debt Service Coverage Ratio	Earnings available for debt service*	Debt Service**	1.14	0.75	53%
(d) Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	0.14	0.16	-10%
(e) Inventory turnover ratio	Cost of Goods Sold	Average Inventory	-	-	-
(f) Trade Receivables turnover ratio	Revenue from Operations	Debtors	-	0.16	-100%
(g) Trade payables turnover ratio	Cerdit Purchase	Creditors	-	-	
(h) Net capital turnover ratio	Revenue from Operations	Working Capital	-12.98	13.32	-197%
(I) Net profit ratio	Net Profit	Revenue from Operations	0.23	0.25	-8%
(j) Return on Capital employed	Earning before interest and taxes	Capital Employed	0.13	0.09	37%
(k) Return on investment	Net return on Investment	Cost of Investment	0.17	0.18	-8%

Reason for change in Ratio more by more than 25%

* Net profit after tax + Non cash operating expenses + Interest (bank interest only) + other adjustments like loss on sale of fixed assets

** Debt service includes interest on loan and principal payments.

A In current financial year debt service coverage ratio has been improved as debt reduced and earning increased.

B Trade receivable has been reduced due to effect of CERC order, amount payable to CTU.

C Working Capital has been reduced due to amount payable to CTU as per CERC order.

D Earning before interest and tax has been improved as compared to previous year.

For and on behalf of the Board of Directors of North East Transmission Company Limited

FOR SHIV & ASSOCIATES
Chartered Accountants
FRN 009989N

Sd/-
(Shiv Prakash Chaturvedi)
Partner
(M. No. 085084)
Place : Delhi
Date : 20.05.2022

Sd/-
(Satyajit Ganguly)
Managing Director
DIN : 06961418

Sd/-
(Rajesh Gupta)
Director (Projects)
DIN : 0009325275

Sd/-
(Rajeev Maggo)
CFO

Sd/-
(Mukesh Kumar)
Company Secretary

36 Other Notes

36.1 Segment Reporting

The Company is engaged in the business of transmission operation and maintenance. As the Company operates in a single business and geographical segment, the reporting requirements for disclosures as prescribed by Ind As 108 "Operating Segments", are not applicable.

36.2 Information about major customers

All collection are routed through CTUIL **(All Amounts are in Rs. Lacs)**

Customer	As at March 31, 2022		As at March 31, 2021	
	Percentage	Amount outstanding	Percentage	Amount outstanding
Collection through Powergrid Corporation of India Limited as per CTU Agreement	**100.00**	-	**100.00**	4,827.47
Total		-		**4,827.47**

No other single customers contributed 10% or more to the company's revenue for both 2020-21 and 2021-22.

36.3 Related Party Disclosures

36.3.1 Name of related parties and description of relationship:

A - Enterprises having significant influence over the Company

1 ONGC Tripura Power Company Limited
2 Powergrid Corporation of India Limited

B - Key Management Personnel

1 Sri Satyajit Ganguly (Managing Director)
2 Mr A K Srivastava (Director Projects) Upto 29.06.2021
3 Mr Rajesh Gupta (Director Projects) From 29.09.2021
4 Mr. Rajeev Maggo (Chief Financial Officer) from 27.07.2021
5 Mr. Mukesh Kumar (Company Secretary)

36.3.2 Details of Transactions: Transactions with Enterprises having significant influence over the Company

(All Amounts are in Rs. Lacs)

Name of related party	Nature of transaction	Outstanding as on 31.03.2022	Outstanding as on 31.03.2021	Transaction during 21-22	Transaction during 20-21
Service received from :					
a) Power Grid Corporation of India Limited	Project Consultancy Services	-	12.41	-	18.82
b) Power Grid Corporation of India Limited	Operation & Maintenance Service	-	-	91.86	266.23
c) Power Grid Corporation of India Limited	Project work	-	-	-	144.99
d) Power Grid Corporation of India Limited	Dividend	-	-	1,069.64	1,604.46
e) Power Grid Corporation of India Limited	Director's Remuneration Reimbursement	23.90	22.88	79.48	90.10
f) ONGC Tripura Power CompanyLimited	Dividend	-	-	1,069.64	1,604.46
g) ONGC Tripura Power CompanyLimited	Staff Training Expenses	-	-	-	-
Total		**23.90**	**35.30**	**2,310.62**	**3,729.07**

Note: + represents Dr. and - represents Cr.

36.3.3. Statement of material transactions during the year with Key Managerial Persons:

Particulars	Nature of transaction	Outstanding as on 31.03.2022	Outstanding as on 31.03.2021	Transaction during 21-22	Transaction during 20-21
Sri Satyajit Ganguly (Managing Director)	PRP & Remuneration	-	-	85.07	56.12
Mr A K Srivastava (Director Projects) Upto 29.06.2021	PRP & Remuneration	-	22.88	27.59	90.10
Mr Rajesh Gupta (Director Projects) From 29.09.2021	PRP & Remuneration	23.90	-	54.90	-
Mr. Rajeev Maggo (Chief Financial Officer) from 27.07.2021	Remuneration	-	-	27.04	-
Mr. Bimal Ram Nagar (Chief Financial Officer upto 15.03.2021)	PRP	-	-	6.61	37.62
Mr. Mukesh Kumar (Company Secretary)	PRP & Remuneration	-	-	25.77	25.55
Total		**23.90**	**22.88**	**226.98**	**209.39**

36.4 Employee benefit plans

Particulars	As at March 31, 2022	As at March 31, 2021
Leave Encashment	20.06	13.86
Gratuity	21.82	16.97

36.4.1 Employee Retirement Benefits

Provision of Gratuity is made on actuarial basis as summarize below :

The disclosure required as per IND AS are provided below:

Actuarial Assumptions

(I) Economic Assumptions

Particulars	As at March 31, 2022	As at March 31, 2021
i) Discounting Rate	0.07	0.07
ii) Future salary Increase	0.05	0.05
iii) Expected Rate of return on plan assets	-	-

(II) Actuarial Method

Projected unit credit (PUC) actuarial method is used to assess the plan's liabilities of exit employees for retirement, death-in-service and withdrawal and also compensated absence while in service.

Change in present value of Obligation

Particulars	As at March 31, 2022	As at March 31, 2021
i) Present value of obligation as at the beginning of the period	16.97	13.17
ii) Interest cost	1.15	0.89
iii) Current service cost	5.02	4.38
iv) Benefits paid	-	-
v) Actuarial (gain)/loss on obligation	-1.32	-1.48
vi) Present value of obligation as at the end of period	21.82	16.97

Expense recognized in the statement of profit and loss

Particulars	As at March 31, 2022	As at March 31, 2021
i) Current service cost	5.02	4.38
ii) Interest cost	1.15	0.89
iii) Net actuarial (gain) / loss recognized in the period	-1.32	-1.48
iv) Expenses recognized in the statement of profit & losses	4.85	3.80

Movement in the liability recognized in the balance sheet

Particulars	As at March 31, 2022	As at March 31, 2021
i) Opening net liability	16.97	13.17
ii) Expenses as above	4.85	3.80
iii) Benefits paid	-	-
iv) Closing net Liability	21.82	16.97

Sensitivity Analysis of the defined benefit obligation.

a)	Impact of the change in discount rate		
	Present Value of Obligation at the end of the period	21.82	16.97
	a) Impact due to increase of 0.50%	-1.29	-1.02
	b) Impact due to decrease of 0.50 %	1.41	1.11
b)	Impact of the change in salary increase		
	Present Value of Obligation at the end of the period	21.82	16.97
	a) Impact due to increase of 0.50%	1.44	1.13
	b) Impact due to decrease of 0.50 %	-1.33	-1.04

Provision of Leave encashment is made on actuarial basis as summarized below :
The disclosure required as per IND AS 19, is provided below

NOTICE

BOARD'S REPORT

FINANCIAL STATEMENT

Actuarial Assumptions

(I) Economic Assumptions

Particulars	As at March 31, 2022	As at March 31, 2021
i) Discounting Rate	0.07	0.07
ii) Future salary Increase	0.05	0.05
iii) Expected Rate of return on plan assets	-	-

(II) Actuarial Method

Projected unit credit (PUC) actuarial method is used to assess the plan's liabilities of exit employees for retirement, death-in-service and withdrawal and also compensated absence while in service.

Change in present value of Obligation **(All Amounts are in Rs. Lacs)**

Particulars	As at March 31, 2022	As at March 31, 2021
i) Present value of obligation as at the beginning of the period	13.86	11.58
ii) Interest cost	0.94	0.79
iii) Current service cost	5.78	4.94
iv) Benefits paid	-0.66	-4.26
v) Actuarial (gain)/loss on obligation	0.14	0.81
vi) Present value of obligation as at the end of period	20.06	13.86

Sensitivity Analysis of the defined benefit obligation:

Particulars	As at March 31, 2022	As at March 31, 2021
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	20.06	13.86
a) Impact due to increase of 0.50 %	-1.14	-0.80
b) Impact due to decrease of 0.50 %	1.22	0.86
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	20.06	13.86
a) Impact due to increase of 0.50 %	1.26	0.88
b) Impact due to decrease of 0.50 %	-1.16	-0.81

Expense recognized in the statement of profit and loss

Particulars	As at March 31, 2022	As at March 31, 2021
i) Current service cost	5.78	4.94
ii) Interest cost	0.94	0.79
iii) Net actuarial (gain) / loss recognized in the period	0.14	0.81
iv) Expenses recognized in the statement of profit & losses	6.87	6.54

Movement in the liability recognized in the balance sheet

Particulars	As at March 31, 2022	As at March 31, 2021
i) Opening net liability	13.86	11.58
ii) Expenses as above	6.87	6.54
iii) Benefits paid	-0.66	-4.26
iv) Closing net Liability	20.06	13.86

Assumptions as at March 31, 2022

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity		
1 Discount rate	0.07	0.07
2 Expected return on plan assets	-	-
3 Annual increase in costs	NA	NA
4 Annual increase in salary	0.05	0.05
Leave Encashment		
1 Discount rate	0.07	0.07
2 Expected return on plan assets	NA	NA
3 Annual increase in costs	NA	NA
4 Annual increase in salary	0.05	0.05

36.4.2 The discount rate is based upon the market yield available on Government bonds at the Accounting date with a term that matches. The salary growth takes account inflation, seniority, promotion and other relevant factor on long term basis. Expected rate of return on plan assets is based on market expectation, at the beginning of the year, for return over the entire life of the related obligation.

36.4.3. Earned Leave (EL) Benefit

Accrual – 20 days per year

Encashment while in service – 100% of Earned Leave balance subject to a maximum of 240 days per calendar year

Encashment on retirement – maximum 240 days or actual Accumulation, minimum 30 days EL has to be in account of an employee.

36.4.4. Gratuity

15 days salary for each completed year of service. Vesting period is 5 years.

36.5 Sensitivity Analysis as on March 31, 2022 **(All Amounts are in Rs. Lacs)**

Particulars		As at March 31, 2022	As at March 31, 2021
Impact on Interest on Loan	0.05	323.67	452.48
Impact on Income from Mutual Fund	0.05	16.42	25.25

36.5.1 The company requires funds both for short-term operational needs as well as for long-term investment programme mainly for repayment of loans. The company generates sufficient cash flows from the current operation together with the available cash and cash equivalents and short term investments provide liquidity both in the short-term as well as in the long-term

36.6 Contingent liabilities and commitments

36.6.1 Contingent Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Bank Guarantee to DMRC	31.03	24.49
Income Tax Demand u/s 156 of The Income Tax Act.1961	0.28	0.26
In respect of cases where Higher compensations claimed by individuals/institutions (Claims against the Company not acknowledged as debts in respect of compensation cases relating to right of way)	5,190.00	5,452.00
Total	**5,221.31**	**5,476.76**

36.6.2 The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax / Statutory/ Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities.

36.6.3 In 32 court cases for enhancement of compensation, which have been filed against the company, the liability for the same is not ascertainable.

36.6.3. Capital Commitments (If any) **(All Amounts are in Rs. Lacs)**

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account:-	265.86	284.72

36.6.4 The total of future minimum lease payments under non-cancellable operating leases is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
(i) not later than one year;	38.87	39.22
(ii) later than one year and not later than five years;	201.55	156.12
(iii) later than five years.	0.32	119.90

Jowai Land disclosure: The Company has acquired a leasehold land for 99 years in Khlieh Thadlulong "Thadmuthlong Elaka- Shangpung - West Jaintia Hills District, Lease rent will be payable as per rates fixed by The Executive Committee of The Jaintia Hills Autonomous District Council, Jowai.

36.6.5 Movement of Provisions :

Particulars	As at March 31, 2022	As at March 31, 2021
Truing up provision movement:		
Opening	14,600.17	9,594.99
Additional Provision	4,186.04	5,005.19
Provision write back	-18,786.21	-
Closing balance	-	14,600.17
Gratuity:		
Opening	16.97	13.17
Additional Provision	4.85	3.80
Closing balance	21.82	16.97
Leave Encashment:		
Opening	13.86	11.58
Additional Provision	6.20	2.28
Closing balance	20.06	13.86

36.7 Financial instruments

36.7.1 Interest rate risk management

The Company has exposed to interest rate risk because company has borrowed funds at fluctuating interest rates and current rate of interest is 6.75% and next reset is due in April 2022

36.7. 2 Fair value of the Company's financial assets that are measured at fair value on a recurring basis

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: In the principal market for the asset or liability, or In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

36.8 Categories of financial instruments

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Assets		
Measured at FVTPL		
Mandatory measured:		
a) Investment in Mutual Fund	8,145.36	7,861.37
Measured at Amortised Cost		
a) Trade receivables	-	4,827.47
b) Cash & Cash Equivalents	396.48	4,011.12
c) Other Bank balances	5,827.79	5,324.42
d) Loans & Advances	51.03	76.74
e) Other Financial Assets	2,287.24	3,002.64
Financial Liabilities		
Measured at Amortised Cost		
a) Borrowings (including current maturities of long term borrowings)	89,759.08	105,287.53
b) Trade Payables	301.37	275.30
c) Other Financial Liabilities	11,792.41	83.00

36.9 Financial risk management objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's management monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

36.10 Market Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

36.11 Foreign currency risk management

The Company has not made any transactions denominated in foreign currency and consequently, not exposed to exchange rate fluctuations arise.

36.12 Interest rate risk management:

The Company is exposed to interest rate risk because the Company has borrowed funds at 3 months reset floating interest rates. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year A 50 basis point increase or decrease is used when reporting interest rate risk internally to the management and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's:

Profit before tax for the year ended March 31, 2022 would decrease/increase by Rs 323.67 Lacs (For the year ended March 31, 2021: decrease/increase by Rs. 452.48 Lacs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

36.13 Price risks :

The company is exposed to price risk arising from investments in mutual funds measured at FVTPL.

36.13.1. Price sensitivity analysis :

The sensitivity of profit or loss in respect of investments in mutual funds at the end of the reporting period for +/-5% change in net asset value is presented below:

Profit before tax for the year ended March 31, 2022 would increase/decrease by Rs. 407.27 Lacs (For the year ended March 31, 2021 would increase/decrease by Rs. 393.07 Lacs) as a result of the changes in net asset value of investment in mutual funds.

36.14. Credit risk management :

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from bank balances, deposits with banks and trade receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

The Company makes sales to its customers which have high credit rating.

Only high rated banks are considered for placement of deposits. Bank balances are held with reputed and creditworthy banking institutions.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to the credit risk arising from the possibility that counterparties (primarily trade receivables, suppliers etc.) might fail to comply with contractual obligations. This exposure may arise with regard to unsettled amounts and to the cost of substituting products that are not supplied.

Credit risk management :

Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counter party. The credit risk is limited as the revenue and collection are sources from Central Transmission Utility, Power Grid Corporation of India Ltd (PGCIL) which is a Government of India undertaking.

Other credit enhancements: -

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Impact of Covid-19 Pandemic

The spread of COVID-19 disease has severely impacted economies, businesses and social set ups across the globe. India is no exception; the spread of COVID-19 and the consequent lock-downs, disruptions in transportation and supply chains, travel bans, quarantines, social distancing and other such emergency measures have caused widespread disruptions in the economy and businesses. The resultant situation is both complex and continuously evolving, with no clear visibility of the near to medium term future outlook. In the above backdrop, the Company has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of COVID-19 pandemic in the financial statements for the year ended March 31, 2022.

The Company is mainly engaged in the business of transmission of electricity, through its own network of transmission lines. Since transmission of electricity has been categorised as an essential service and due to set up of transmission line, the company is in a position to transmit electricity to its customers. The disruption has not caused any reduction in revenue of transmission income since the same is based on tariff approved by Central Electricity Regulatory Commission (CERC) in accordance with CERC Terms and Conditions of Tariff Regulations. Further, no adverse impact is anticipated regarding transmission line availability.

The Company has made a detailed assessment of the liquidity position for the next one year and of the recoverability and carrying value of its assets comprising of Property Plant and equipment, trade receivables, inventory and investments as at Balance sheet date and has concluded that there are no material adjustments required in the financial statements. Management believes that it has taken into account all the known impacts arising from COVID 19 pandemic in the preparation of the financial statements and concluded that there is no implication on its current business. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

36.15. Liquidity risk management:

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and investment in mutual fund to meet obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets and liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay. **(All Amounts are in Rs. Lacs)**

Particular	Less Than 1 Year	1 Year to 3 Year	More than 3 Year
As at March 31,2022			
- Borrowings (including current maturities of Long Term Borrowings)	10,798.72	32,396.16	46,564.20
- Trade Payables	301.37	-	-
- Other Financial Liabilities (Excluding current maturities of Long Term Borrowings)	11,792.41	-	-

Particular	Less Than 1 Year	1 Year to 3 Year	More than 3 Year
As at March 31,2021			
- Borrowings (including current maturities of Long Term Borrowings)	10,798.72	32,396.16	62,092.65
- Trade Payables	275.30	-	-
- Other Financial Liabilities (Excluding current maturities of Long Term Borrowings)	47.65	-	-

Particular	Less Than 1 Year	1 Year to 3 Year	More than 3 Year
As at March 31,2022			
- Investments in Mutual fund	8,145.36	-	-
- Investments in FDR	9,566.70	5,482.71	-
- Trade Receivables	-	-	-
- Other Current Assets	51.03	-	-

Particular	Less Than 1 Year	1 Year to 3 Year	More than 3 Year
As at March 31,2021			
- Investments in Mutual fund	7,861.37	-	-
- Investments in FDR	7,048.78	29.18	-
- Trade Receivables	4,827.47	-	-
- Other Current Assets	72.21	-	-

36.16. Transaction in Foreign exchange :

Particulars	As at March 31, 2022	As at March 31, 2021
Foreign Tour Expenses ($ 550 for Tavel to Sri Lanka) (Euro 634.40 for CIGRE Registration)	1.00	-

36.17. All the following Current & Non current assets hypothecated/mortgaged as seurity against Term Loan to the lender

Particulars	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment	122,988.24	134,308.61
Capital work in progress	3,219.73	241.16
Intangible assets	691.55	3,535.81
Right to use assets	150.06	180.24
Financial assets :	-	-
Other	7,156.61	2,174.86
Financial assets	-	-
Investments	8,145.36	7,861.37
Trade receivables	-	-
considered good - unsecured	-	4,827.47
Cash and cash equivalents	4,382.61	5,957.19
Other bank balances	5,827.79	5,324.42
Other financial assets	2,287.24	2,990.14
Others Current Assets	51.03	72.21
Current tax Assets		
Total assets	**154,900.22**	**167,473.47**

The figures of the previous period have been re grouped/re classified where ever necessary, to confirm to the current period classification.

36.18 Disclosure pursuant to Ind AS 36 "Impairment of Assets"

Based on a review of the future discounted cash flows of the project facility, the recoverable amount is higher than the carrying amount and hence no provision for impairment is made for the year.

36.19. As per Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years. The detail of CSR expenses for the year are as under:

Particulars	As at March 31, 2021	As at March 31, 2020
Amount required to be spent during the year	143.52	144.91
Amount spent on CSR:	-	-
(a) Construction or acquisition of any asset	-	-
(b) on Purpose other than (a) above for current year projects	238.97	149.81
Total Shortfall/(Excess) amount for CY	-95.44	-4.89
Break-up of the amount spent on CSR :		
Education and Skill Development expenses	98.68	52.14
Health and Sanitation expenses	95.40	82.77
Ecology and Environment Expenses	10.04	11.69
Other CSR activities	34.86	3.21
Salaries, wages and other benefits of Company's own CSR personnel limited to 5% of total amount required to be spent on CSR	-	-
Total Amount spent on CSR	**238.98**	**149.81**
Amount spent in Cash out of above	238.98	149.81
Amount yet to be spent in Cash	-95.44	-

36.20. No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

36.21. We have dealt with no company having struck off in ROC.

For and on behalf of the Board of Directors of North East Transmission Company Limited

FOR SHIV & ASSOCIATES
Chartered Accountants
FRN 009989N

Sd/-
(Shiv Prakash Chaturvedi)
Partner
(M. No. 085084)
Place : Delhi
Date : 20.05.2022

Sd/-
(Satyajit Ganguly)
Managing Director
DIN : 06961418

Sd/-
(Rajesh Gupta)
Director (Projects)
DIN : 0009325275

Sd/-
(Rajeev Maggo)
CFO

Sd/-
(Mukesh Kumar)
Company Secretary

EVENTS & TRAININGS

Guwahati Office Innauguration

Tree Plantation at Guwahati Office

Women's Day Celebration

Training at NPTI

Team Building Activity

EVENTS & TRAININGS

Family Day at Site

Annual Day

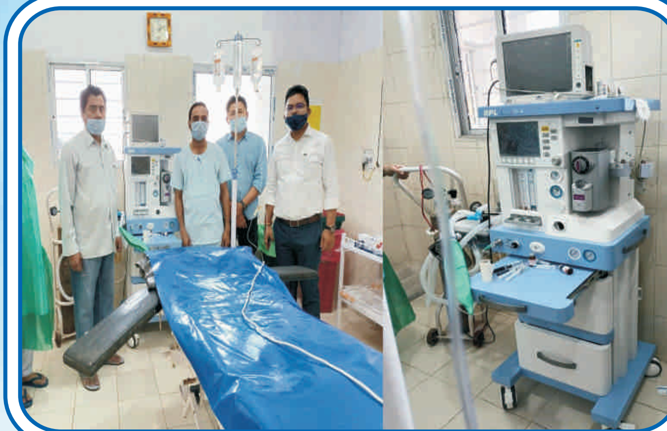
Managing Director & Director (Projects)
Addressing Employees

International Yoga Day Celebration

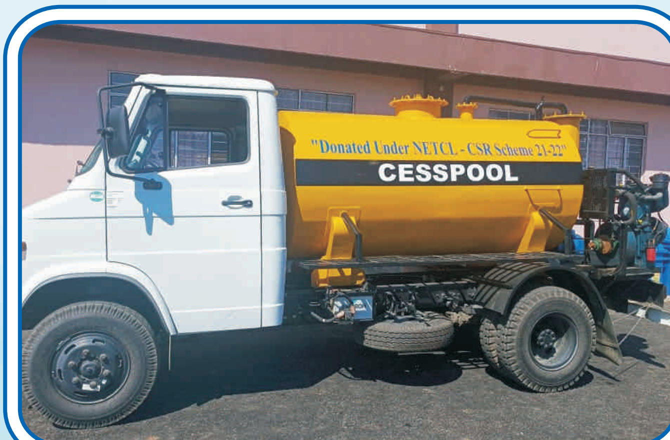
Safety Drill

CSR

Construction of Class Rooms in Meghalaya

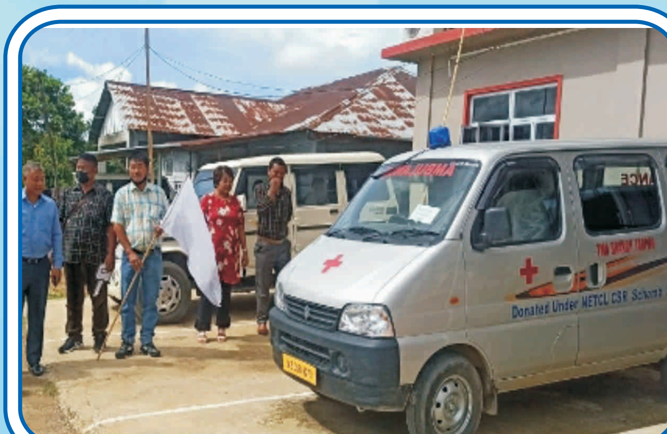


Distribution of Boyles Apparatus with ventilator in Assam



Donation of Cesspool Tanker in Meghalaya

Construction of Maternity Ward in Assam



Distribution of Ambulance in Mizoram

Installation of Solar Hybrid Power Plant in Tripura

Installation of Solar RO Plant in Tripura

Distribution of Sanitary Pad Vending Machine & Incinerator in Tripura

Education Centre for Children with Special Needs in Meghalaya

NETC

NORTH EAST TRANSMISSION COMPANY LIMITED

CORPORATE OFFICE

2C, 3rd Floor, D-21, Corporate Park
DMRC Building, Sector-21, Dwarka, New Delhi-110077
www.netcindia.in

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