

# NETC

## ANNUAL REPORT 2022-23



**NORTH EAST TRANSMISSION COMPANY LIMITED**



Mr. Sanil C. Namboodiripad, Managing Director  
greeting Mr. K. Sreekant, Chairman



## 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](http://www.netcindia.in)  
Email id: [netc@netcindia.in](mailto:netc@netcindia.in)

**Corporate Office:**

#2C, 3<sup>rd</sup> Floor, D-21, Corporate Park, DMRC Building  
Sector-21, Dwarka, New Delhi-110077

**Chief Financial Officer:**

Mr. Rajeev Maggo  
[rajeevmaggo@netcindia.in](mailto:rajeevmaggo@netcindia.in)

**Company Secretary:**

Mr. Mukesh Kumar  
[mukeshkumar@netcindia.in](mailto: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

**Banker :**

ICICI Bank Limited

## INDEX

Particulars	Page No.
1. Notice of AGM	1-12
2. Board's Report	13-31
3. Auditor's Report	32-43
4. Balance Sheet	44-44
5. Statement of Profit & Loss	45-45
6. Statement of Cash Flow	46-46
7. Notes forming part of the Financial Statements	47-89

## BOARD OF DIRECTORS



**MR. K. SREEKANT**  
CHAIRMAN



**MR. S. C. NAMBOODIRIPAD**  
MANAGING DIRECTOR



**MRS. CHAITALI DUTTA**



**MR. DEBAJYOTI DAS**



**MR. DEBASHIS SARKAR**



**MR. DILIP N. ROZEKAR**



**MR. R. T. AGARWAL**



**MR. YASH MALIK**



**MR. V. K. CHAUDHARY**

## NOTICE OF FIFTEENTH (15TH) ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifteenth Annual General Meeting of the members of North East Transmission Company Limited will be held on Thursday, the 3<sup>rd</sup> August 2023 at 5:00 p.m. in Hotel Crowne Plaza, Sector-29, National Highway-8, Gurugram, Haryana- 122001 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, 2023 and the reports of Board of Directors and 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. 1.20 per equity share and declare a final dividend of Rs. 0.80 per equity share, for the financial year ended March 31, 2023.

#### Item No. 3- Re-appointment of Shri. Debajyoti Das as Director liable to retire by rotation

To appoint a director in place of Shri. Debajyoti Das (DIN 09498066), who retires by rotation and, being eligible, seeks re-appointment.

#### Item No. 4- Fixation of the remuneration of the Auditor of the company, appointed by the Comptroller and Auditor-General of India, for the financial year 2023-2024

In this connection, to consider, and if deemed fit, to pass with or without modification(s), the following 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 2023-24, shall be entitled to such remuneration for the financial year 2023-24 as may be approved by the Board of Directors of the Company.”

### SPECIAL BUSINESS

#### Item No. 5- Ratification of remuneration of the Cost Auditors of the Company for the financial year 2023-24

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 31<sup>st</sup> March, 2024, 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. 6- Appointment of Shri Dilip Nagesh Rozekar 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 Dilip Nagesh Rozekar (DIN: 09806223 ) a nominee of Power Grid Corporation of India Limited who was appointed as an Additional Director of the Company with effect from 24<sup>th</sup> January 2023 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. 7- Appointment of Shri Ram Tirath Agarwal 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 Ram Tirath Agarwal (DIN:01937329), Independent Director, who was appointed as an Additional Director of the Company with effect from 2<sup>nd</sup> May 2023 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 Independent Director of the Company for a period of three (3) years from the date of his appointment by the Board i.e. 2<sup>nd</sup> May 2023.

**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 Sanil C. Nambbodiripad 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 Sanil C. Namboodiripad (DIN: 07963665) a nominee of ONGC Tripura Power Company Limited who was appointed as an Additional Director of the Company with effect from 27<sup>th</sup> June 2023 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 Sanil C. Nambbodiripad as Managing 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** 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 Sanil C. Namboodiripad (DIN: 07963665) as a Managing Director of the Company upon the terms & conditions and NIL remuneration as approved by the Board of Directors of the Company in its meeting held on 21st June, 2023 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 Sanil C. Namboodiripad.

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

**Item No. 10- Approval of appointment of Shri Subhash Chander Taneja 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 Subhash Chander Taneja (DIN 09850673) 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 15<sup>th</sup> February 2023 and as set out in the Explanatory Statement annexed to the Notice.

**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."

**Item No. 11- Appointment of Shri Vinod Kumar Chaudhary 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 Vinod Kumar Chaudhary (DIN:08287261) a nominee of ONGC Tripura Power Company Limited who was appointed as an Additional Director of the Company with effect from 12<sup>th</sup> July 2023 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."

**Place: Delhi**  
**Dated: 10.07.2023**

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

**Notes:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the business under Item No. 5-11 of the Notice, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, GOVERNORS, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS / AUTHORITY, AS APPLICABLE. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip, which is enclosed with the notice. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the Registration Counter at the venue.
4. Members have option to attend the AGM through Video Conference (VC) / Other Audio-Visual Means (OAVM) and therefore physical attendance of such members has been dispensed with. Accordingly, the requirements for appointment of proxies and submission of Attendance Slip by the members attending through VC/OAVM will not be applicable to them.
5. Members attending the AGM through VC / OAVM shall also be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. The Register of Directors and Key Managerial Personnel and their Shareholding if any 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, will be available for inspection at the Annual General Meeting.
8. 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.

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

9. 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).
10. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM.
11. Members who need assistance before or during the AGM, can contact to Mukesh Kumar, Company Secretary at mukeshkumar@netcindia.in / +91 9818858867.
12. 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.

13. Record date and Dividend:
  - A. Members may note that the Board, at its meeting held on 10th May 2023, has recommended a final dividend of Rs. 0.80 per share for the Financial Year 2022-23.
  - B. The record date for the purpose of final dividend for the Financial Year 2022-2023 is 3<sup>rd</sup> August 2023. 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 3<sup>rd</sup> August 2023.
  - C. Members are requested to provide details of their bank account in which the amount of the dividend can be credited.
13. 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.
14. Members may also note that the Notice of the AGM and the Annual Report 2022-23 will also be available on the Company's website, <https://netcindia.in>.
15. The Resolutions, if passed by the requisite majority, shall be deemed to have been passed on the date of the AGM.

**By Order of the Board of Directors**

**Place: Delhi**  
**Dated: 10.07.2023**  
**Email: mukeshkumar@netcindia.in**

**Sd/-**  
**(Mukesh Kumar)**  
**Company Secretary**

## 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. 5:

Ratification of remuneration of the Cost Auditors of the Company for the financial year 2023-24

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 31<sup>st</sup> March, 2024. 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. 5 for the approval of Members.

### Item No. 6:

Appointment of Shri Dilip Nagesh Rozekar as Director of the Company

Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors proposes the appointment of Shri Dilip Nagesh Rozekar (DIN:09806223) 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 24<sup>th</sup> January 2023. 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 Dilip Nagesh Rozekar 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. Dilip Nagesh Rozekar (57 years) is a Graduate Electrical Engineer from National Institute of Technology, Kurukshetra, Haryana. He has rich experience of 30 years in transmission sector. He is currently heading the Consultancy wing of POWERGRID. His area of responsibilities includes promoting POWERGRID's business interest both in Indian and International markets. In his current assignment he is instrumental in scouting and securing new business in the field of Power Transmission, explore and form strategic alliance to enter new business verticals, formulate strategies for bidding in new business areas, regular review of ongoing projects with clients & address bottlenecks, if any, for seamless implementation and successful completion of ongoing assignments. He is an active participant in conferences, exhibitions and bilateral/ inter - regional forums to create awareness and enhance the market value.

His area of interest includes Power System Studies, Regulatory affairs, Transmission pricing. He has played crucial role in Transmission Planning of Indian Electricity Grid encompassing synchronous integration of regional grids that led to establishment of National grids, formulation of regulations pertaining to transmission sector, planning of high-capacity power transmission highways, green energy corridors, etc.

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Dilip Nagesh Rozekar, to whom the resolution relates, are concerned or interested (financially or otherwise) in passing the proposed resolution set out in item no. 6.

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

#### **Item No. 7- Appointment of Shri Ram Tirath Agarwal as Director of the Company**

Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors proposes the appointment of Shri Ram Tirath Agarwal (DIN 01937329) in the Annual General Meeting as an Independent Director of the Company. Shri Ram Tirath Agarwal is appointed by the Board as an Additional Director of the Company with effect from 2<sup>nd</sup> May 2023.

As per the provisions of Section 161 of the Act, Shri Ram Tirath Agarwal 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.

Sh. Ram Tirath Agarwal (67 years), Chartered Accountant by profession, has more than 35 years of experience in corporate finance and accounts functions. He was appointed as full time Director (Finance) of Power Grid Corporation of India Ltd. (PGCIL), a 'Navratna' company under Ministry of Power, Govt of India, from 29<sup>th</sup> July 2011 until attaining superannuation in 2016. He was Nominee Director on the Board of some of the wholly owned subsidiary companies and Joint Venture companies of PGCIL, including POSOCO and Energy Efficiency Services Ltd. (EESL). He was accredited with 'CFO - Power Sector Award' from Institute of Chartered Accountants of India in the year 2015.

He was associated with Initial Public Offering (IPO) of PGCIL, and subsequently piloted the Follow on Offers (FPO) in the year 2013, resource mobilisation on competitive rate from Domestic as well as from International financial institutions including multilateral financing institutions like The World Bank, Asian Development Bank (ADB), IFC, KFW, Germany.

He was Independent Director in Manglore Refinery and Petrochemicals Limited, a subsidiary of ONGC, from 12.07.2019 to 11.07.2022. He also worked as member and Chairman of various Committees of the Board wherein he contributed substantially for the financial and operational improvement of the Company.

None of the Directors or Key Managerial Personnel and their relatives, except Shri Ram Tirath Agarwal, 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 Ordinary Resolution set out in Item no. 7 for approval of the Members.

#### **Item No. 8 & 9:**

Based on recommendation of Nomination & Remuneration Committee, the Board of Directors proposes the appointment of Shri Sanil C. Namboodiripad in the Annual General Meeting as a Director of the Company nominated by ONGC Tripura Power Company Limited. Shri Sanil C. Namboodiripad was appointed as Additional Director of the Company w.e.f. 27<sup>th</sup> June, 2023. He is appointed as Managing Director of the Company with effect the said date i.e. from 27<sup>th</sup> June 2023 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. Sanil Namboodiripad (55 years) holds B. Tech. in Electrical & Electronics Engineering with MBA in Finance. He has over 33 years' of experience in O&M of Gas based combined cycle power plants, Coal fired power plants and EHV Transmission Systems. He started his career with NTPC Ltd. where he worked for 17 years in operation as well as maintenance of large gas turbine power plants. Later he worked in the Corporate Operations Group of Reliance Power and worked on O&M strategies, systems and processes. He was responsible for the Central Plant Information and M&D systems for the power stations being setup by Reliance. His responsibilities included technical support to site issues starting from the commissioning phase and onward to O&M. He has also worked with Sterlite Power as Head – Asset Management and was responsible for the O&M of the pan India EHV transmission assets of Sterlite. In his latest assignment, he was responsible for the management of all the operating assets of Adani Transmission with a portfolio of 25 EHV substations and more than 11000 circuit kilometers of EHV Transmission lines with an asset base of more than 15000 Crores and yearly revenues of more than 2500 Cr. Shri Namboodiripad has been serving as Managing Director, OTPC since 27<sup>th</sup> May, 2020.

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 Namboodiripad has been appointed as Managing Director by the Board of Directors of the Company in its meeting held on 27<sup>th</sup> June 2023. As he assumed additional charge of the Managing Director of the Company as per the term of his nomination, he is not entitled to remuneration.

The main terms and conditions of appointment of Shri Namboodiripad (hereinafter referred to as “Managing Director”) are given below:

**A. Tenure of Appointment:**

The appointment of Managing-Director is for a period of five years with effect from 27<sup>th</sup> June 2023.

**B. Nature of Duties:**

He shall devote his sufficient 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:**

Being already Managing Director of ONGC Tripura Power Company Limited, he will not be entitled to any remuneration.

**D. Other terms of Appointment:**

- I. The terms and conditions of the appointment of the Managing 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 Managing Director, subject to such approvals as may be required.
- ii. The employment of the Managing Director may be terminated by the Company without notice or payment in lieu of notice:
  - a. if the Managing 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 Managing 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 Managing Director, unless specifically provided otherwise.
- iv. If at any time, the Managing Director ceases to be a Director of the Company for any reason whatsoever, he shall also cease to be the Managing Director.

None of the Directors or Key Managerial Personnel and their relatives, except are concerned or interested in this Resolution.

The Board recommends the Ordinary Resolution set out in Item nos. 8 & 9 for approval of the Members.

#### Item No. 10

Shri Subhash Chander Taneja (DIN 09850673) was appointed as Additional Director of the Company w.e.f. 24<sup>th</sup> January 2023 by a Board Resolution passed by circulation. Mr. Subhash Chander Taneja had joined at the corporate office of the Company with effect from December 23, 2022 upon nomination by Power Grid Corporation of India Limited (POWERGRID) pursuant to the Shareholders Agreement dated February 3, 2009 executed between the Company and its shareholders/members.

Mr. Subhash Chander Taneja vacated the office of the directorship of the Company with effect from the closing hour of 29th May 2023 due to his repatriation to POWERGRID.

Shri Subhash Chander Taneja (60 years) is a Graduate Electrical Engineer (3<sup>rd</sup> Topper) from Regional Engineering College, Kurukshetra, Haryana. He has obtained technical training on special testing and analysis of results from experts from US, Germany, Sweden etc. He is one of the few personnel in whole power sector who is a 'Certified Thermo-grapher'. He has very rich experience of 38 years in different facets of Power Sector. He has worked in various capacities in NTPC and POWERGRID in the areas of design & engineering, construction, operation & maintenance, commercial, project management and consultancy assignments of many EHV AC & HVDC transmission projects. He has been instrumental in establishment of 'Specialized Testing Lab' covering whole network of POWERGRID and other power utilities, implementation of smart/innovative solutions for transmission lines such as 400 kV Intersection Tower, use of two tier gantry in 400 kV switchyard, etc. During his tenure as NTAMC I/c, Pan-India 270 EHV sub stations of POWERGRID have been operated remotely and achieved the milestone for first charging of greenfield substation from Remote Control Centre. NTAMC is equipped with SCADA, Visual Monitoring System, Centralised Relay Access & Fault Analysis for reliable and cyber secured and remote operation. He also has international experience at Kabul (Afghanistan) where he was involved in erection, testing & commissioning of switchyard equipment.

Over 12 technical papers have been presented/published in various international/national conferences which include two in CIGRE-2022, one at Doble Clients Annual International Conference at Boston, USA in March 2004 and one in CMD-2006 in Korea in April 2006. He has been awarded 'GYAN PRAVARTAK AWARD' by POWERGRID for exceptional contribution towards conducting effective training session as a faculty member during the financial year 2021-22.

Shri Subhash Chander Taneja has been appointed as a Whole-time Director by the Board of Directors of the Company in its meeting held on 15<sup>th</sup> February 2023. He is entitled a remuneration given hereinbelow with effect from the date of his joining i.e. December 23, 2022 in NETC.

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

**A. Tenure of Appointment:**

His appointment of Whole-time Director was from 15<sup>th</sup> February 2023 to 29<sup>th</sup> May 2023.

**B. Nature of Duties:**

He devoted his whole time and attention to the business of the Company and performed such duties as entrusted to him by the Board, 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:**

I) for the period 23.12.2022 (the date of joining/reporting the Company) to 31.12.2022 as applicable to Chief General Manager in POWERGRID:

Wage Description	December	23.12.2022 TO 31.12.2022
Basic Pay	2,26,030.00	72,913
Dearness Allowance	78,658.44	25,374
House Rent Allowance	61,028.10	19,686
Transfer Settlement Bene.	75	24
Canteen Allowance	8,801.50	2,839
Child Education Allow	9,041.20	2,917
Leave travel All	22,603.00	7,291
Prof. Updation Allow.	9,041.20	2,917
Conv. Reimb. Car	11,605.00	3,744
Uniform Maintenance	6,780.90	2,187
<b>(A) Pay &amp; Allowances</b>	<b>4,33,664</b>	<b>1,39,892</b>
Driver Allw. Off. Duties	9,041.20	2,917
Helper Allowance	11,301.50	3,646
Meal Vr. Facility	2,500.00	806
<b>(B) Other benefits to employees</b>	<b>22,842.70</b>	<b>7,369</b>
Superannuation Benefit @30.185% of Basic & DA		29,668
Leave Salary @11% of Basic & DA		10,812
PRP Provision (E9)		65,622
OTHER CLAIMS		
Medical		2,475
Hospitality and Others		3,190
<b>(C) Contribution to POWERGRID</b>		<b>1,11,766</b>
<b>Total (A+B+C)</b>		<b>2,59,026</b>
GST @18% on Total		46,625
<b>Grand Total including GST</b>		<b>3,05,651</b>



ii) with effect from 01.01.2023 to 29.05.2023, as applicable to Executive Director in POWERGRID:

Wage Description	Monthly	Annually
Basic Pay	2,39,810.00	28,77,720.00
Dearness Allowance	89,209.32	10,70,511.84
House Rent Allowance	64,748.70	7,76,984.40
Transfer Settlement Bene.	75.00	900.00
Leave travel Allowance	23,981.00	2,87,772.00
Canteen Allowance	9,490.50	1,13,886.00
Child Education Allow	9,592.40	1,15,108.80
Prof. Updation Allow.	9,592.40	1,15,108.80
Conv. Reimb. Car	-2,000.00	- 24,000.00
Deputy Allowance PGCIL Pay	3,645.64	43,747.68
Uniform Maintenance	7,194.30	86,331.60
Deputation Allowance	4,500.00	54,000.00
<b>(A) Pay &amp; Allowances</b>	<b>4,59,839.26</b>	<b>55,18,071.12</b>
Driver Allw. Off. Duties	9,592.40	1,15,108.80
Helper Allowance	11,990.50	1,43,886.00
Meal Vr. Facility	2,500.00	30,000.00
<b>(B) Other benefits to employees</b>	<b>24,082.90</b>	<b>2,88,994.80</b>
Leave Salary @11% of Basic & DA	36,192.13	4,34,305.50
Superannuation Benefit @30.185% of Basic & DA	99,314.48	11,91,773.78
PRP Provision (E9)	2,15,829.00	2589948
<b>(C) Contribution to POWERGRID</b>	<b>3,51,335.61</b>	<b>42,16,027.28</b>
<b>Total (A+B+C)</b>	<b>8,35,257.77</b>	<b>1,00,23,093.20</b>
GST @18% on Total	1,50,346.40	18,04,156.78
<b>Grand Total including GST</b>	<b>9,85,604.16</b>	<b>1,18,27,249.98</b>

In addition to above he was be entitled to, Incremental DA and increments on basic pay as per the POWERGRID Policy.

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

**Further allowances/taxes 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 might entitled as per the policy/practice of POWERGRID.

In addition to above, Mr. Subhash Chander Taneja was entitled to a following benefits/facilities as per the policy of the Company:

- Laptop/other gadget;

- Tour Expenses / reimbursement; and
- A chauffeur driven car including parking/ toll tax / road tax etc.

The above remuneration of Mr. Subhash Chander Taneja was on monthly basis.

None of the Directors or Key Managerial Personnel and their relatives, except Shri Subhash Chander Taneja, to whom the resolution relates, are concerned or interested in this Resolution.

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

#### **Item No. 11:**

Appointment of Shri Vinod Kumar Chaudhary as Director of the Company

Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors proposes the appointment of Shri Vinod Kumar Chaudhary (DIN:08287261) in the Annual General Meeting as a Director of the Company. Shri Vinod Kumar Chaudhary is appointed by the Board as an Additional Director of the Company with effect from 12<sup>th</sup> July 2023. He is nominated by the ONGC Tripura Power Company 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 Vinod Kumar Chaudhary 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 Vinod Kumar Chaudhary (56 years) is a graduated in Electrical Engineering, First Class with Distinction. He is Executive Director – Chief Infocom Officer of ONGC with effect from 19<sup>th</sup> April 2023. A dynamic, result-oriented and capable executive with strong track record for delivery and execution – with total experience of over 34 years in all aspects of E&P business. As ED- CIO of ONGC, he ensures that entire Infocom Systems of ONGC remain fully operational and available to all users spread across various geographical locations of ONGC which covers Offshore as well as onshore locations. During the career progression, held various key positions at Offshore & Onshore Operations, Assets, Technology & Projects, Corporate functions in Oil & Gas Asset Management, Operations and Services.

He successfully executed the responsibility to monitor & expedite overall program management of entire T&FS domain. His experience includes Drilling services, Well Services, Technical Services, IT / Infocom & Information Security, Infrastructure and Materials Management.

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Vinod Kumar Chaudhary, to whom the resolution relates, are concerned or interested (financially or otherwise) in passing the proposed resolution set out in item no. 11.

The Board recommends the Ordinary Resolution set out in Item no. 11 for approval of the Members.

**By Order of the Board of Directors**

**Sd/-**

**(Mukesh Kumar)**

**Company Secretary**

**Place: Delhi**

**Dated: 10.07.2023**

**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 15<sup>th</sup> Annual Report on performance of your Company during the financial year ended on March 31, 2023 together with audited Financial Statements for the Financial Year 2022-23.

Following the trend of past financial years, the performance of your Company continues to script the story of success, excellence, financial discipline 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 99.97% by adhering professional and rigorous operation & maintenance practice.

### The major milestones achieved in the financial year 2022-23:

- Transmission system availability was 99.97%. The Company has received full incentive in line with the CERC Regulations, as the availability exceeded 99.75%.
- Total income of Rs. 304.98 crores and profit after tax (PAT) of Rs. 88.63 crores.
- Interim dividend at the rate of 12% has been paid and in addition, recommendation has been made to the members to approve 8% as final dividend for the FY 2022-23.

## 2. FINANCIAL PERFORMANCE

(Amount in Rs. crore)

Particulars	Financial Year Ended	
	March 31, 2023	March 31, 2022
Paid-up Capital	411.40	411.40
Reserve & Surplus	126.06	107.58
<b>Total Equity</b>	<b>537.46</b>	<b>518.98</b>
Non-Current Liabilities:		
(a) Secured Loans	692.42	789.60
(b) Other Non-Current Liabilities	64.53	98.70
Current Liabilities	110.74	208.65
<b>Total Equity and Liabilities</b>	<b>1405.15</b>	<b>1615.94</b>
Non-current Assets	1201.59	1343.61
Current Assets	173.13	208.37
Regulatory Deferral Account Debit Balance	30.43	63.96
<b>Total Assets</b>	<b>1405.15</b>	<b>1615.94</b>
Total Income	304.98	347.82
Total Expenditure excluding depreciation and tax	86.33	79.67
Profit/(Loss) before Depreciation and Tax	218.65	268.15
Depreciation on Fixed Assets	-	117.38
Profit/(Loss) before Tax	100.50	150.78
Tax Expense	11.88	57.63
<b>Profit / (Loss) after Taxation</b>	<b>88.63</b>	<b>93.14</b>
Other Comprehensive Income	-21.20	.97
<b>Total Profit</b>	<b>88.41</b>	<b>93.15</b>
Dividend & Dividend Distribution Tax	69.94	53.48
Balance of Profit/(Loss) Brought Forward	107.59	67.91
<b>Balance of Profit/(Loss) Carried Forward</b>	<b>126.06</b>	<b>107.58</b>



The Financial Statements for the Financial Year 2021-22 had been restated regarding recognition of transmission charges for Rs. 27.06 Crore which was inadvertently not recognised in financial year 2021-22. It had resulted in increase in revenue from operation by Rs 27.06 Cr in financial year 2021-22 and profit after tax by Rs 23.56 Cr in Financial Year 2021-22.

## 1. DIVIDEND

Your company is paying dividend to the members consistently. The Board of Directors of the Company, in its 70th meeting held on 15th February 2023, has declared an Interim Dividend for the Financial Year 2022-23 at the rate of 12% (Rs. 1.20/-per equity share) amounting to Rs. 49.37 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 8% i.e. Rs.0.80 per equity share for Financial Year 2022-23. If the members approve the final dividend of said 8%, the total dividend for the Financial Year will reach to 20% i.e., Rs. 2.00 per share. Total dividend of 15% was paid in the Financial Year 2021-22. The final dividend on equity shares, if approved by the members, would involve a cash outflow of Rs. 32.91 Crore. No dividend tax is applicable for the Financial Year 2020-21 and onwards. The total cash outflow on account of dividend for Financial Year 2022-23 would aggregate Rs. 82.28 Crore, resulting in a pay-out of 93.00% of the total profits (PAT) of the financial year 2022-23.

## 2. RESERVES

The closing balance of the retained earnings of the Company for the Financial Year 2022-23, after appropriations and adjustments was Rs.126.06 crores. However, this is subject to payment of final dividend, if any, for the Financial Year 2022-23.

## 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 2022-23, the Company maintained availability of the transmission system at 99.97%. To maintain such high availability, preventive maintenance activities are planned well in advance. During Financial Year 2022-23, no tower collapse or foundation failure occurred due to natural calamities or otherwise and one fatal causality occurred during Clearance of vegetation infringement due to electrocution.

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 lightning strikes without any outages. The maintenance of the earthing system done on regular basis.

- b) Temporary Protection & Permanent Protection (RRM wall) : Immediate temporary protection of towers to mitigate the imminent damage caused due to heavy rain was carried out when necessary. Additionally, vegetation plantations also carried out to strengthen the tower base of these locations. Further the revetment protection is provided as a permanent measure.
- c) Additional Patrolling: Rigorous pre-monsoon & post monsoon ground patrolling and tower top patrolling was carried out to avoid any vegetation infringement and to clear the tower legs.
- d) Strengthening & Rectification works: Non shutdown work in the spans, shut down related rectification tower locations, fixing of Wedge connector counter poise earthing rectification, stub encasement of the tower in water logging area, thermo vision scanning, clearance measurement by range finder etc. carried out during the period to maintain cent present availability of the line.
- e) The tower legs are painted regularly with special paint as a rust protection measure.
- f) Drone patrolling was carried out in the Elephant Corridor for Byrnihat-Bongaigaon line.
- g) App-based patrolling was carried out in Palatana-Silchar section of the transmission line.
- h) Porcelain Insulators are replaced with Long Rod Polymer insulators in total 08 nos. tower locations of Byrnihat-Bongaigaon line section. The Porcelain insulators installed during the construction period had got damaged due to flash-over during foggy weather condition, on severe dust deposition emitted from the nearby brick kilns.
- i) Aviation warning solar lightening system & Aviation warning sphere balls have been installed in River Crossing span of Brahmaputra River & Barrack River.

## 5. BUSINESS DEVELOPMENT ACTIVITIES

Your Company has taken various measures for business development such as formation of Business Development Committee, identification of business plan for venturing into the specified area of Business Development, identification of the areas of Business Expansion, etc. MOUs for collaboration and cooperation to tap business opportunities have been executed with various entities and the utilities (DISCOM and TRANSCO) of the states of Assam, Tripura, Meghalaya, Manipur, and Nagaland have been identified as prospective clients.

Meghalaya Power Transmission Corporation Limited (MePTCL) had issued a LOA to your Company for Preparation and filing of true-up and ARR Tariff Petition with CERC for its various transmission lines for the control period of 2009-14, 2014-19 and 2019-24.

Our business development activities will bring growth to your Company and wealth maximization for stakeholders.

## 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.

**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. AUDITORS**

The Auditors of your Company are 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 Auditors of the Company for the Financial Year 2022-23.

The auditor's report for the Financial Year 2022-23 does not contain any qualification, reservation or adverse remark. No fraud is reported by auditors 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 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 Cost Auditor M/s K. G. Goyal & Associates, Cost Accountants, as cost auditor of the Company for the financial year 2022-23. The Cost Auditor's report for the Financial Year 2022-23 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.

**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 2022-23. The report of the Secretarial Audit is enclosed to this report as Annexure I. The Secretarial Audit Report for the Financial Year 2022-23 does not contain any qualification, reservation or adverse remark.

**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, 2023. Till the date the CAG has not given their 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-II 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.

## 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>.

## 17. RISK MANAGEMENT POLICY

Identification of risk in advance, taking of preventive measure to avoid the risk and well-defined risk mitigating plan are 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 72<sup>nd</sup> meeting held on 19<sup>th</sup> June 2023 has evaluated the Board, its committees and individual Directors in accordance with the Board Evaluation Policy of the Company.

## 19. BOARD OF DIRECTORS

During the Financial Year 2022-23, Mr. Subhash Chander Taneja, Mr. Dilip Nagesh Rozekar, Mr. Debajyoti Das and Mr. Debashis Sarkar were inducted in the Board of the Company with effect from 24.01.2023, 24.01.2023, 20.05.2022 and 27.09.2022 respectively.

During the Financial Year 2022-23 Mr. Rajesh Gupta, Mr. Yugesh Kumar Dixit and Mr. P. Uma Shankar have vacated the office of Directorship of the Company with effect from 23.01.2023, 23.01.2023 and 25.03.2023.

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. Debajyoti Das retires at the ensuing Annual General Meeting and being eligible, offer himself 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 end of the Financial Year 2022-23:

1. Mr. Satyajit Ganguly	:	Managing Director
2. Mr. Subhash Chander Taneja	:	Whole-time Director
3. Mr. Rajeev Maggo	:	C. F. O.
4. Mr. Mukesh Kumar	:	Company Secretary

Mr. Rajesh Gupta, Whole-time Director, vacated the office of Directorship w.e.f. 22.12.2022. Mr. Subhash Chander Taneja assumed the position of Whole-time Director with effect from 22.12.2022 and vacated the office of Directorship on 29<sup>th</sup> May 2023. Mr. Satyajit Ganguly has resigned from the office of Managing Director w.e.f. 26.06.2023. Mr. Sanil C. Namboodiripad is appointed as Managing Director w.e.f. 27.06.2023.

**21. MEETING OF THE BOARD OF DIRECTORS**

During the financial year 2022-23, four meetings of the Board of Directors were held on 20.05.2022, 25.08.2022, 15.11.2022 and 15.02.2023.

**22. COMPOSITION & MEETINGS OF MANDATORY COMMITTEES**

The composition of the various committees of the Board of Directors of the Company as on the date of the end of the Financial Year 2022-23 is as follows:

**A. Corporate Social Responsibility Committee:**

Composition:

i) Mr. Satyajit Ganguly	:	Member
ii) Mrs. Chaitali Dutta	:	Member
iii) Mr. Dilip N. Rozekar	:	Member

Mr. P. Uma Shankar, one of the members of the Committee vacated the membership of the Committee with effect from 25.03.2023 due to vacation of his Directorship. The membership of Mr. Satyajit Ganguly has been vacated w.e.f. 26.06.2023 due to his resignation from the Directorship. Mr. R. T. Agarwal, Independent Director, inducted as member of the Committee w.e.f. 10.06.2023. Mr. Sanil C. Namboodiripad has been inducted as member of the Committee w.e.f. 27.06.2023. During the Financial Year 2022-23 four meetings of the CSR Committee were held on 25.04.2022, 29.07.2022, 22.10.2022 and 25.01.2023.

**B. Audit Committee:**

Composition

i) Mr. Yash Malik	:	Member
ii) Mr. Satyajit Ganguly	:	Member

The memberships of Mr. P. Uma Shankar and Mr. Satyajit Ganguly are vacated w.e.f. 25.03.2023 and 26.06.2023 respectively due to their resignations from the Directorship. Mr. R. T. Agarwal, Independent Director, has been inducted as a member of the Committee w.e.f. 02.05.2023. Mr. Sanil C. Namboodiripad has been inducted as member of the Committee w.e.f. 27.06.2023. During the financial year 2022-23, four meetings of the Audit Committee were held on 25.04.2022, 29.07.2022, 22.10.2022 and 25.01.2023.

**C. Nomination and Remuneration Committee:**

## Composition

i) Mr. K. Sreekant	:	Member
ii) Mr. Om Prakash Singh	:	Member
iii) Mr. Yash Malik (Independent Director)	:	Member

Mr. P. Uma Shankar, one of the members of the Committee vacated the membership of the Committee with effect from 25.03.2023 due to vacation of his Directorship. Mr. Om Prakash Singh vacated the membership of the Committee with effect from 22.07.2022 due to vacation of his Directorship. Mr. R. T. Agarwal, Independent Director has been inducted members of the Committee w.e.f. 10.05.2023. During the financial year 2022-23 two meetings of the Nomination & Remuneration Committee were held on 25.08.2022, and 15.02.2023.

**23. POLICY ON DIRECTORS' APPOINTMENT, 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](http://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 Year 2022-23. The Company has 41,14,00,000 equity shares of Rs. 10 each. The shareholding pattern of the Company as on date is as follows:

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
	<b>Total</b>	<b>100</b>	<b>41,14,00,000</b>

**25. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of clause (c) of sub-section (3) of Section 134 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 Director appointed during the year under review has 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 nations. 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. Non-conventional sources of power is in lime light due to its lesser carbon footprint and great potential in India. The Government of India has identified power sector as a key sector of focus to promote sustained industrial growth.

India is the third-largest producer and consumer of electricity worldwide, with an installed power capacity of 411.64 GW as of January 31, 2023. Growing population along with increasing electrification and per-capita usage will provide further impetus. Power consumption in India in December 2022 logged an 11% growth to 121.19 billion units. As per the National Infrastructure Pipeline 2019-25, energy sector projects accounted for the highest share (24%) out of the total expected capital expenditure of US\$ 1.4 trillion (Rs. 111 lakh crore). In Union Budget 2023-24, the government allocated US\$ 885 million (Rs. 7,327 crore) for the solar power sector including grid, off-grid, and PM-KUSUM projects. To meet India's 500 GW renewable energy target and tackle the annual issue of coal demand supply mismatch, the Ministry of Power has identified 81 thermal units which will replace coal with renewable energy generation by 2026. Total FDI inflow in the power sector reached US\$ 16.57 billion between April, December 2022.



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 99.97% of transmission line availability NETC is getting 100% of incentive under CERC Regulations.

## 29. 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](http://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. 141.12 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-III.

## 30. 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 31<sup>st</sup> March 2023.

## 31. 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](http://www.netcindia.in).

## 32. 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, Power Grid Corporation of India Limited, ONGC Tripura Power Company Limited, Assam Electricity Grid Corporation of India Limited, ONGC Limited, Bankers 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/-  
(K. Sreekant)  
Chairman

Place: Gurugram

Date: 10.07.2023

**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, 2023

*[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 thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2023 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 here in 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 Byelaws 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 ('SEBI Act'):-

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

- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable during the period under review);**
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable during the period under review);**
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable during the period under review);**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable during the period under review);**
- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable during the period under review);**
- (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);** and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable during the period under review);**
- (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.

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 there of 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: June 5, 2023**

**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 our opinion.
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 as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Date : 05.06.2023**  
**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**



## 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, 2023, 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 2022-23

There were no material contracts or arrangements or transactions entered in to during the year ended March 31, 2023.

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

**Place: Gurgaon  
Date: 10.07.2023**

**Sd/-  
(K. Sreekant)  
Chairman**

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to Section 135 of the Act & Rules made thereunder]

Financial Year 2022-23

### 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 undertaken by the Company are available on links given below:

<http://www.netcindia.in/CSR1.aspx>

#### 2. Composition of CSR Committee as on 31.03.2023:

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

#### 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 2019-20, 2020-21 and 2021-22: Rs. 85.32 Crore.
7.
  - (a) Two per cent of average net profit of the Company as per section 135(5): Rs. 170.64Lacs
  - (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. 170.64Lacs
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year Amount in Rs. in Lacs	Amount unspent				
Rs. 141.12	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amt	Date of Transfer	Name of Fund	Amount	Date of Transfer
	29.52 Lacs	28.04.2023	NIL		

## (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 Duration (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 implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	Dist-ri-ct						Name	CSR Registr-ation No.
1	Effluent Treatment Plant (ETP) at 100-Bedded Material & Child health Hospital	Health/ Edu.	Yes	Meghalaya	West Jaintia Hills	1	25.84	23.26	2.58	No	DC West Jaintia Hills	NA
2	Supply, Installation & Commissioning of various medical equipment's in the Civil Hospital	Health/ Edu.	Yes	Meghalaya	Khlerihat	1	15.21	13.69	1.52	No	DCKhle ri-hat	NA
3	10 nos. ICU Bed in Atal Bihari Vajpayee Regional Cancer Centre	Health/ Edu.	Yes	Tripura	Agartala	1	7.80	2.34	5.46	No	DC Agartal a	NA
4	Computer Radiography (CR)System in Agartala Govt Medical College	Health/ Edu.	Yes	Tripura	Agartala	1	13.14	3.94	9.20	No	DC Agartal a	NA
5	LPG Gas connection with Bhatti Chula in 200 nos Govt. schools	Health/ Edu.	Yes	Assam	Goalpara	1	12.00	10.80	1.20	No	DCGoal para	NA
6	2 Nos, Electric Operation Theatre (OT) Table at 200 bedded Civil Hospital	Health/ Edu.	Yes	Assam	Goalpara	1	5.19	4.67	0.52	No	DCGoal para	NA
7	Ultra-Sonography Machine at Panisagar Sub-division Hospital	Health/ Edu.	Yes	Tripura	North Tripura	1	20.00	18.00	2.00	No	DC North Tripura	NA
8	Furniture (Desk & Benches ) in 13 Nos Govt S secondary Schools	Health/ Edu.	Yes	Assam	Goalpara	1	15.00	13.50	1.50	No	DCGoal para	NA
9	10 kW OFFGRID/HYBRID Solar power plant at Chibitabichia Model Hospital	Health/ Edu.	Yes	Assam	Cachar	1	11.84	10.66	1.18	No	DCCach ar	NA
10	Construction of Community Toilet at Pecharthal Buddha Vihar	Ecology	Yes	Tripura	Agartala	1	10.36	9.32	1.04	No	DC Agartal a	NA
							167.32	141.12	26.20	-	-	-

\*We have deposited Rs. 29.52 lacs in unspent CSR account for financial year 2022-23 being the difference of CSR obligation Rs. 170.64 lacs less Rs. 141.12 lacs (amount spent for FY 22-23)

## 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	Colouring of the Inclusive Education Resource Centre for Children with Special Need	Health/Edu.	Yes	Meghalaya	West Jaintia Hills	2.92	No	DC West Jaintia Hills	NA
2	BPL ALPINION Colour Doppler Ultrasound System E CUBE -8" at (CHC) Hospital	Health/Edu.	Yes	Meghalaya	East Jaintia Hills	20.06	No	DC East Jaintia Hills	NA
3	Supply & Commissioning of 5 kW Off Grid/HYBRID Solar power plant	Ecology	Yes	Assam	Cachar	7.96	No	DC, Cachar	NA
<b>Total</b>						<b>45.52</b>		-	-

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year (8b +8c +8d+ 8e): Rs. 141.12Lacs

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

9. (a) Details of Unspent CSR amount for the preceding three financial years: Rs. 45.52 Lacs

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Rs. 45.52 Lacs

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 FY for the project (Rs. in Lakh)	Mode of implementation - Direct (Yes/No)	Mode of implementation Through implementing agency.	
				State	District			Name	
1	X-Ray machine for covid patient	Health/Edu.	Yes	Meghalaya	Ri-bhoi	1.92	No	DC, Ri-Bhoi	
2	Conservation of Aquatic Fauna (Turtle)	Ecology	Yes	Assam	Kamrup	6.93	No	DC, Kamrup	
3	Construction of additional class room and hostel room in 2 nos schools	Health/Edu.	Yes	Meghalaya	Ri-bhoi	8.17	No	DC, Ri-Bhoi	
4	Drinking water facilities in 8 Nos Govt schools and construction of the 2 Nos Deep Tube Well	Health/Edu.	Yes	Assam	Cachar, Silchar	1.03	No	DC, Cachar	



5	Installation of Boyles apparatus with Ventilator	Health/Edu.	Yes	Assam	Goalpara	1.02	No	DC, Goalpara
6	Construction of one Toilet Block in Chandra Kumar S.B.School	Ecology	Yes	Tripura	RD Block West Tripura	0.99	No	DC, West Tripura
7	Construction of 2 Nos maternity ward (Covid positive)	Health/Edu.	Yes	Assam	Cachar, Silchar	7.99	No	DC, Cachar
8	Construction of Health Sub -Centre	Health/Edu.	Yes	Tripura	RD Block West Tripura	7.73	No	DC, West Tripura
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	1.08	No	DC, West Tripura
10	Supply of one No Ambulance	Health/Edu.	Yes	Hnahtial District	Mizoram	0.44	No	DC Hnahtial
11	Construction of 10 bedded ward	Health/Edu.	Yes	Karimganj	Assam	4.00	No	DC Karimganj
12	Installation of a 5kWp Hybrid Solar PV Power Plant and a 100 LPD Solar RO Plant	Ecology	Yes	Dhalai	Tripura	1.12	No	DC Dhalai
13	Construction of Computer Laboratory for Higher Secondary Schools	Health/Edu.	Yes	Hailakandi	Assam	3.00	No	DC Hailakandi
14	Drinking Water Facilities for 33 Nos. Govt. Schools	Health/Edu.		Goalpara	Assam	0.10	No	DC Goalpara
	<b>Total</b>	-		-	-	<b>45.52</b>	No	-

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) – NA

**Sd/-**  
**(Sanil C. Namboodiripad)**  
**Managing Director**  
**DIN: 07963665**  
**Date: 10.07.2023**

**Sd/-**  
**(R. T. Agarwal)**  
**Chairman, CSR Committee**  
**DIN: 01937329**  
**Date: 10.07.2023**

## 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, 2023, 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, 2023, 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 thereunder, 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. 27.2 to the financial statements:

During the year Company has booked the component of transmission charges Rs. 2706lacs pertaining to block year 2014-19 based on the CERC tariff order dated 28.02.2022 which wasnot booked in financial year 2021-22 on account of reconciliation error with CTUL. The effect of same has been given by restating the Financial Statement of financial year 2021-22.

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

**Key Audit Matter**

Sr. No	Key Audit Matter	Auditor Response
1	<p>Capitalization and de-capitalization of Assets during the year in case of replacement of Regulated Fixed Assets.</p> <p>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</p> <p>Refer Note No. 3 &amp; 31 to the Financial Statements</p>	<p><b>Principal Audit Procedure</b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ol style="list-style-type: none"> <li>1) Obtained details of Regulated fixed assets replaced during the year.</li> <li>2) Evaluated the design of internal controls relating to recording transaction in respect of replaced Fixed Assets.</li> <li>3) Review of contracts in respect to addition in fixed assets.</li> <li>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 &amp; accounting policy of the company.</li> <li>5) Performed analytical procedures and test of details for reasonableness of carrying value of the replaced part.</li> </ol>
2	<p>Recognition of Revenue from Transmission Income:</p> <p>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.</p> <p>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.</p> <p>Refer Note No. 26 to the Financial Statement.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ol style="list-style-type: none"> <li>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.</li> <li>2) Evaluated the design of internal controls relating to recording transaction in respect of revenue recognition.</li> <li>3) Review of revenue based on CERC tariff orders, circulars and guidelines</li> <li>4) Evaluate the method adopted by the company to determine the transmission income.</li> <li>5) Performed analytical procedures and test of details for reasonableness of transmission Income.</li> </ol>

### 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 section 134(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 either 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 misstatement 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. Under section 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 up to 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 financial statements.

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 required by Section 143(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 Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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 or invest 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 for the previous year and interim dividend for the 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 proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
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/-**  
**Manish Gupta**  
**Partner**  
**Membership No. 095518**  
**Place: New Delhi**  
**Date: 10.07.2023**  
**UDIN:23095518BGUKVE4134**

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(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, 2023 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, 2023, 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/-**  
**Manish Gupta**  
**Partner**  
**Membership No. 095518**  
**Place: New Delhi**  
**Date: 10.07.2023**

**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, 2023 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 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, 2023 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 subsection 1 of the section 148(1) 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 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, 2023 for a period of more than six months from the date they became payable.
  - (b) there is no dues as mentioned in sub clause (a) which have not been deposited as at March 31, 2023 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 assessments 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 wilful 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 nor any assurance that all liabilities falling due within 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 unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to special account within a period of 30 days from the end of the said financial year in compliance with provision (6) of Section 135 of the said Act. The company has transferred the unspent amount within the time prescribed in the above mentioned provision.
- 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/-**  
**Manish Gupta**  
**Partner**  
**Membership No. 095518**  
**Place: New Delhi**  
**Date: 10.07.2023**

## Balance Sheet as at March 31, 2023

(All Amounts are in Rs. Lacs)

Sr. No.	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022 (Restated)
1	<b>ASSETS</b>			
	<b>Non-current asset</b>			
	(a) Property, plant and equipment	3	113,441.68	122,988.24
	(b) Capital work in progress	4	-	691.55
	(c) Intangible assets	5	2,903.65	3,219.73
	(d) Intangible assets under development	5A	-	155.13
	(e) Right to use assets	6	123.16	150.06
	(f) Financial assets			
	(i) Other	7	3,130.37	5,638.96
	(g) Other non-current assets	8	560.24	1,517.65
	<b>Total non- current assets</b>		<b>120,159.10</b>	<b>134,361.31</b>
2	<b>Current assets</b>			
	(a) Inventories	9	205.20	142.78
	(b) Financial assets			
	(i) Investments	10	1,001.40	8,145.36
	(ii) Trade receivables	11	7,078.79	2,272.18
	(iii) Cash and cash equivalents	12	2,848.82	4,382.61
	(iv) Other bank balances	13	6,093.84	5,827.79
	(v) Other financial assets	7	15.90	15.06
	(c) Others Current Assets	14	51.68	51.03
	(D) Current tax Assets	15	17.34	-
	<b>Total current assets</b>		<b>17,312.97</b>	<b>20,836.81</b>
3	<b>Regulatory Deferral Account Debit Balance</b>	16	3,042.88	6,395.61
	<b>Total assets</b>		<b>140,514.95</b>	<b>161,593.74</b>
II.	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	(a) Equity share capital	17	41,140.00	41,140.00
	(b) Other equity		12,605.52	10,757.88
	<b>Total equity</b>		<b>53,745.52</b>	<b>51,897.88</b>
1	<b>LIABILITIES</b>			
	<b>Non-current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	18	69,242.72	78,960.36
	(ii) Lease Liabilities	19	137.84	163.19
	(b) Provisions	22	-	39.75
	(c) Deferred tax liabilities (net)	23	6,314.82	9,667.55
	<b>Total non- current liabilities</b>		<b>75,695.39</b>	<b>88,830.85</b>
2	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Trade payables due for payment -	26		
	Total outstanding dues of Micro Enterprises and Small Enterprises		122.24	46.50
	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		161.43	254.87
	(ii) Lease Liabilities	19	25.34	23.23
	(iii) Other financial liabilities	20	3.78	8,764.45
	(iv) Borrowings	21	10,275.39	10,815.32
	(b) Other current liabilities	25	21.48	282.49
	(d) Provisions	22	464.38	678.15
	<b>Total current liabilities</b>		<b>11,074.04</b>	<b>20,865.00</b>
	<b>Total liabilities</b>		<b>86,769.43</b>	<b>109,695.86</b>
	<b>Total equity and liabilities</b>		<b>140,514.95</b>	<b>161,593.74</b>

Significant accounting policies and note to financial statements 1-35 The notes referred to above are an integral part of financial statements.

FOR SHIV & ASSOCIATES  
Chartered Accountants  
FRN 009989N

Sd/-  
(Manish Gupta)  
Partner  
(M. No. 095518)  
Place : Delhi  
Date : 07.10.2023  
UDIN : 23095518BGUKVE4134

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

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

Sd/-  
(Rajeev Maggo)  
CFO

Sd/-  
(Subhash C Taneja)  
Director (Technical)  
DIN : 09850673

Sd/-  
(Mukesh Kumar)  
Company Secretary

## Statement of Profit and Loss for the year ended March 31, 2023

(All Amounts are in Rs. Lacs)

Sr. No.	Particulars	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022 (Restated)
I	Revenue from operations	27	27,866.22	33,630.19
II	Other income	28	2,631.72	1,151.92
III	<b>Total income (I+II)</b>		<b>30,497.94</b>	<b>34,782.11</b>
IV	<b>EXPENSES</b>			
	Employee benefit expenses	29	865.10	697.57
	Finance Costs	30	6,462.48	5,992.14
	Transmission, Administration Expenses	31	605.07	700.18
	Depreciation on Right to use Assets	6	26.90	30.18
	Depreciation and amortisation	32	11,787.66	11,707.50
	Loss on Assets Discarded	34	204.49	0.39
	Corporate Social Responsibility Expenses		186.64	238.97
	Other Expenses	33	309.34	337.63
	<b>Total expenses</b>		<b>20,447.68</b>	<b>19,704.54</b>
V	<b>Profit before tax and Rate Regulated Activities (III-IV)</b>		<b>10,050.27</b>	<b>15,077.57</b>
VI	<b>Tax expense:</b>	34		
	(a) Current tax :			
	Current Year		1,746.39	2,634.35
	Earlier Year		27.03	-
	(b) Deferred tax Liability/ (Assets)	23	-3,352.73	2,825.45
	<b>Total Tax Expenses</b>		<b>-1,579.32</b>	<b>5,459.80</b>
VII	<b>Profit for the year before Rate Regulated Activities (V-VI)</b>		<b>11,629.58</b>	<b>9,617.77</b>
	Net Movement in Deferral Regulatory Account balance (Debit)/Credit (Net of Tax)	24	2,766.94	303.54
	<b>Profit for the year (VI-VII)</b>		<b>8,862.64</b>	<b>9,314.23</b>
VIII	<b>Other comprehensive income</b>			
	(a) Items that will not be reclassified to profit or loss (net of taxes)		-21.20	0.97
	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		-	-
	<b>Total Other Comprehensive Income</b>		<b>-21.20</b>	<b>0.97</b>
IX	<b>Total Comprehensive income for the year (VII+VIII)</b>		<b>8,841.44</b>	<b>9,315.20</b>
X	<b>Earning per equity share:</b>	35		
	A) Including movement in Deferral Regulatory Account balance - Basic and Diluted (Rs.)		2.15	2.26
	B) Excluding movement in Deferral Regulatory Account balance - Basic and Diluted (Rs.)		2.83	2.34

See accompanying notes to the standalone financial statements 1-35

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

## FOR SHIV &amp; ASSOCIATES

Chartered Accountants  
FRN 009989NSd/-  
(Manish Gupta)  
Partner  
(M. No. 095518)  
Place : Delhi  
Date : 10.07.2023Sd/-  
(Satyajit Ganguly)  
Managing Director  
DIN : 06961418Sd/-  
(Rajeev Maggo)  
CFOSd/-  
(Subhash C Taneja)  
Director (Technical)  
DIN : 09850673Sd/-  
(Mukesh Kumar)  
Company Secretary

## Cash flow statement for the year ended March 31, 2023

(All amounts are in Rs. Lacs)

Particulars	Year Ended March 31, 2023		Year Ended March 31, 2022 (Restated)	
<b>A. CASH FROM OPERATING ACTIVITIES :</b>				
Profit before tax & Deferral Regulatory Account balance		10,050.27		12,371.92
Add: Net Movement in Deferral Regulatory Account balance (Net of Tax)		2,766.94		-275.83
Add: Tax on Net Movement in Deferral Regulatory Account balance		585.79		58.40
<b>Adjustments For:</b>				
Depreciation & Amortisation expenses	11,814.55		11,737.68	
Truing up	464.38		-	
Truing up Interest	0.03		-510.83	
Balances Written back	-105.79		-	
Deferral Regulatory Account debit balance	-3,352.73		217.44	
Loss on Assets Discarded & Impairment of Assets	204.49		0.39	
MTM on Investment	54.14		-34.84	
Interest Income	-353.63		-591.29	
Surcharge Income	-180.66		-	
Interest Expense	6,418.71		6,473.44	
Other Non operating Income	-461.17		-294.42	
Other Comprehensive Income Adjustment	-21.20		0.97	
		14,481.12		16,998.54
<b>Operating Profit before Working Capital Changes</b>		<b>27,884.12</b>		<b>29,153.02</b>
<b>Movement in working capital:</b>				
(Increase)/decrease in Trade and other receivables	-4,806.61		4,827.47	
(Increase)/decrease in current and Non-current assets	6,384.67		396.89	
Increase/(decrease) in other current liabilities	-12,351.21		-6,731.85	
		-10,773.15		-1,507.49
<b>Net cash from operating activities</b>		<b>17,110.97</b>		<b>27,645.53</b>
Direct taxes paid (net of refunds)		-1,527.51		-2,012.26
<b>Net cash Provided/(used) from operating activities ( A )</b>		<b>15,583.45</b>		<b>25,633.27</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase for Property, Plant & Equipment's	-1,888.10		-71.57	
Capital Advances given	-		-	
Purchase of Mutual Funds	-12,387.86		-27,921.01	
Sale proceeds of Mutual Funds	19,531.82		27,671.86	
Investment in FDR	-		-254.55	
Surcharge Income	180.66		-	
Interest received	279.49		446.52	
Disposal of Fixed Assets	0.10		0.09	
Other non operating income	335.05		294.42	
		6,051.17		165.75
<b>Net cash (used in)/generated by Investing Activities "B"</b>		<b>6,051.17</b>		<b>165.75</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Loan accepted/(Repaid) during the year -Long Term	-9,717.64		-15,528.45	
Repayment of Lease Liability (Including interest)	-38.87		-21.71	
Dividend	-6,993.80		-5,348.20	
Payment of Interest on borrowings	-6,418.10		-6,475.24	
<b>Net Cash Used in Financing Activities "C"</b>		<b>-23,168.41</b>		<b>-27,373.60</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>-1,533.79</b>		<b>-1,574.58</b>
Cash and cash equivalents at the beginning of the year		4,382.61		5,957.19
Cash and Cash Equivalents at the end of the period		2,848.82		4,382.61

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 original maturity of upto three months

FOR SHIV & ASSOCIATES  
 Chartered Accountants  
 FRN 009989N

Sd/-  
 (Manish Gupta)  
 Partner  
 (M. No. 095518)  
 Place : Delhi  
 Date : 10.07.2023

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

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

Sd/-  
 (Rajeev Maggo)  
 CFO

Sd/-  
 (Subhash C Taneja)  
 Director (Technical)  
 DIN : 09850673

Sd/-  
 (Mukesh Kumar)  
 Company Secretary



**Statement of change in equity for year ended March 31, 2023****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
Balance at April 1, 2022	41,140.00
Changes in equity share capital during the year	-
Balance at March 31, 2023	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	Equity instrument through other comprehensive income	Other items of other comprehensive income (specify nature)	
<b>Balance at March 31, 2021</b>	3,601.97	-	3,194.97	-	-6.05	6,790.88
Profit for the year	-	-	9,314.23	-	-	9,314.23
Other comprehensive income for the year, net of income tax	-	-	-	-	0.97	0.97
<b>Total comprehensive income</b>	3,601.97	-	12,509.19	-	-5.08	16,106.08
Transferred to Self Insurance Reserve	536.74	-	-536.74	-	-	-
Dividend	-	-	-5,348.20	-	-	-5,348.20
Dividend Distribution Tax	-	-	-	-	-	-
<b>Balance at March 31, 2022</b>	4,138.57	-	6,624.50	-	-5.08	10,757.88
Profit for the period	-	-	8,862.64	-	-	8,862.64
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-
					-21.20	-21.20
<b>Total comprehensive income</b>	4,138.57	-	15,487.14	-	-26.28	19,599.32
Transferred to Self Insurance Reserve	-	-	-	-	-	-
Deduction during the year	-	-	-	-	-	-
Dividend	-	-	-6,993.80	-	-	-6,993.80
<b>Balance at 31st March, 2023</b>	4,138.57	-	8,493.34	-	-26.28	12,605.52

**Note 1.** The amount of per share dividend recognized as distribution to equity shareholders is as follows:

	Year 2022-23		Year 2021-22	
	Divident (in %)	Amount (Rs. Lacs)	Divident (in %)	Amount (Rs. Lacs)
Interim Dividend*	12.00	4,936.80	10.00	4,114.00
Final Dividend*	8.00	3,291.20	5.00	2,057.00

During the year ended March 31, 2023, the company has paid Rs. 20.57 crore on account of the final dividend for fiscal 2022, and Rs. 49.368 crore as interim dividend for fiscal 2023 the Company has incurred a net cash outflow of Rs 69.938 crore.

The Board of Directors in their meeting held on 10th May, 2023, recommended a final dividend of Rs. 0.80/- per equity share for the financial year ended March 31, 2023. This payment is subject to the approval of shareholders in the Annual General Meeting, date of which will be announced by the Company in due course. The Final dividend, if approved by shareholders would result in net cash outflow of Rs. 32.91/- crores.

2. During the year Company has accounted for transmission charges amounting to Rs. 2706 lacs pertaining to previous year which was inadvertently not accounted for in financial year 2021-22. The effect of the same has been given by restating the Financial Statements of financial year 2021-22. It has resulted in increase in Revenue from Operation Rs. 2706 lacs in FY 2021-22 and profit after tax by Rs. 2356 lacs in FY 21-22.

**FOR SHIV & ASSOCIATES**  
Chartered Accountants  
FRN 009989N

Sd/-  
(Manish Gupta)  
Partner  
(M. No. 095518)  
Place : Delhi  
Date : 10.07.2023

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

Sd/-  
(Rajeev Maggo)  
CFO

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

Sd/-  
(Subhash C Taneja)  
Director (Technical)  
DIN : 09850673

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 Lakhs and two decimals there of, except as state do otherwise.

##### iv) Use of estimates

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

##### 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 recognised 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

New clause Cash and Cash Equivalents include cash in hand and at bank, and short term deposits with banks having a maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk in change of value

Deposits having a maturity of more than 3 months but upto 12 months are shown in the Sub head "Other Bank Balances" under the head "Current Assets".

## 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 contract 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.

### **Inventories**

Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment are recorded as inventories.

Surplus materials, as determined by the management, are held for intended use and are included in the inventory. The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

## 2.10 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.
- at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

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. Where certification by RPCs is not available, incentive/disincentive is accounted for on provisional basis as per estimate of availability by the company and differences, if any, is accounted upon certification by RPCs.

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.

### 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 to be created @ 0.25% p.a. on Gross Block of Property, Plant and Equipment upto Rs. 41.38 crore by appropriating profit to mitigate future losses which may arise from un-insured risks. The same shall be 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.

Additionally, basic and diluted earnings per share are also computed using the earnings amounts excluding the movements in Regulatory Deferral Account Balances.

## 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 provisions 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.

## 2.23. 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.

## 2.24 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.

## 2.25 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, 2023	As at March 31, 2022 (Restated)
Freehold land	679.37	679.37
Building	999.80	528.18
Transmission Lines	111,409.27	121,377.98
Assets Discarded ready for reuse	-	36.92
Computers	15.66	15.90
Office equipment	53.99	57.22
Furniture and fixtures	86.51	94.39
Plant and equipment	197.07	198.27
<b>Total</b>	<b>113,441.68</b>	<b>122,988.24</b>

Cost or deemed cost	Freehold Land	Building	Transmission Lines	Assets Discarded ready for reuse	Computers	Office Equipment	Furniture & Fixtures	Plant & Equipment	Total
<b>Balance at March 31, 2021</b>	<b>679.37</b>	<b>582.34</b>	<b>212,830.97</b>	<b>36.92</b>	<b>52.93</b>	<b>72.15</b>	<b>122.73</b>	<b>249.18</b>	<b>214,626.59</b>
Additions	-	6.47	46.48	-	8.39	8.38	1.64	0.21	71.57
Disposals/ adjustments	-	-	-	-	-	0.79	-	-	0.79
<b>Balance at March 31, 2022</b>	<b>679.37</b>	<b>588.81</b>	<b>212,877.46</b>	<b>36.92</b>	<b>61.32</b>	<b>79.74</b>	<b>124.36</b>	<b>249.39</b>	<b>214,697.37</b>
Additions	-	508.14	1,704.76	-	9.47	3.56	-	12.21	2,238.14
Disposals/ adjustments	-	-	454.08	36.92	0.77	0.25	-	-	492.02
<b>Balance at March 31, 2023</b>	<b>679.37</b>	<b>1,096.95</b>	<b>214,128.13</b>	<b>-</b>	<b>70.02</b>	<b>83.05</b>	<b>124.36</b>	<b>261.60</b>	<b>216,443.61</b>



### 3 Property, Plant and Equipment

(All Amounts are in Rs. Lacs)

Accumulated depreciation and impairment	Free-hold Land	Building	Transmission Lines	Assets Discarded ready for reuse	Computers	Office Equipment	Furniture & Fixtures	Plant & Equipment	Total
<b>Balance at March 31, 2021</b>	-	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
<b>Balance at March 31, 2022</b>	-	60.63	91,499.47	-	45.42	22.52	29.97	51.12	91,709.13
Depreciation expense	-	36.52	11,397.47	-	9.51	6.79	7.89	13.40	11,471.58
Impairment loss/revaluation recognised in profit or loss	-	-	-	-	-	-	-	-	-
Eliminated on disposal / adjustments / transfer of assets	-	-	178.08	-	0.57	0.25	-	-	178.90
<b>Balance at March 31, 2023</b>	-	97.15	102,718.87	-	54.36	29.05	37.86	64.53	103,001.81

#### 4.0 Capital Work in-progress

Particulars	Railways Diversion	Guwahati Building	Dwarka Office WIP	Jowai Land	Rist	Furniture and Fixtures	Plant and Equipment	Total
<b>Balance at March 31, 2021</b>	-	86.03	-	-	-	-	-	86.03
Additions during the year	-	332.73	-	-	272.78	-	-	605.52
Less: Transfer to Advance/Inventory	-	-	-	-	-	-	-	-
Less: Disposals/ adjustments	-	-	-	-	-	-	-	-
<b>Balance at March 31, 2022</b>	-	418.76	-	-	272.78	-	-	691.55
Additions during the year	-	52.45	-	-	1,252.45	-	-	1,304.90
Less: Transfer to Advance/Inventory	-	-471.21	-	-	-1,525.24	-	-	-1,996.45
Less: Disposals/ adjustments	-	-	-	-	-	-	-	-
<b>Balance at March 31, 2023</b>	-	-	-	-	-	-	-	-

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

Jowai Land : Leasehold Land at Jowai admeasuring 1749 square meter is in possession of the company for a lease period of 99 years.

**5 Intangible assets****(All Amounts are in Rs. Lacs)**

Carrying Amount of	As at March 31, 2023	As at March 31, 2022 (Restated)
Forest & Afforestation	2,903.13	3,219.17
Web Site Designing Expenses	0.51	0.56
<b>Total</b>	<b>2,903.65</b>	<b>3,219.73</b>

Cost or deemed cost	Forest & Afforestation	Web Site Designing Expenses	Total
<b>Balance at March 31, 2021</b>	<b>5,985.54</b>	<b>0.82</b>	<b>5,986.36</b>
Additions	-	-	-
Disposals/ adjustments	-	-	-
<b>Balance at March 31, 2022</b>	<b>5,985.54</b>	<b>0.82</b>	<b>5,986.36</b>
Additions	-	-	-
Disposals/ adjustments	-	-	-
<b>Balance at March 31, 2023</b>	<b>5,985.54</b>	<b>0.82</b>	<b>5,986.36</b>
<b>Accumulated amortisation and impairment</b>			
<b>Balance at March 31, 2021</b>	<b>2,450.34</b>	<b>0.22</b>	<b>2,450.56</b>
Amortisation expense	316.04	0.04	316.08
Revaluation/Impairment loss recognised in profit or loss	-	-	-
Disposals/ adjustments	-	-	-
<b>Balance at March 31, 2022</b>	<b>2,766.37</b>	<b>0.26</b>	<b>2,766.64</b>
Amortisation expense	316.04	0.04	316.08
Revaluation/Impairment loss recognised in profit or loss	-	-	-
Disposals/ adjustments	-	-	-
<b>Balance at March 31, 2023</b>	<b>3,082.41</b>	<b>0.31</b>	<b>3,082.72</b>

**5A Capital Work in-progress**

Carrying Amount of	Forest Afforestation - RIST	
	As at March 31, 2023	As at March 31, 2022 (Restated)
<b>Balance at March 31, 2021</b>	155.13	155.13
Additions during the year	-	-
Less: Transfer to Advance/Inventory	-	-
Less: Disposals/ adjustments	-	-
<b>Balance at March 31, 2022</b>	155.13	155.13
Additions during the year	-	-
Less: Transfer to Advance/Inventory	-155.13	-
Less: Disposals/ adjustments	-	-
<b>Balance at 31st March, 2023</b>	-	155.13

**Intangible assets under development :****As At 31st March, 2023)**

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

**Intangible assets under development completion**

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

**Intangible assets under development :****As at March 31, 2022  
(Restated)**

	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				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
RIST	-	-	-	-	-
	-	-	-	-	-

**6 Right to use Assets**

Particulars	As at March 31, 2023		As at March 31, 2022 (Restated)	
<b>Fair value of Leasehold office in Delhi</b>				
Fair value	150.06	123.16	176.95	150.06
Less: Depreciation	26.90		26.90	
<b>Fair value of Vehicle at Jowai</b>				
Fair value	-	-	1.05	-
Less: Depreciation	-		1.05	
<b>Fair value of Vehicle at Agartala, Tripura</b>				
Fair value	-	-	1.17	-
Less: Depreciation	-		1.17	
<b>Fair value of vehicle at Silchar, Guwahti</b>				
Fair value	-	-	1.07	-
Less: Depreciation	-		1.07	
		123.16		150.06

**7 Other financial assets****(All Amounts are in Rs. Lacs)**

Particulars	As at March 31, 2023		As at March 31, 2022 (Restated)	
	Non-current	Current	Non-current	Current
<b>Security deposits</b>	-	15.90	-	15.06
<b>Interest Accrued on deposits</b>				
On Fixed deposits with more than 12 months maturity	111.25	-	156.25	-
<b>Others</b>				
Fixed deposits with more than 12 months maturity	3,019.12	-	5,482.71	-
<b>Total</b>	<b>3,130.37</b>	<b>15.90</b>	<b>5,638.96</b>	<b>15.06</b>

**8 Other Non-current assests****(All Amounts are in Rs. Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
<b>Advance for Capital Expenditure</b>		
<b>Realted Parties:</b>		
Powergrid Corporation of India Limited	560.24	1,517.65
<b>Total</b>	<b>560.24</b>	<b>1,517.65</b>

**9 Inventories****(All Amounts are in Rs. Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
<b>Consumables, Stores and Spares</b>		
Conductor Transferred from WIP	64.31	70.80
Wedge Connector, Line Material and Moose conductor	32.73	71.98
Tower Materials dismanteld from RIST work	71.24	-
Conduor/tower parts Transfer from Assets discarded	36.92	-
<b>Total</b>	<b>205.20</b>	<b>142.78</b>

**10 Other Investments****(All Amounts are in Rs. Lacs)**

Particulars	As at March 31, 2023		As at March 31, 2022 (Restated)	
	Qty. in unit	Amount	Qty. in unit	Amount
<b>Financial assets carried at fair value through profit or loss</b>				
<b>Quoted Investments</b>				
Investments in Mutual funds				
SBI Mutual Fund	1,903,096.722	927.51	17,277,860.85	6,144.25
UTI Mututal Fund	2,804.419	73.89	80,340.98	2,001.11
<b>Total investments carrying value</b>	<b>1,905,901.141</b>	<b>1,001.40</b>	<b>17,358,201.82</b>	<b>8,145.36</b>

**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. 9,23,05,844/- (fair value Rs. 9,27,50,617) in SBI mutual fund and cost of Investment is Rs. 73,26,945 /- (fair value Rs.73,89,262/-) in UTI Mutual fund (Previous Year cost of investment Rs. 60,87,50,754/- (Fair value Rs. 61,44,24,921/-) in SBI Mutual Fund and cost of investment Rs. 19,98,64,000/- (Fair value Rs. 20,01,11,190/-) in UTI Mutual fund).

**11 Trade receivables****(All Amounts are in Rs. Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
<b>Current</b> <b>(secured, considered good unless otherwise stated)</b>		
considered good - secured	-	-
considered good - unsecured	7,078.79	2,272.18
having significant increase in credit risk	-	-
credit impaired	-	-
<b>Total</b>	<b>7,078.79</b>	<b>2,272.18</b>

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

Particulars	Outstanding for following periods from due date of payment - As At 31st March, 2023							
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More then 3 Years	Total
(i) Undisputed Trade receivables – considered good	2,210.00	-	4,868.79	-	-	-	-	7,078.79
(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	-	-	-	-	-	-	-	-
	<b>2,210.00</b>	<b>-</b>	<b>4,868.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,078.79</b>

**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							
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More then 3 Years	Total
(i) Undisputed Trade receivables – considered good	2,272.18	-	-	-	-	-	-	2,272.18
(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	-	-	-	-	-	-	-	-
	<b>2,272.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,272.18</b>

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

11.2 Trade Receivables includes one month unbilled revenue.

**12 Cash and cash equivalents**

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2023		As at March 31, 2022 (Restated)	
	Qty. in unit	Amount	Qty. in unit	Amount
<b>Cash and Cash Equivalents</b>				
Balances with Banks				
- Escrow Account	257.62		396.38	
- Current Account	-	257.62	.10	396.48
- Cheques in Hand		0.05		
<b>Other Bank Balances</b>				
Term Deposit Accounts having maturity upto 3 months		2,565.24		3,903.34
Interest Accrued on deposits on FDR with Maturity upto 3 months		25.91		82.79
<b>Total</b>		<b>2,848.82</b>		<b>4,382.61</b>

**13 Bank Balances other than Cash and cash equivalents**

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
Term Deposit Accounts having maturity more than 3 months upto 12 months	5,810.18	5,663.36
Interest Accrued on deposits 'on FDR with Maturity more than 3 months upto 12 months	283.66	164.44
<b>Total</b>	<b>6,093.84</b>	<b>5,827.79</b>

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 prior notice or penalty on the principal.

**14 Other current assets**

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
Prepaid Expenses	23.25	22.06
Prepaid Expenses IND AS	3.15	3.92
Advance to Employees	10.23	4.44
Advance to others	15.05	1.93
Advance for CSR Projects	-	18.69
<b>Total</b>	<b>51.68</b>	<b>51.03</b>

**15 Current Tax Assets (Net)**

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
Advance Income tax (including TDS)	17.34	-
<b>Total</b>	<b>17.34</b>	<b>-</b>

**16 Regulatory Deferral Account Debit Balance**

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
<b>Reconciliation of Regulatory Asset/(Liability) as per Rate Regulated Activities</b>		
Opening Balance	6,395.61	6,061.39
Addition during the year	-	3,527.48
Reversal during the year	-3,352.73	-3,193.25
<b>Closing Balance</b>	<b>3,042.88</b>	<b>6,395.61</b>



- 16.1 The Company is engaged in the business of Transmission of Power. The tariff for transmission of power is determined by the CERC through Tariff Regulations. The tariff is based on Capital cost admitted by CERC and provides for transmission charges recovery of annual fixed cost consisting of return on equity, interest on loan capital, depreciation, interest on working capital and operation and maintenance expenses.
- 16.2 Risk associated with future recovery/reversal of regulatory deferral account balances are regulatory risk on account of changes in regulations.

**17 Share Capital****(All Amounts are in Rs. Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
<b>Share Capital</b>		
<b>Authorised Share Capital:</b> 600,000,000 Equity Shares of Rs. 10 each	<b>60,000.00</b>	<b>60,000.00</b>
<b>Issued and Subscribed Share Capital:</b> 411,400,000 ( Previous Year 411,400,000) Equity Shares of Rs.10/- each fully paid up	<b>41,140.00</b>	<b>41,140.00</b>
<b>Fully paid equity shares:</b> 411,400,000 ( Previous Year 411,400,000) Equity Shares of Rs.10/- each fully paid up	<b>41,140.00</b>	<b>41,140.00</b>
<b>Total</b>	<b>41,140.00</b>	<b>41,140.00</b>

**17.1. 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	-	-
<b>Balance at 31st March, 2022</b>	<b>4,114.00</b>	<b>41,140.00</b>
Balance at April 1, 2022	4,114.00	41,140.00
Shares issued during the year	-	-
<b>Balance at 31st March, 2023</b>	<b>4,114.00</b>	<b>41,140.00</b>

**17.2. 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.

**17.3. 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, 2023		As at March 31, 2022 (Restated)	
	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%

**17.4. Details of promoters shareholders:-****(All Amounts are in Rs. Lacs)**

Name of equity shareholders	As at March 31, 2023		As at March 31, 2022 (Restated)		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%

**18 Borrowings****(All Amounts are in Rs. Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
<b>Secured – From banks</b>		
Rupee Term Loan: ICICI Bank	69,242.72	78,960.36
<b>Total</b>	<b>69,242.72</b>	<b>78,960.36</b>

**Further Note: (Refer Note [1-5] below)**

- The company had availed new Loan of Rs. 11,20,00,00,000, vide Agreement signed w.e.f. 11.12.2020 from ICICI Bank Ltd. 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.
- Repayment of New Loan is scheduled in 39 equal quarterly installments and starting from 02nd April 2021.
- The prevailing rate of Interest, as on 31.03.2023 is @ 7.90% p.a. (1 year MCLR basis)

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

Year of Repayment	ICICI Bank	
	As At 31st March, 2023	As at March 31, 2022 (Restated)
2021-22	-	10,528.45
2022-23	-	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
2030-31	7,693.64	7,693.64
<b>Total</b>	<b>79,500.90</b>	<b>100,287.53</b>

**19 Lease Liabilities**

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2023		As at March 31, 2022 (Restated)	
	Non Current	Current	Non Current	Current
Lease Liability - Delhi Office	137.84	25.34	163.19	23.23
<b>Total</b>	<b>137.84</b>	<b>25.34</b>	<b>163.19</b>	<b>23.23</b>

**20 Other financial liabilities**

Particulars	As at March 31, 2023		As at March 31, 2022 (Restated)	
	Non Current	Current	Non current	Current
Other Current Liability	-	-	-	3.05
Audit Fee Payable	-	3.78	-	3.78
Advance from Customers	-	-	-	8,757.62
<b>Total</b>	<b>-</b>	<b>3.78</b>	<b>-</b>	<b>8,764.45</b>

**20.1. The Statutory Auditors Remuneration is as under:**

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Audit Fees	4.13	4.13
Tax Audit Fees	0.87	0.87
Certification and Other Services	3.19	3.19
Travelling and Out of Pocket Expenses	0.36	0.30
<b>Total</b>	<b>8.55</b>	<b>8.48</b>

**21 Borrowings**

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
Current maturities of Long term borrowings	10,258.18	10,798.72
Interest accrued	17.21	16.60
<b>Total</b>	<b>10,275.39</b>	<b>10,815.32</b>

**22 Provisions**

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2023		As at March 31, 2022 (Restated)	
	Non Current	Current	Non current	Current
Provision for Truing Up	-	464.38	-	-
Provision for Income Tax (Net of Taxes paid)	-	-	-	676.03
Provision for Employee benefits:	-	-	-	-
Leave encashment	-	-	18.24	1.82
Gratuity	-	-	21.51	0.30
<b>Total</b>	<b>-</b>	<b>464.38</b>	<b>39.75</b>	<b>678.15</b>

**23 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, 2023	As at March 31, 2022 (Restated)
Opening Balance	9,667.55	6,140.07
Addition during the period	-3,352.73	3,527.48
<b>Total</b>	<b>6,314.82</b>	<b>9,667.55</b>

**24 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 :

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
Addition during the period	-3,352.73	334.23
Tax on Movement in Deferral Regulatory Account balance	585.79	-58.40
<b>Total</b>	<b>-2,766.94</b>	<b>275.83</b>

**Further Note:**

**24.1** The Company has reported in its Financial Statements of previous year, Deferral Regulatory Account balance Rs. 34.97 crore of prepayment charges paid to Power Finance Corporation of India Limited as receivable from CERC.

**25 Other liabilities**

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2023		As at March 31, 2022 (Restated)	
	Non current	Current	Non current	Current
Statutory Dues Payables	-	21.48	-	282.49
<b>Total</b>	<b>-</b>	<b>21.48</b>	<b>-</b>	<b>282.49</b>

**25.1** Statutory dues represents Govt. dues such as PF, TDS, GST etc.

**26 Trade payables**

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
<b>Current</b>		
Creditors for Goods, expenses & Services to MSME	122.24	46.50
Creditors for Goods & Services	159.27	96.02
Retention Money & Others	-	-
Trade Creditors	2.16	158.85
<b>Total</b>	<b>283.67</b>	<b>301.37</b>

**26.1** The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

**26.2** Parties Balance due to/ due from them are subject to confirmation from the parties.

**Trade Payables ageing schedule**

(All Amounts are in Rs. Lacs)

Particulars	Outstanding for following periods from due date of payment - As At 31st March, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	120.00	2.24	-	-	122.24
(ii) Others	159.94	0.55	0.94	-	161.43
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>279.94</b>	<b>2.79</b>	<b>0.94</b>	<b>-</b>	<b>283.67</b>

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

Particulars	Outstanding for following periods from due date of payment - As at March 31, 2022 (Restated)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	44.26	2.24	-	-	46.50
(ii) Others	151.99	0.09	-	102.79	254.87
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>196.25</b>	<b>2.33</b>	<b>-</b>	<b>102.79</b>	<b>301.37</b>

**27 Revenue From Operations****(All Amounts are in Rs. Lacs)**

Particulars	As at March 31, 2023		As at March 31, 2022 (Restated)	
Transmission Charges	27,795.57		32,943.94	
Prior Period Revenue				
Incentive	378.24		449.51	
RLDC Fees	156.79		236.74	
Less: Provision for Truing Up	-464.38	27,866.22	-	33,630.19
<b>Total</b>		<b>27,866.22</b>		<b>33,630.19</b>

**27.1** The Transmission charges has been booked based on CERC Tariff order dated 28.02.2022.

**27.2** During the year Company has accounted for transmission charges amounting to Rs. 2706 lacs pertaining to previous year which was inadvertently not accounted for in financial year 2021-22. The effect of the same has been given by restating the Financial Statements of financial year 2021-22. It has resulted in increase in Revenue from Operation Rs. 2706 lacs in FY 2021-22 and profit after tax by Rs. 2356 lacs in FY 21-22.

The above have effect on the reported total comprehensive income and Equity of previous year. A reconciliation of Revenue, Equity, Profit after tax and Provision for Tax are given below

**(All Amounts are in Rs. Lacs)****2021-2022**

<b>Reconciliation of Revenue as at 31st March, 2022</b>	
Tariff Revenue as per previous year Financial Statements	30,924.54
Adjustments	2,705.65
Tariff Revenue as per restated Financial Statement	33,630.19
<b>Reconciliation of Equity as at 31st March, 2022</b>	
Total equity (shareholder's funds) as per previous year Financial Statements	49,542.31
Adjustments	2,355.57
Total equity as per restated Financial Statement	51,897.88
<b>Reconciliation of Profit after Tax as at 31st March, 2022</b>	
Tariff Profit after tax as per previous year Financial Statements	6,959.63
Adjustments	-2,355.57
Total Profit after tax as per restated Financial Statement	9,315.20

**28 Other Income**

(All Amounts are in Rs. Lacs)

Particulars	Year ended March 31, 2023	As at March 31, 2022 (Restated)
<b>Interest on:</b>		
Fixed Deposits with Banks	353.63	591.29
	353.63	591.29
<b>Dividend Income from:</b>		
Investment in Mutual fund investment	153.61	293.61
MTM on Mutual Fund	-54.14	34.84
	99.47	328.46
<b>Other Non-Operating Income</b>		
Interest on Security Deposit	0.78	0.72
Surcharge	180.67	231.37
Interest on Truing Up Income	1,871.06	-
Other Non-operating Income	126.11	0.08
	2,178.62	232.18
<b>Total</b>	<b>2,631.72</b>	<b>1,151.92</b>

**29 Employee benefit expenses**

(All Amounts are in Rs. Lacs)

Particulars	Year ended March 31, 2023	As at March 31, 2022 (Restated)
Salaries and other allowances	715.73	591.59
Contribution to Provident fund and other funds	44.33	17.80
Staff Welfare Expenses	105.04	88.18
<b>Total</b>	<b>865.10</b>	<b>697.57</b>

**30 Finance Cost**

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
(a) Interest cost on loan:		
Interest on Term Loan	6,418.71	6,473.44
(b) Other Interest/Finance Cost:		
Interest on Truing Up	0.03	-510.83
Prepayment charges	-	-
Interest on Leasehold Assets	15.63	17.51
Interest on Income Tax	27.58	11.68
Bank charges	0.53	0.34
<b>Total</b>	<b>6,462.48</b>	<b>5,992.14</b>

**31 Transmission, Administration Expenses**

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
CERC Tariff Fee	3.00	77.34
Operation & Maintenance Expenses	602.07	622.84
<b>Total</b>	<b>605.07</b>	<b>700.18</b>

**32 Depreciation, Depletion, Amortization and Impairment**

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2023		As at March 31, 2022 (Restated)	
Depreciation of property, plant and equipment	11,471.58	11,787.66	11,391.42	11,707.50
Amortisation of intangible assets	316.08		316.08	
<b>Total</b>		<b>11,787.66</b>		<b>11,707.50</b>



**33 Other Expenses**

(All Amount are in Rs. Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
Electricity Expenses	9.15	7.27
Office Expenses	78.33	56.53
Repair & Maintenance	-	-
-Machinery	8.50	2.42
Rent Expenses	13.15	19.31
Rates & Taxes	0.13	2.45
Recruitment Expenses	-	7.53
Travelling & Conveyance	88.91	82.91
Communication Expenses	12.99	9.38
Printing & Stationery	5.07	3.85
Auditors' remuneration	8.19	8.19
Legal & professional	53.98	119.78
Audit Expenses(Internal)	1.49	1.49
Advertisement & exhibition expenses	16.30	1.94
Meeting Expenses	12.74	14.16
Cost Audit Expenses	0.41	0.41
<b>Total</b>	<b>309.34</b>	<b>337.63</b>

**34 Loss on Assets Discarded**

(All Amounts are in Rs. Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022 (Restated)
<b>Laptop</b>		
Cost of Assets Sold/Discarded	1.02	0.79
Less: Depreciation	-0.72	-0.27
Less: Sale Value	-0.10	-0.09
Loss/(Profit) on Sale of Assets	-0.47	-0.05
Loss on RIST Diversion	204.77	-
<b>Total</b>	<b>204.49</b>	<b>0.39</b>

**35 Earnings per share**

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
Profit for the year including movement in Deferral Regulatory Account balance attributable to equity shareholders (in Rs. Lacs)	8,841.44	9,315.20
Profit for the year excluding movement in Deferral Regulatory Account balance attributable to equity shareholders (in Rs. Lacs)	11,629.58	9,617.77
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.)	2.15	2.26
Basic & Diluted earnings per equity share excluding movement in Deferral Regulatory Account balance (in Rs.)	2.83	2.34
Face Value per equity share (in Rs.)	10.00	10.00

**36 Ratios****(All Amounts are in Rs. Lacs)**

Particulars	Numerator	Denominator	As At 31st March, 2023	As At 31st March, 2022 (Restated)	Variance
<b>(a) Current Ratio</b>	Current Assets	Current Liabilities	1.56	0.90	74.21%
<b>(b) Debt-Equity Ratio</b>	Total Debt includes Lease Liabilities	Shareholder's Equity	1.51	1.85	-18.26%
<b>(c) Debt Service Coverage Ratio</b>	Earnings available for debt service*	Debt Service**	1.24	1.14	8.46%
<b>(d) Return on Equity Ratio</b>	Net Profits after taxes	Average Shareholder's Equity	0.17	0.14	17.51%
<b>(e) Inventory turnover ratio</b>	Cost of Goods Sold	Average Inventory	-	-	0.00%
<b>(f) Trade Receivables turnover ratio</b>	Revenue from Operations	Debtors	0.25	-	21.00%
<b>(g) Trade payables turnover ratio</b>	Credit Purchase	Creditors	-	-	0.00%
<b>(h) Net capital turnover ratio</b>	Revenue from Operations	Working Capital	4.47	-12.98	-134.41%
<b>(i) Net profit ratio</b>	Net Profit	Revenue from Operations	0.32	0.23	41.34%
<b>(j) Return on Capital employed</b>	Earning before interest and taxes	Capital Employed	0.12	0.13	-6.73%
<b>(k) Return on investment</b>	Net return on Investment	Cost of Investment	0.22	0.23	-4.85%

**Reason for change in Ratio more by more than 25%**

\*\*\* IN FY 22-23, closing debtors is Rs. 61.92 crore as against to Nil in FY 21-22, due to amount payable to CTU as per CERC order dated 28.02.2022.

\*\*\*\* Net profit after tax increased due to increase in revenue as per CERC order dated 28.02.2022 & 12.10.22 and reversal of deferred tax liability

\*\*\*\*\*Working capital is positive in current year while it was negative in previous year

\* Earnings available for debt service = 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.

**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, 2023		As at March 31, 2022	
	Percentage	Amount outstanding	Percentage	Amount outstanding
Collection through Powergrid Corporation of India Limited as per CTU Agreement	100.00	7,078.79	100.00	2,272.18
<b>Total</b>		<b>7,078.79</b>		<b>2,272.18</b>

No other single customers contributed 10% or more to the company's revenue for both 2021-22 and 2022-23.

**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 Rajesh Gupta (Director Projects) upto 22.12.2022
- 3 Mr Subhash C Taneja (Director Projects) from 22.12.2022
- 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 31.03.2023	Outstanding as on 31.03.2022	Transaction during 21-23	Transaction during 21-22
<b>Service received from :</b>					
a) Power Grid Corporation of India Limited	Operation & Maintenance Service	-	-	-	91.86
b) Power Grid Corporation of India Limited	Dividend	-	-	1,818.39	1,069.64
c) Power Grid Corporation of India Limited	Director's Remuneration	32.04	23.90	116.79	79.48
d) ONGC Tripura Power Company Limited	Reimbursement	-	-	2,375.55	1,069.64
<b>Total</b>		<b>32.04</b>	<b>23.90</b>	<b>4,310.73</b>	<b>2,310.62</b>

Note: + represents Dr. and - represents Cr.

(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 31.03.2023	Outstanding as on 31.03.2022	Transaction during 22-23	Transaction during 21-22
Sri Satyajit Ganguly (Managing Director)	PRP & Remuneration	-	-	91.02	85.07
Mr A K Srivastava (Director Projects) Upto 29.06.2021	PRP & Remuneration	-	-	-	27.59
Mr Rajesh Gupta (Director Projects) From 29.09.2021	PRP & Remuneration	-	23.90	81.92	54.90
Mr Subhash S Taneja (Director Projects) from 22.12.2022	PRP & Remuneration	32.04	-	34.87	-
Mr. Rajeev Maggo (Chief Financial Officer) from 27.07.2021	PRP Remuneration	-	-	47.76	27.04
Mr. Bimal Ram Nagar (Chief Financial Officer upto 15.03.2021)	PRP	-	-	-	6.61
Mr. Mukesh Kumar (Company Secretary)	PRP & Remuneration	-	-	27.77	25.77
<b>Total</b>		<b>32.04</b>	<b>23.90</b>	<b>283.34</b>	<b>226.98</b>

### 36.4 Employee benefit plans

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
Leave Encashment	-	20.06
Gratuity	-	21.81

#### 36.4.1 Employee Retirement Benefits

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

A specific policy has been availed from LIC of India and amount equivalent to the provision has been paid.

The disclosure required as per IND AS are provided below:

#### Actuarial Assumptions

##### (I) Economic Assumptions

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
i) Discounting Rate	7.42%	7.22%
ii) Future salary Increase	6.00%	5.00%
iii) Expected Rate of return on plan assets	0.00%	0.00%

##### (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, 2023	As at March 31, 2022 (Restated)
i) Present value of obligation as at the beginning of the period	21.82	16.97
ii) Interest cost	1.58	1.15
iii) Current service cost	7.92	5.02
iv) Benefits paid	-	-
v) Actuarial (gain)/loss on obligation	10.62	-1.32
vi) Present value of obligation as at the end of period	41.92	21.82

**Expense recognized in the statement of profit and loss****(All Amounts are in Rs.Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
i) Current service cost	7.92	5.02
ii) Interest cost	1.58	1.15
iii) Net actuarial (gain) / loss recognized in the period	10.62	-1.32
iv) Expenses recognized in the statement of profit & losses	20.11	4.85

**Movement in the liability recognized in the balance sheet****(All Amounts are in Rs.Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
i) Opening net liability	21.82	16.97
ii) Expenses as above	20.11	4.85
iii) Benefits paid	-	-
iv) Closing net Liability	41.92	21.82

**Sensitivity Analysis of the defined benefit obligation.****(All Amounts are in Rs.Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
<b>a) Impact of the change in discount rate</b>		
Present Value of Obligation at the end of the period	41.92	21.82
a) Impact due to increase of 0.50%	-2.38	-1.29
b) Impact due to decrease of 0.50 %	2.59	1.41
<b>b) Impact of the change in salary increase</b>		
Present Value of Obligation at the end of the period	41.92	21.82
a) Impact due to increase of 0.50%	2.62	1.44
b) Impact due to decrease of 0.50 %	-2.42	-1.33

**Actuarial Assumptions****(I) Economic Assumptions****(All Amounts are in Rs.Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
i) Discounting Rate	7.42%	7.22%
ii) Future salary Increase	6.00%	5.00%
iii) Expected Rate of return on plan assets	0.00%	0.00%

**(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, 2023	As at March 31, 2022
i) Present value of obligation as at the beginning of the period	20.06	13.86
ii) Interest cost	1.45	0.94
iii) Current service cost	9.76	5.78
iv) Benefits paid	-4.33	-0.66
v) Actuarial (gain)/loss on obligation	15.07	0.14
vi) Present value of obligation as at the end of period	42.01	20.06

**Sensitivity Analysis of the defined benefit obligation:****(All Amounts are in Rs.Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>a) Impact of the change in discount rate</b>		
Present Value of Obligation at the end of the period	42.01	20.06
a) Impact due to increase of 0.50 %	-2.19	-1.14
b) Impact due to decrease of 0.50 %	2.36	1.22
<b>b) Impact of the change in salary increase</b>		
Present Value of Obligation at the end of the period	42.01	20.06
a) Impact due to increase of 0.50 %	2.39	1.26
b) Impact due to decrease of 0.50 %	-2.21	-1.16

**Expense recognized in the statement of profit and loss****(All Amounts are in Rs.Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022
i) Current service cost	9.76	5.78
ii) Interest cost	1.45	0.94
iii) Net actuarial (gain) / loss recognized in the period	15.07	0.14
iv) Expenses recognized in the statement of profit & losses	26.28	6.87

**Movement in the liability recognized in the balance sheet****(All Amounts are in Rs.Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
i) Opening net liability	20.06	13.86
ii) Expenses as above	26.28	6.87
iii) Benefits paid	-4.33	-0.66
iv) Closing net Liability	42.01	20.06

**Assumptions as at March 31, 2023****(All Amounts are in Rs.Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
<b>Gratuity</b>		
1 Discount rate	7.42%	7.22%
2 Expected return on plan assets	0	0
3 Annual increase in costs	NA	NA
4 Annual increase in salary	5%	5%
<b>Leave Encashment</b>		
1 Discount rate	7.42%	7.22%
2 Expected return on plan assets	NA	NA
3 Annual increase in costs	NA	NA
4 Annual increase in salary	5.00%	5.00%

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 – 30 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, 2023****(All Amounts are in Rs. Lacs)**

Particulars		As at March 31, 2023	As at March 31, 2022 (Restated)
Impact on Interest on Loan	0.05	320.94	323.67
Impact on Income from Mutual Fund	0.05	4.97	16.42

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, 2023	As at March 31, 2022 (Restated)
Bank Guarantee to DMRC	31.03	31.03
Income Tax Demand u/s 156 of The Income Tax Act.1961	0.29	0.28
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)	5,113.00	5,190.00
<b>Total</b>	<b>5,144.31</b>	<b>5,221.31</b>

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, 2023	As at March 31, 2022 (Restated)
Estimated amount of contracts remaining to be executed on capital account:-	218.64	265.86

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

Particulars	As at March 31, 2023	As at March 31, 2022 (Restated)
(i) not later than one year;	38.87	38.87
(ii) later than one year and not later than five years;	162.66	201.55
(iii) later than five years.	-	0.32

**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, 2023	As at March 31, 2022 (Restated)
<b>Truing up provision movement:</b>		
Opening	-	14,600.17
Additional Provision	464.38	4,186.04
Provision write back	-	-18,786.21
Closing balance	464.38	-
<b>Gratuity:</b>		
Opening	21.82	16.97
Additional Provision	20.11	4.85
Less: Transferred to LIC Fund	-41.92	-
Closing balance	-	21.82
<b>Leave Encashment:</b>		
Opening	20.06	13.86
Additional Provision	21.95	6.20
Less: Transferred to LIC Fund	-42.01	-
Closing balance	-	20.06

**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 7.90% and next reset is due in August 2023

**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, 2023	As at March 31, 2022 (Restated)
<b>Financial Assets</b>		
<b>Measured at FVTPL</b>		
<b>Mandatory measured:</b>		
a) Investment in Mutual Fund	1,001.40	8,145.36
<b>Measured at Amortised Cost</b>		
a) Trade receivables	7,078.79	2,272.18
b) Cash & Cash Equivalents	257.68	396.48
c) Other Bank balances	6,093.84	5,827.79
d) Loans & Advances	51.68	51.03
e) Other Financial Assets	15.90	15.06
<b>Financial Liabilities</b>		
<b>Measured at Amortised Cost</b>		
a) Borrowings (including current maturities of long term borrowings)	79,518.11	89,775.68
b) Trade Payables	283.67	301.37
c) Other Financial Liabilities	50.61	9,070.17

### 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.

#### 36.10.1 Foreign currency risk management

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

**36.10.2 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.

**36.10.3 Price risks:**

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

**36.11 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."

**36.12 Credit risk management:**

Credit risk refers to the risk that a counter party 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 counter party 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 counter parties (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 recover ability 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.

### 36.13 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
<b>As at March 31, 2023</b>			
- Borrowings (including current maturities of Long Term Borrowings)	10,275.39	30,826.16	38,416.56
- Trade Payables	283.67	-	-
- Other Financial Liabilities (Excluding current maturities of Long Term Borrowings)	50.61	-	-
<b>Particular</b>	<b>Less Than 1 Year</b>	<b>1 Year to 3 Year</b>	<b>More than 3 Year</b>
<b>As at March 31, 2022</b>			
- 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	-	-
<b>Particular</b>	<b>Less Than 1 Year</b>	<b>1 Year to 3 Year</b>	<b>More than 3 Year</b>
<b>As at March 31, 2023</b>			
- Investments in Mutual fund	1,001.40	-	-
- Investments in FDR	8,375.42	5,482.71	-
- Trade Receivables	7,078.79	-	-
- Other Current Assets	51.68	-	-
<b>Particular</b>	<b>Less Than 1 Year</b>	<b>1 Year to 3 Year</b>	<b>More than 3 Year</b>
<b>As at March 31, 2022 (Restated)</b>			
- Investments in Mutual fund	8,145.36	-	-
- Investments in FDR	9,566.70	3,019.12	-
- Trade Receivables	-	-	-
- Other Current Assets	51.03	-	-

**36.15.** All the following Current & Non current assets hypothecated/mortgaged as security against Term Loan to the lender

Particulars	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment	113,441.68	122,988.24
Capital work in progress	2,903.65	3,219.73
Intangible assets	-	691.55
Right to use assets	123.16	150.06
Financial assets :	-	-
Other	3,690.61	7,156.61
Financial assets	-	-
Investments	1,001.40	8,145.36
Trade receivables	-	-
considered good - unsecured	7,078.79	-
Cash and cash equivalents	2,848.82	4,382.61
Other bank balances	6,093.84	5,827.79
Other financial assets	15.90	2,287.24
Others Current Assets	51.68	51.03
Current tax Assets	17.34	-
<b>Total assets</b>	<b>137,266.87</b>	<b>154,900.22</b>



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

**36.17 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.

**36.18.** 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, 2023	As at March 31, 2022 (Restated)
Amount required to be spent during the year	170.64	143.52
<b>Amount spent on CSR:</b>	-	-
(a) Construction or acquisition of any asset	-	-
(b) on Purpose other than (a) above for current year projects	141.12	238.97
Total Shortfall/(Excess) amount for CY	29.52	-95.44
<b>Break-up of the amount spent on CSR :</b>	-	-
Education and Skill Development expenses	-	98.68
Health and Sanitation expenses	17.92	95.40
Ecology and Environment Expenses	117.60	10.04
Other CSR activities	31.80	34.86
Salaries, wages and other benefits of Company's own CSR personnel limited to 5% of total amount required to be spent on CSR	3.32	-
<b>Total Amount spent on CSR</b>	<b>170.64</b>	<b>238.98</b>
Amount spent in Cash out of above	170.64	238.98
Amount yet to be spent in Cash	29.52	-95.44

**36.19** 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).

**36.20** 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/-  
(Manish Gupta)  
Partner  
(M. No. 095518 )  
Place : Delhi  
Date : 10.07.2023

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

Sd/-  
(Rajeev Maggo)  
CFO

Sd/-  
(Subhash C Taneja)  
Director (Technical)  
DIN : 09850673

Sd/-  
(Mukesh Kumar)  
Company Secretary

# ATTENDANCE SLIP

## NORTH EAST TRANSMISSION COMPANY LIMITED

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

***(Members attending the Meeting in person or by Proxy are requested to complete the attendance slip  
and hand it over at the entrance of the meeting hall.)***

I, hereby certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 15 th Annual General Meeting of the Company in Hotel of Hotel Crowne Plaza, Sector-29, National Highway-8, Gurugram, Haryana- 122001, on Thursday, 3 rd Day of August 2023 at 5:00 p.m.

FULL NAME OF THE MEMBER:.....  
(In block letters)

Folio No.: ..... Signature of member: .....

FULL NAME OF THE PROXY .....  
(in block letters)

Signature of Proxy: .....



# PROXY FORM - MGT-11

## NORTH EAST TRANSMISSION COMPANY LIMITED

Registered Off.: Village- East Champamura, Khayerpur By-pass Road P.O/P.S- Old Agartala  
District West Tripura, Agartala-799008 (Tripura)  
CIN : U40101TR2008PLC008249, Name of the Company: North East Transmission Company Limited

***[Pursuant to Sec. 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]***

Name of the member(s) : ..... E-mail Id: .....

Registered address : .....

Folio No. : .....

I / We, being the member(s) of North East Transmission Company Limited holding Equity Shares, hereby appoint

1. Name : ..... E-mail Id: .....

Address: .....

Signature : ....., or failing him / her

2 Name : ..... E-mail Id: .....

Address: .....

Signature : ....., or failing him / her

3 Name : ..... E-mail Id: .....

Address : .....

Signature : .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 15 th Annual General Meeting of the Company, to be held in Hotel Crowne Plaza, Sector-29, National Highway-8, Gurugram, Haryana- 122001, on Friday, 3 rd Day of August 2023 at 5:00 p.m. and at any adjournment thereof, in respect of such resolutions as are indicated below.



1	To consider and adopt the financial statements of the Company for the year ended March 31, 2023, and the reports of Board of Directors and Auditors thereon along with the comments of the Comptroller and Auditor General of India, if any.	<div>Affix revenue Stamp of Re. 1</div>
2	To note the payment of interim dividend of Rs. 1.20 per equity share and declare a final dividend of Rs. 0.80 per equity share, for the financial year ended March 31, 2023	
3	To appoint a Director in place of ShriDebojyotiDas as a Director, who retires by rotation and, being eligible, seeks reappointment.	
4	To fix the remuneration of the Auditors of the company, appointed by the Comptroller and Auditor-General of India, for the financial year 2023-2024.	
5	Ratification of remuneration of the Cost Auditors of the company for the financial year 2023-2024.	
6	Appointment of Shri Dilip Nagesh Rozekaras a Director of the Company	
7	Appointment of Shri Ram TirathAgarwalas a Director of the Company	
8	Appointment Shri SanilC.Nambodiripad as a Director of the Company	
9	Appointment of ShriSanil C. Nambodiripad as Managing Director of the Company	
10	Approval of appointment of Shri Subhash Chandra Tanejaas a Whole-time Director of the Company and approval of his remuneration	
11	Appointment Shri Vinod Kumar Chaudhary as Director of the Company	

Signed this ..... day of .....2023

Signature of Shareholder: .....

.....

.....

.....

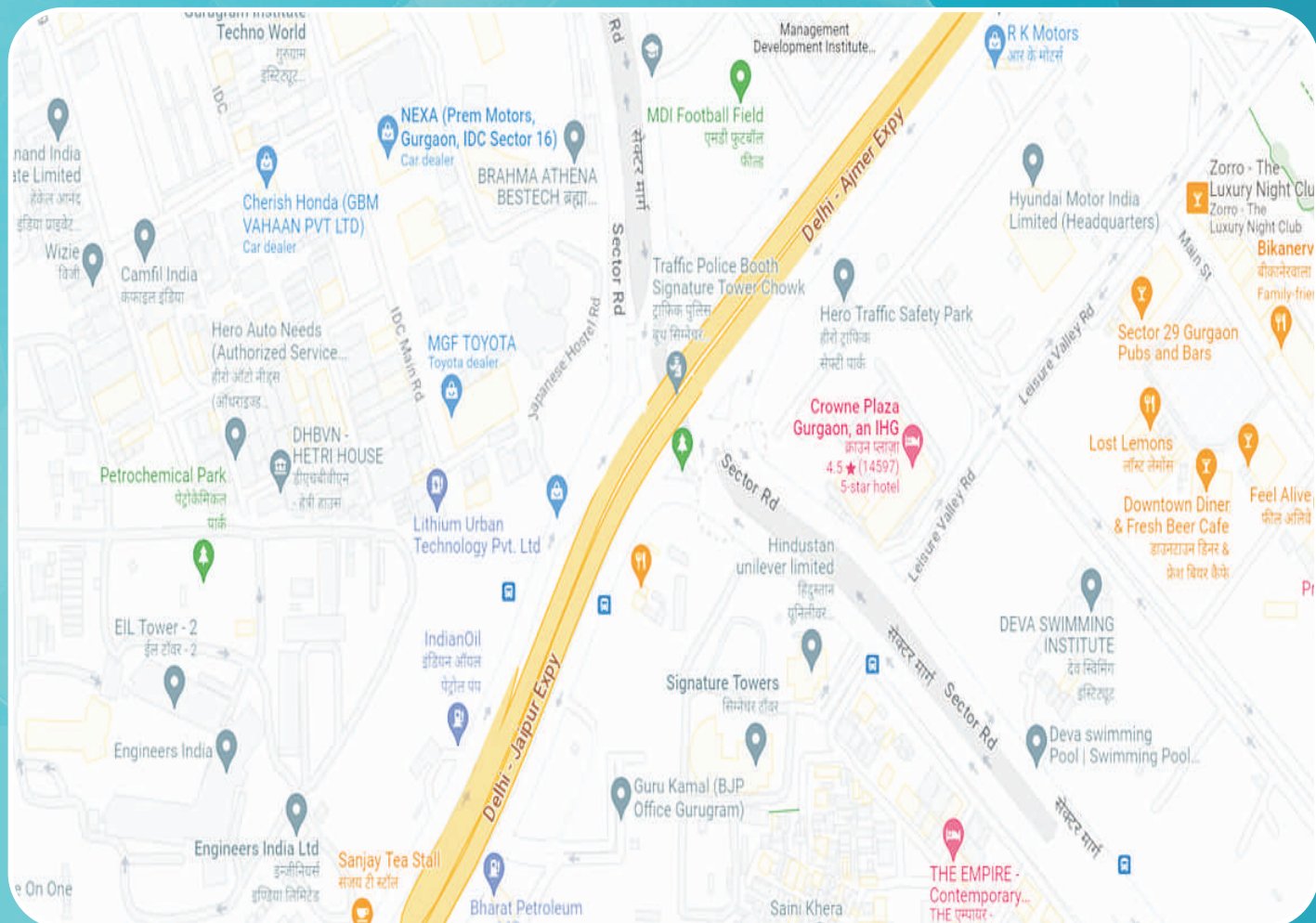
Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.**

## GUIDE MAP OF HOTEL TAJ Hotel Crowne Plaza, Sector-29, National Highway-8, Gurugram, Haryana- 122001







# EVENTS



**Annual day at Corporate Office**



**Celebration of Yoga Day at Site**



**Family Day at Site**



**Farewell of Mr. P. Umashankar  
Independent Director**



**Woman Day in Corporate Office**



**MoU Signing with CBIP**







# EVENTS



**Safety Awareness Programme**



**Safety Training at Site**



**Training at NPTI, Guwahati**



**Leadership Training Programme  
at Kasauli**



**Employee of the Year  
Mr. Biswaraj Sharma &  
Mr. N Ramesh Kumar Singh**



**Vigilance Training at Corporate**







CSR



**Supply of Desk cum Benches in Schools  
Goalpara, Assam.**



**ETP in Jowai**



**Supply of Ultrasound Machine to  
Community Health Centre  
East Jaintia Hills, Meghalaya**



**CWSN School Building Internal Painting  
Jowai Meghalaya**



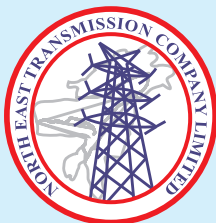
**10 KW Off Grid/Hybrid Solar Power Plant  
Cachar, Assam**



**Supply of OT Table in Goalpara, Assam**







# 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](http://www.netcindia.in)

**CIN-U40101TR2008PLC008249**