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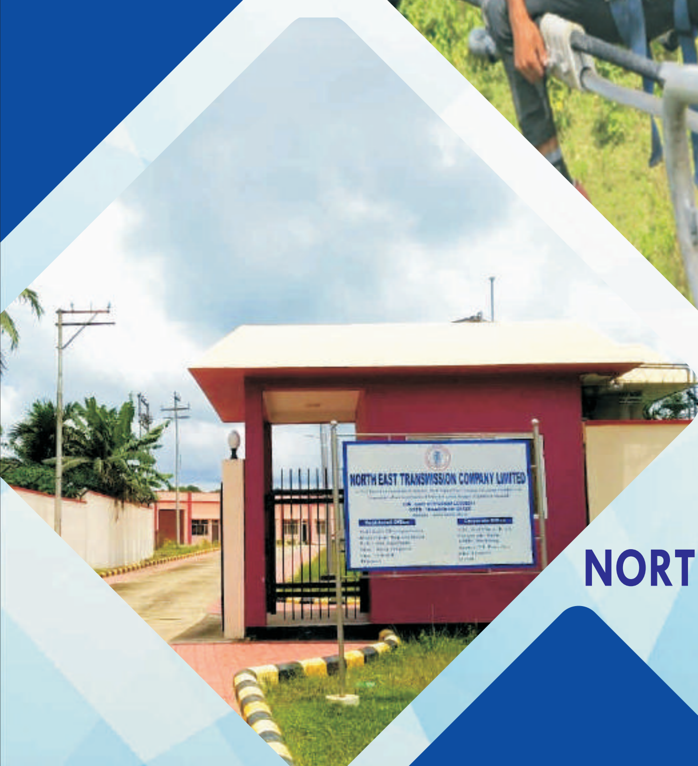


ANNUAL REPORT 2020-21

NORTH EAST TRANSMISSION COMPANY LIMITED

ENVIRONMENT CARE

CONSERVATION OF ENDANGERED HARGILA BIRDS, ASSAM

LIGHTING BY SOLAR STREET LIGHTS

BOARD OF DIRECTORS

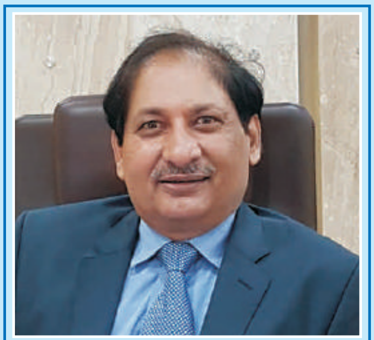
MR. K. SREEKANT
CHAIRMAN

MR. SATYAJIT GANGULY
MANAGING DIRECTOR

MRS. CHAITALI DUTTA

MR. D. J. HAZARIKA

DR. M. S. KELE



MR. O. P. SINGH

MR. P. UMA SHANKAR

MR. T. C. SARMAH

MR. VANLAL TLANA

MR. YASH MALIK

REFERENCE INFORMATION

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

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

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

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

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

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

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

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

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

Banker:
ICICI Bank Limited

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NOTICE OF THIRTEENTH (13TH) ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirteenth (13th) Annual General Meeting (AGM) of the members of North East Transmission Company Limited will be held on Tuesday, 28th September 2021 at 3:00 p.m. through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS :

Item No. 1- Adoption of Financial Statements

To receive, consider and adopt the financial statements of the Company for the financial year ended March 31, 2021, 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. 0.30 per equity share, for the financial year ended March 31, 2021.

Item No. 3- Re-appointment of Shri Murhari Sopanrao Kele as Director liable to retire by rotation

To appoint a director in place of Shri Murhari Sopanrao Kele (DIN 07323280), who retires by rotation and, being eligible, seeks reappointment.

Item No. 4- Re-appointment of Shri Tilak Chandra Sarmah as Director liable to retire by rotation

To appoint a director in place of Shri Tilak Chandra Sarmah (DIN 07381585), who retires by rotation and, being eligible, seeks reappointment.

Item No. 5- Fixation of the remuneration of the Auditor of the company, appointed by the Comptroller and Auditor-General of India, for the financial year 2021-2022

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 of the Companies Act, 2013, Shiv & Associates, (DE 1228), the Auditor of the Company appointed by the Comptroller and Auditor General of India for the Financial Year 2021-22, shall be entitled to such remuneration for the financial year 2021-22 as may be approved by the Board of Directors of the Company."

SPECIAL BUSINESS

Item No. 6- Ratification of remuneration of the Cost Auditor of the Company for the financial year 2021-22

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s K. G. Goyal & Associates, Cost Accountants (Firm

Registration No. 00024), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2022, 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 of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item No. 7- Appointment of Shri Vanlal Tlana 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 Vanlal Tlana (DIN 08988053) a nominee of the Government of Mizoram, who was appointed as an Additional Director of the Company with effect from 18th December 2020 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 Nominee Director of the Company, liable to retire by rotation."

Item No. 8- Extension of the tenure of the Independent Director

To consider, and if deemed fit, to pass the following resolution, with or without modification(s), as a SPECIAL Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), and the Rules made thereunder, read with Schedule IV of the Act, the extension of the tenure of Mr. P. Uma Shankar (DIN: 00130363) by the Board of Directors of the Company, as an Independent Director for further period of two years with effect from 26.03.2021, be and is hereby ratified."

By Order of the Board of Directors

Sd/-
(Mukesh Kumar)
Company Secretary

Place: Delhi
Dated: 28.08.2021

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the business under Item No. 6-8 of the Notice, is annexed hereto.

2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") permitted the holding of the AGM through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with.

Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.

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

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

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

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

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

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

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

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

9. Record date and Dividend:

   A. September 28, 2021 has been fixed as the record date for the payment of the dividend. If dividend on equity shares, as recommended by the Board, is approved at the meeting, the payment of such dividend will be made to all members whose names are on the Company's Register of Members on September 28, 2021.

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

10. Pursuant to Finance Act, 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates.

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

12. The Resolutions, if passed by the requisite majority, shall be deemed to have been passed on the date of the 13th Annual General Meeting i.e. 28th September, 2021.

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

Place: Delhi
Dated: 28.08.2021
Email: mukeshkumar@netcindia.in

EXPLANATORY STATEMENT

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

Item No. 6

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s K. G. Goyal & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2022. 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 this Resolution.

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

Item No. 7

Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors proposes the appointment of Shri Vanlal Tlana (DIN: 08988053) in the Annual General Meeting as a Director of the Company. Shri Vanlal Tlana, has appointed by the Board as an Additional Director of the Company with effect from 18th December 2020. He is nominated by the Government of Mizoram as per 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 Vanlal Tlana holds office of Additional Director only up to the date of the ensuing Annual General Meeting of the Company, and is eligible for appointment as Director.

Shri Vanlal Tlana (60 years), is graduate in Electrical Engineering from Jadavpur University, Kolkata with Master Degree from University of Western Sydney, Nepean, Australia. He is multidimensional personality with over 31 years of rich experience in power distribution system. He is Chief Engineer in Power & Electricity Department, Government of Mizoram. He is a leading expert in Electrical Engineering for the recruitment of officers for various departments conducted by Mizoram Public Service Commission. He has been appointed as Director on our Board with effect from 18th December 2020.

None of the Directors or Key Managerial Personnel and/or their relatives, except Shri Vanlal Tlana himself, are concerned or interested (financially or otherwise) in this Resolution.

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

Item No. 8

The Board, in its meeting held on March 26, 2015, had appointed Mr. P. Uma Shankar as an Independent Director of the Company for a period of three years which was ratified by the members in 7th Annual General Meeting of the Company. Thus, this tenure of Mr. Uma Shankar as an Independent Director was completed on 25th March 2018. His tenure of

Independent Director was extended for a further period of three years i.e. up to March 26, 2018 by the members in its 9th Annual General Meeting held on September 25, 2017.

As per section 149(10) of the Companies Act, 2013 the second term of an Independent Director can be up to five consecutive years. During the three years of his term, he performed very well as an Independent Director. Considering his performance, the Board has extended his second tenure for a further period of two years with effect from 25.03.2021. As his tenure of three years of the second term was approved by the members of the company by Special resolution under section 149 of the Companies Act, 2013, the extension of the second term for a period of two years requires ratification by the members by way of special resolution.

The Company has received a declaration of independence from Mr. P. Uma Shankar. In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013, for appointment as Independent Director of the Company.

Shri P. Uma Shankar holds a Master's degree in Mathematics from IIT, Madras and a Master's degree in Social Policy and Planning in Developing Countries from London School of Economics. Joined the I.A.S in 1976, he has more than 3 decades of leadership experience in Government Service. He has served as Power Secretary to the Government of India, spearheading an ambitious programme for generation capacity addition and for reviving financial health of DISCOMS, C&MD, Rural Electrification Corporation Limited, implementing RGGVY, the flag-ship rural electrification scheme of the country; Additional Chief Executive Officer of Greater NOIDA; MD, UP State Sugar Corporation, and MD, National Cooperative Development Corporation. He also served as Chairman, India Potash Limited and as a Director on the boards of India Energy Exchange Limited, ONGC and Shipping Corporation of India.

None of the Directors or Key Managerial Personnel and/or their relatives, except Mr. P. Uma Shankar himself, are concerned or interested (financially or otherwise) in this Resolution.

The Board recommends the SPECIAL Resolution set out at Item no. 8 for approval of the Members.

By Order of the Board of Directors

Sd/-
(Mukesh Kumar)
Company Secretary

Place: Delhi
Dated: 28.08.2021
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 13th Annual Report on performance of your Company during the financial year ended March 31, 2021 together with Audited Financial Statements for the Financial Year 2020-21.

Your Company is steadily marching towards new milestones. Keeping in line with past trend, financial year 2020-21 has proved to be yet another year of excellence and achievements.

400 kV D/C Palatana-Bongaigaon Transmission corridor comprising five assets having line length of 662.8 KMs has been under excellent state of commercial operation during the Financial Year 2020-21 by adhering to rigorous operation & maintenance practice in line with best industrial standard.

The major milestones achieved during the financial year 2020-21 are as follows:

- Transmission system availability was 99.95%. The Company has received full incentive in line with the CERC Regulations, as the availability exceeded 99.75%.
- Total income of Rs. 323.96 crore and profit after tax (PAT) of Rs. 75.24 crore.
- Interim dividend at the rate of 12% has been paid and in addition, recommendation has been made to the members to approved 3 % as final dividend for the FY 2020-21.

1. FINANCIAL PERFORMANCE

(All Amounts are in Rs. Crore)

Particulars	Financial Year Ended	
	March 31, 2021	March 31, 2020
Paid- up Capital	411.40	411.40
Reserve & Surplus	67.91	54.37
Total Equity	**479.31**	**465.77**
Non-Current Liabilities:		
(a) Secured Loans	944.89	**1047.69**
(b) Other Non-Current Liabilities	63.68	53.44
Current Liabilities	248.18	221.00
Total Equity and Liabilities	**1736.06**	**1787.90**
Non-current Assets	1404.41	1543.65
Current Assets	271.04	226.91
Regulatory Deferral Account Debit Balance	60.61	17.34
Total Assets	**1736.06**	**1787.90**
Total Income	323.96	325.82
Total Expenditure excluding depreciation and tax	149.87	132.77
Profit/(Loss) before Depreciation and Tax	174.09	193.05
Depreciation on Fixed Assets	117.37	117.53
Profit/(Loss) before Tax	56.71	75.52
Tax Expense	(18.52)	16.42
Profit / (Loss) after Taxation	**75.24**	**59.10**

Other Comprehensive Income	–	(0.02)
Total Profit	**75.24**	**59.08**
Dividend & Dividend Distribution Tax	61.71	59.52
Balance of Profit/(Loss) Brought Forward	54.37	54.81
Balance of Profit/(Loss) Carried Forward	67.91	54.37

1. DIVIDEND

The Board of Directors of the Company, in its 62nd meeting held on 29.01.2021, has declared an Interim Dividend for the Financial Year 2020-21 at the rate of 12% (Rs. 1.20/-per equity share) amounting to Rs. 49.37 crore, , on the 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 3 % i.e. Rs. 0.30 per equity share for Financial Year 2020-21 taking the total dividend to 15% i.e., Rs. 1.50 per share. The total dividend paid for Financial Year 2019-20 was at the rate of 10%. The final dividend on equity shares, if approved by the members, would involve a cash outflow of Rs. 12.34 crore. No dividend tax is payable for the Financial Year 2020-21 and onwards. The total cash outflow on account of dividend for Financial Year 2020-21 would aggregate Rs. 61.71 crore, resulting in a pay-out of 82.02% of the total profits (PAT) of 2020-21.

2. RESERVES

The closing balance of the retained earnings of the Company for Financial Year 2020-21, after appropriations and adjustments was Rs.67.91 crore.During the year, your Company has transferred Rs. 5.37 Crore to Self-Insurance Reserve on account of augmentation of corpus fund against contingency that might occur to the Transmission Line of the Company.

3. INTERNAL FINANCIAL CONTROLS AND ADEQUACY

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

M/s Vinay Jain & Associates, Chartered Accountants are the Internal Auditor of the Company to conduct Internal Audit on quarterly basis. The observations of the internal auditor 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 2020-21, the Company maintained availability of the transmission system at 99.95%. To maintain such high availability, preventive maintenance activities are planned well in advance. During Financial Year 2020-21, no tower collapse or foundation failure occurred due to natural calamities or otherwise.

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

a) Replacement of porcelain disc insulator with polymer insulators in the polluted area;

b) Stub encasement: Encasement of Stubs and bracing members of 400 kV D/C Palatana-Bongaigaon Transmission Line is being carried out to protect the tower footing from corrosion as well as strengthening of towers.

c) Chemical Earthing of towers: Earthing of towers by application of marconite (earthing enhancement material)as a soil resistivity reducing agent to reduce tower footing resistance in lightning prone area which in turn resulted into improved line availability.

d) Patrolling of line: Additional patrolling of line sections from Palatana to Silchar and Silchar to Byrnihat was carried out, as a proactive action, for the purpose of minimising line tripping due to infringement of trees and plants along the line corridor.

5. Credit Rating

During the year, ICRA Limited has affirmed the long-term rating for Rs. 1640.31 crore line of credit of the Company at [ICRA]AA+(Stable) and inter alia stated that Instruments with [ICRA]AA rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

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. AUDITOR

The Auditor 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 Auditor of the Company for the Financial Year 2020-21.

The auditor's report for the Financial Year 2020-21 does not contain any qualification, reservation or adverse remark. No fraud is reported by auditor under sub-section (12) of section 143 of the Companies Act, 2013.

10. COST AUDITOR

In terms of the Section 148 of the Companies Act, 2013 read with 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 re-appointed the Cost Auditor M/s K. G. Goyal & Associates, Cost Accountants, as cost auditor of the Company for the financial year 2020-21. The Cost Auditor's report for the Financial Year 2020-21 does not contain any qualification, reservation or adverse remark.

The cost audit report would be filed with the Ministry of Corporate Affairs within prescribed time lines.

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 2020-21. The report of the Secretarial Audit is enclosed to this report as Annexure I. The Secretarial Auditor's report for the Financial Year 2020-21 does not contain any qualification, reservation or adverse remark.

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

The CAG hasconducted the Supplementary Audit of the Financial Statements of the Company for the financial year ended on 31st March, 2021. The copy of thereport received from CAG along with the Board explanation thereon is attached at Annexure-II to this Report.

13. RELATED PARTY TRANSACTION

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

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

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

15. PARTICULARS OF EMPLOYEES

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

16. EXTRACT OF ANNUAL RETURN

As per the requirements of section 134 (3) (a) of the Companies Act, 2013, the Annual Return of the Company has been placed at the website of the company. The same may be accessed on the Company's website by visiting the link http://netcindia.in/pdf/Annual_Return_2020-21.pdf.

17. RISK MANAGEMENT POLICY

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

18. BOARD AND INDIVIDUAL DIRECTOR'S EVALUATION

The Company has a formal process for evaluation of the Board, its committees and individual Director on annual basis. The Board of Directors of the Company in its 64th meeting held on 27.08.2021 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 2020-21 Mr. Om Prakash Singh and Mr. Vanlal Tlana were inducted in the Board of the Company with effect from 29.05.2020 and 18.12.2020 respectively.

During the Financial Year 2020-21 Mr. N. C. Panday and Mr. Vanlalrema have vacated the office of Directorship of the Company with effect from 29.05.2020 and 25.11.2020 respectively.

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. M. S. Kele and Mr. T. C. Sarmah retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment in the Annual General Meeting.

20. KEY MANAGERIAL PERSONNEL

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

1	Mr. Satyajit Ganguly	:	Managing Director
2.	Mr. Ashwani Kr. Srivastava	:	Whole-time Director
3.	Mr. Rajeev Maggo	:	C. F. O.
4.	Mr. Mukesh Kumar	:	Company Secretary

Mr. Bimal Ram Nagar (CFO) has resigned from the Company with effect from 15th March 2021 and Mr. Rajeev Maggo joined as CFO w.e.f. 27.07.2021. Mr. Ashwani Kumar Srivastava has vacated the office of Directorship of the Company with effect from 29th June 2021 due to his repatriation to POWERGRID.

21. MEETING OF THE BOARD OF DIRECTORS

During the financial year 2020-21, four meetings of the Board of Directors were held on 29.05.2020, 29.07.2020, 22.10.2020 and 29.01.2021.

22. COMPOSITION & MEETINGS OF MANDATORY COMMITTEES

The company has following committees of the Board of Directors as on the date of the Board's Report.

A. Corporate Social Responsibility Committee:

Composition:

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

During the financial year 2020-21 four meetings of the CSR Committee were held on 27.05.2020, 24.07.2020, 20.10.2020 and 22.01.2021.

B. Audit Committee:

Composition :

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

During the financial year 2020-21, four meetings of the Audit Committee were held on 27.05.2020, 24.07.2020, 20.10.2020 and 22.01.2021.

C. Nomination and Remuneration Committee:

Composition

i)	Mr. P. Uma Shankar (Independent Director)	:	Chairman
ii)	Mr. K. Sreekant	:	Member
iv)	Mr. Yash Malik (Independent Director)	:	Member
v)	Mr. Om Prakash Singh (w.e.f. 29.05.2020)	:	Member

Mr. N. C. Pandey, who was member of the Committee has vacated office of Directorship/membership of the Committee w.e.f. 29.05.2020 and Mr. Om Prakash Singh has been inducted w.e.f. the same date i.e., 29.05.2020.

During the financial year 2020-21 four meetings of the Nomination & Remuneration Committee were held on 29.05.2020, 18.08.2020, 22.10.2020 and 29.01.2021.

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

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

24. CAPITAL STRUCTURE

There has not been any change in equity share capital and shareholding pattern of the Company during the Financial Year 2020-21. 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
	Total	100	41,14,00,000

25. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

26. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Director shave 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

India is the third largest producer and second largest consumer of electricity in the world and had an installed power capacity of 382.73 GW as of April 2021. Electricity production reached 1,252.61 billion units (BU) in FY20. India was ranked fifth in wind power, fifth in solar power and fourth in renewable power installed capacity, as of 2019. India's rank jumped to 22 in 2019 from 137 in 2014 on World Bank's Ease of Doing Business - "Getting Electricity" rankings.

All the states and union territories were on board to fulfil the Government's vision of ensuring 24x7 affordable and quality power for all by March 2019. India achieved 100% household electrification by March 31, 2019, as envisaged under the Saubhagya scheme. More than 26.2 million households have been electrified under the scheme. Under the Union Budget 2021-22, the government has allocated Rs. 15,322 crore (US$ 2.11 billion) for the Ministry of Power and Rs. 5,753 crore (US$ 794.53 million) for the Ministry of New and Renewable Energy.

Under the Union Budget 2021-22, the government has allocated Rs. 300 crore (US$ 41.42 million) to increase capacity of the Green Energy Corridor Project, along with Rs. 1,100 crore (US$ 151.90 million) for wind and Rs. 2,369.13 crore (US$ 327.15 million) for solar power projects. The Union Budget 2021-22 has allocated Rs. 5,300 crore (US$ 731.75 million) to the Integrated Power Development Scheme (IDPS) and Rs. 3,600 crore (US$ 497.03 million) towards the Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY). 100% FDI is allowed in the power sector. Total FDI inflow in the power sector reached US$ 15.36 billion between April 2000 to December 2020, accounting for 4% of the total FDI inflow in India.

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

Growing population along with increasing electrification and per capita uses 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. Your Company is performing above the CERC norm of 98.5% of transmission line availability. By attaining 99.95% of transmission line availability your Company is getting 100% of incentive under CERC Regulations.

Our Response to COVID-19: The COVID-19 outbreak continues to affect across the world including our nation. We have taken a number of measures to monitor and prevent the effects of the COVID-19 virus, such safety and health measures for our people (like social distancing, frequent sanitization of our work place, distribution of safety equipment and working from home) and thereby securing the seamless progress of our economic activities including O&M work. At this stage, the impact on our business and results is negligible. We will continue to follow the policies/guidelines/advice of concerned authorities and government, and in parallel will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people. We have undertaken a number of CSR projects under the CSR initiative in collaboration with State Governments to mitigate and prevent the spread of the pandemic.

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.

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 expended Rs. 149.81 Lakh in CSR Projects related to health, education and skill development which is more than the minimum statutory requirements. Pursuant to section 135 read with rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual report on CSR activities/initiatives is enclosed at Annexure-IV.

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 31st March 2021.

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.

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 Indiaand various other departments of Government of India, Governments of Tripura, Assam, Manipur, Mizoram, Meghalaya, Nagaland, Assam Electricity Grid Corporation of India Limited, PowerGrid Corporation of India Limited, ONGC Tripura Power Company Limited, ONGC Limited, Power Finance Corporation 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 : 27.08.2021

ANNEXURE-I

FORM Mr–3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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 opinionthereon.

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, 2021** 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, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2021** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(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) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011; **(NotApplicable during the period under review, as the Company is not Listed)**

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

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

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable during the period under review, as the Company is not Listed)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008; (Not Applicable during the period under review, as the Company is not Listed)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable during the period under review, as the Company is not Listed) and

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

(I) The other law, as informed and certi–ed by the management of the Company which, is speci–cally applicable to the Company based on their sector/ industry is:

The Electricity Act, 2003

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

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

The compliance by the Company of applicable –nancial 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/Regulations of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;
(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **(Not Applicable during the period under review, as the Company is not Listed).**

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

We further report that:

The Board of Directors of the Company is duly constituted. The Changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, including Committees thereof, along with agenda and detailed notes on agenda were 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 themeeting.

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.

We further report that during the financial year 2020-21;

I. The company has paid interim dividend @ 12% i.e. Rs. 1.2 per equity share on face value of Rs. 10 per equity share.

ii. The company has recommended final dividend @ 3% i.e. Rs. 0.03 per equity share on face value of Rs. 10 per equity share subject to the approval of shareholders at the ensuing Annual General Meeting of the company.

Date: 09.07.2021
Place: Noida

For, Kumar Naresh Sinha & Associates
Company Secretaries

Sd/-
Naresh Kumar Sinha
(Proprietor)
FCS No.: 1807; CP No.: 14984
PR No.: 610/2019
UDIN:UDIN: F001807C000605443

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.

Annexure-A

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 an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

7. In view of the situation of COVID-19 Pandemic, we could not examine physical documents, records & other papers etc. of the Company for the year ended March 31, 2021 and the documents/information required by us were provided through electronic Mode.

Date:09.07.2021
Place: Noida

For, Kumar Naresh Sinha & Associates
Company Secretaries

Sd/-
Naresh Kumar Sinha
(Proprietor)
FCS No.: 1807; CP No.: 14984
PR No.: 610/2019
UDIN:UDIN: F001807C000605443

ANNEXURE-II

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NORTH EAST TRANSMISSION COMPANY LIMITED FOR THE FINANCILA YEAR ENDED 31 MARCH 2021

The preparation of financial statements of North East Transmission Company Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 19 May 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of North East Transmission Company Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

(A)Statement of Profit and Loss

Earnings Per Share (Note No. 35)
Basic (Rs. 1.83)
Diluted (Rs.1.83)

As per Para 26 of Ind AS 114 (Regulatory Deferral Accounts), when an entity presents earnings per share in accordance with Ind AS 33 (Earnings per Share), the entity shall present additional basic and diluted earnings per share, which are calculated using the earnings amounts required by Ind AS 33 but excluding the movements in regulatory deferral account balances. Further, consistent with the requirement in Para 73 of Ind AS 33, an entity shall present the earnings per share required by Para 26 of this standard with equal prominence to the earnings per share required by Ind AS 33 for all periods presented.

Besides this, as per Para 27 of Ind AS 114 on Regulatory Deferral Accounts, an entity shall disclose information that enables users to assess: (a) the nature of, and the risks associated with, the rate regulation that establishes the price(s) that the entity can charge customers for the goods or services it provides; and (b) the effects of that rate regulation on its financial position, financial performance and cash flows.

In view of the above Ind AS, NETCL also needs to modify its significant accounting policy on 'Earning Per Share'. However, the Accounting Policy was not modified by the Company.

NETCL also did not recognize and measure the Earning Per Share (Basic and diluted) excluding movement in Regulatory Deferral Account Balances which lead to violation of the Ind AS 33 & Ind AS 114. NETCL should also present the Earning Per Share (Basic & Diluted) after the year attributable to equity shareholder excluding movement in Regulatory Deferral Account Balance i.e., Rs. 0.96 per share on the face of the Statement of Profit & Loss.

Further, Accounting Policy on Earnings Per Share (2.20) and disclosure regarding Regulatory Deferral Accounts (Note no . 15 and 22) are also deficient

(B) Independent Auditor's Report

Unique Document Identification Number (UDIN) is an 18-digit system generated unique number for every document certified/attested by Practicing Chartered Accountants. UDIN is to be generated at the time of signing the Certificate. However, the same can be generated within 15 days of the signing of the certificate and not beyond that.

The Financial Statements of the Company were adopted by the Board of Directors on 19.05.2021 and the Statutory Auditors have also signed their Independent Audit Report and financial statements on the same date i.e., 19.05.2021 with UDIN 21085084AAAACI2106, which was however, generated by the Auditor on 11.06.2021 (i.e., on 24th day from the date of signing the Audit Report), giving incorrect date of signing the document as 29.05.2021, instead of 19.05.2021.

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

Place: New Delhi
Dated: 13.08.2021

Reply to Comments of the C&AG on the Financial Statements of North East Transmission Co. Ltd. (NETCL) for the year ended 31st March 2021

Sr. No.	Comment	Replies of NETCL
1	**(A) Statement of Profit and Loss** Earnings Per Share (Note No. 35) Basic (in₹)- 1.83 Diluted (in ₹)- 1.83 As per Para 26 of Ind AS 114 (Regulatory Deferral Accounts), when an entity presents earnings per share in accordance with Ind AS 33 (Earnings per Share), the entity shall present additional basic and diluted earnings per share, which are calculated using the earnings amounts required by Ind AS 33 but excluding the movements in regulatory deferral account balances. Further, consistent with the requirement in Para 73 of Ind AS 33, an entity shall present the earnings per share required by Para 26 of this standard with equal prominence to the earnings per share required by Ind AS 33 for all periods presented. Besides this, as per Para 27 of Ind AS 114 on Regulatory Deferral Accounts, an entity shall disclose information that enables users to assess: (a) the nature of, and the risks associated with, the rate regulation that establishes the price(s) that the entity can charge customers for the goods or services it provides; and (b) the effects of that rate regulation on its financial position, financial performance and cash flows. In view of the above Ind AS, NETCL also needs to modify its significant accounting policy on 'Earning Per Share'. However, the Accounting Policy was not modified by the Company NETCL also did not recognize and measure the Earning Per Share (Basic and diluted) excluding movement in Regulatory Deferral Account Balances which lead to violation of the Ind AS 33 & Ind AS 114. NETCL should also present the Earning Per Share (Basic & Diluted) after the year attributable to equity shareholder excluding movement in Regulatory Deferral Account Balance i.e., Rs. 0.96 per share on the face of the Statement of Profit & Loss. Further, Accounting Policy on Earnings Per Share (2.20) and disclosure regarding Regulatory Deferral Accounts (Note no. 15 and 22) are also deficient	It has been assured to the C&AG that the points are noted and effective from financial year 2021-22 the relevant accounting policy will be modified to comply the requirements of Ins AS 33 and 114 and accordingly the financial statements shall be prepared.
2	**(B) Independent Auditor's Report** Unique Document Identification Number (UDIN) is an 18-digit system generated unique number for every document certified/attested by Practicing Chartered Accountants. UDIN is to be generated at the time of signing the Certificate. However, the same can be generated within 15 days of the signing of the certificate and not beyond that. The Financial Statements of the Company were adopted by the Board of Directors on 19.05.2021 and the Statutory Auditors have also signed their Independent Audit Report and financial statements on the same date i.e., 19.05.2021 with UDIN 21085084AAAACI2106, which was however, generated by the Auditor on 11.06.2021 (i.e., on 24th day from the date of signing the Audit Report), giving incorrect date of signing the document as 29.05.2021, instead of 19.05.2021.	The Statutory Auditor has explained the facts to C&AG that due to COVID pandemic, there was complete lockdown in Delhi and staff was not turning up leading to delay in UDIN generation. The reason for not generating UDIN within 15 days was duly mentioned at the UDIN portal of ICAI. The email to the Secretary, ICAI has also been sent by the Statutory Auditor to address the issue.

NOTICE

BOARD'S REPORT

STANDALONE FINANCIAL STATEMENT

ANNEXURE-III

FORM NO. AOC-2

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

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

1. **Details of contracts or arrangements or transactions not at arm's length basis**
   There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2021, 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 2020-21**

(a)	**Name of related party**	Power Grid Corporation of India Limited		
(b)	**Nature of relationship**	Investing Company		
(c)	**Nature of contract/ arrangement/ transactions**	**Project consultancy services**	**Operation & Maintenance service**	**Project/civil work**
(d)	**Duration of contract/ arrangement/transactions**	Running contract	Running contract	up to the date ofthe completion of project/civil work
(d)	**Salient terms of the contract or arrangements or transaction**	Consultancy service for monitoring of capital work of transmission line projects	Routine O & M of Transmission Lines, minor preventive maintenance, minor and breakdown rectification of transmission lines	Construction of site office in Guwahati, purchase of line material, tools and plants for O&M, pile work and construction of protection wall
(e)	**Value, if any**	Rs.18.82 Lakh	Rs.266.23 Lakh	Rs. 144.99 Lakh
(f)	**Date of approval by the Board, if any**	19.08.2013	29.02.2016	23.06.2015
(g)	**Amount paid in advance, if any**	NIL	NIL	Rs. 1,885.03 Lakh

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

Place: Gurugram
Date: 27.08.2021

Sd/-
Chairman

ANNEXURE-IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to Section 135 of the Act & Rules made thereunder]
Financial Year 2020-21

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://netcindia.in/index.php/profile/csr**

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

2. Composition of CSR Committee –

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	Mr. T. C. Sarmah	Member, Non-Independent, Non-Executive Director	4	4
4	Mr. Dhrubajyoti Hazarika	Member, Non-Independent, Non-Executive Director	4	2
5	Mrs. Chaitali Dutta	Member, Non-Independent, Non Executive Director	4	2*

* Mrs. Chaitali Duta has participated in all the two meetings of the CSR Committee held since she was inducted as a member of the Committee.

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 andamount 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 2017-18, 2018-19 and 2019-20: Rs.72.46 Crore.

7. (a) Two per cent of average net profit of the Company as per section 135(5): Rs. 1.45 Crore

   (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. 1.45 Crore

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				
149.81	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
	------ Not Applicable-----				

(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 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	District						Name	CSR Registration No.
1	Construction/ installation of 4 Numbers Water storage tank	Health/ Edu.	Yes	Tripura	Khowai	2	14.00	6.75	NA	No	DC, Khowai	NA
2	Renovation of school class room	Edu.	Yes	Assam	Cachar	2	9.17	9.17	NA	No	DC, Cachar	NA
3	Construction of girls toilet	Health/ Edu	Yes	Assam	Goalpara	2	24.05	12.05	NA	No	DC,Goa -lpara	NA
4	Construction of Inclusive Education Resource Centre for the Children with Special Needs.	Education	Yes	Meghalaya	Jowai	2	46.60	20.00	NA	No	DC, Jowai	NA
5	Two Nos Training Program for Women Empowerment	Woman Empowerment	Yes	Assam	Kamrup	2	23.01	11.50	NA	No	DC, Kamrup	NA
6	Distribution of 220 nos. joint benches for 22 nos. government schools	Education	Yes	Tripura	Sepahijala	2	6.48	5.36	NA	No	DC, Sepahijala	NA
	Total						**123.26**	**64.83**				

(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	Distribution of various Items/ Equipment/Materials in order to combat COVID-19	Health	Yes	Assam	Goalpara	10.00	No	DC, Goalpara	NA
2	Drinking Water Facilities for 33 Nos. Govt. Schools.	Health/ Edu.	Yes	Assam	Goalpara	8.60	No	DC, Goalpara	NA
3	The Construction of approach road of Resource Centre meant for the Children with Special Needs (CWSN).	Education	Yes	Meghalaya	Jowai	8.58	No	DC, Jowai	NA
4	Procurement of the material for the setting up of the Isolation ward, Labor Room and Covid -19 unit at Civil Hospital in order to combat COVID-19.	Health	Yes	Meghalaya	Ri-bhoi	6.99	No	DC, Ri-Bhoi	NA
5	Providing one no. ambulance for the Civil Hospital.	Health	Yes	Meghalaya	Ri-bhoi	19.12	No	DC, Ri-Bhoi	NA
6	Supply & Distribution of various items in various COVID-19 care Centres.	Health	Yes	Tripura	West Tripura	8.53	No	DC, West Tripura	NA
7	Installation and Distribution of various items/ Equipment's/ Materials for improvement of Corona Care Centers.	Health	Yes	Meghalaya	West Jaintia Hills	10.73	No	DC, West Jaintia Hills	NA
8	6 Nos of sub projects for rural development including construction of Bridge and road	Rural Develop ment	Yes	Meghalaya	Ri-Bhoi	0.72	No	DC, Ri-Bhoi	NA
9	Installation of 50 Nos Solar Street lighting systems	Rural Develop ment	Yes	Tripura	Sepahijala	11.69	No	Dc, Sepahijala	NA
	Total	-	-	–	–	**84.97**	–	–	

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

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil
   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable

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) – Not applicable.

Sd/-
(Satyajit Ganguly)
Managing Director
DIN : 06961418
Date : 27.08.2021

Sd/-
(P. Uma Shankar)
Chairman, CSR Committee
DIN: 00130363
Date: 27.08.2021

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying standalone financial statements of North East Transmission Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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 standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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, 2021, the profit and 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 standalone financial statements in accordance with the Standards on Auditing 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 Standalone 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 independence requirements that are relevant to our audit of the standalone 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 standalone financial statements.

Emphasis of Matter- Other Event

1. We draw attention in respect to the note no 20 to the financial statements:
   Company has not taken income effect on refinance done on 07thDecember 2017 and 02nd January 2021 and accordingly, has not accrued any income on one-third savings saved through refinance done from 07th December, 2017 for a tariff period 2014-19 and half savings saved through refinance done from 07th December, 2017 and 02nd January 2021 for year 2019-2021. This is subject to plead by company to treat this as refinance and CERC approval is pending in this matter.

2. We draw attention in respect to the note no 15 to the financial statements:
   The company has availed new Loan vide Agreement signed w.e.f. 11.12.2020 for an amount Rs. 11,12,87,53,179/- from ICICI Bank Limited for which an exclusive charge on the company's movable and immovable properties acquired for the project along with the revenue and receivables from the project, present and future will be created. An old loan amounting to Rs. 10,77,89,75,427/- has been closed from the loan taken. The company has paid Rs. 34,97,77,752/- as pre-payment charges to Power Finance Corporation of India Limited for Refinancing of Loan from ICICI Bank. The same amount has been debited in finance cost and in Regulatory Deferral Account Debit Balance (net of tax) as receivable from beneficiary.

3. We draw attention in respect to the note no. 11 to the financial statements:
Trade receivables include a balance of Rs.775.21 lacs which will be adjusted from the provision of truing up when the order in this respect is received from CERC.

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

Key Audit Matter

Sr.	Key Audit Matter	Auditor Response
1	Capitalization and de-capitalization of Assets during the year in case of replacement of Regulated Fixed Assets. We identified this as Key Audit Matter due to the nature and extent of estimates made as capitalization and depreciation on regulated fixed Assets is governed by CERC Tariff regulations Refer Notes 3 & 31 to the Standalone Financial Statements	Principal Audit Procedures Our audit approach was a combination of test of internal controls and substantive procedures which included the following: 1) Obtained details of Regulated fixed assets replaced during the year. 2) Evaluated the design of internal controls relating to recording transaction in respect of replaced Fixed Assets. 3) Review of contracts in respect to addition in fixed assets. 4) Evaluate the method adopted by the company to determine the carrying value of replaced part of the regulated assets in view of related Ind-AS & accounting policy of the company. 5) Performed analytical procedures and test of details for reasonableness of carrying value of the replaced part.
2	Provision of Truing up as per CERC Regulation 2014-19 and for 2019-2024. In case of refinance of term loan facility, the benefit of reduction of rate of interest will be shared in ratio of 2:1 i.e.,two third will go to beneficiaries and one third will got to company as per CERC Regulation 2014-19 and half from the year 2019-2024. We identified this as Key Audit Matter due to the nature and extent of estimates made as CERC order is pending in respect of refinance of term loan. Refer Notes 20 to the Standalone Financial Statements	***Principal Audit Procedures*** The Company is operating in power Transmission segment. The Tariff is decided by Central Electricity Regulatory Commission (CERC).The Company has provided truing up liability / provision for current year. This Truing up liability/ provision is mainly due to reduction of rate of interest and addition in eligible regulated assets and decapitalization of regulated Fixed Assets. Our audit approach was a combination of test of internal controls and substantive procedures as under: 1) Obtained details of addition of Regulated fixed assets and details of decapitalization during the year. 2) Evaluated the design of internal controls relating to recording transaction in respect of Fixed Assets. 3) Review of contracts in respect to addition in fixed assets. 4) Review of Contracts in relation to take over of term Loan byICICI Bank from Power Finance Corporation and reduction of rate of interest. 5) Evaluate the method adopted by the company to determine the carrying value of replaced part of the regulated assets in view of related Ind-AS & accounting policy of the company.

		6) Performed analytical procedures and test of details for reasonableness of carrying value of the replaced part and interest cost.
3	Recognition of Revenue from Transmission Income: Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for as per tariff norms and other amendments notified by the CERC in similar cases. Difference, if any, is accounted on issuance of final tariff orders by the CERC. We identified this as Key Audit Matter due to the nature and extent of estimates made as per CERC Tariff Regulations for recognition of revenue. Refer Note No. 26 Standalone Financial Statement.	***Principal Audit Procedures*** Our audit approach was a combination of test of internal controls and substantive procedures which included the following: 1) Obtained details of CERC Tariff Regulations, Orders, Circulars, Guidelines and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from transmission of power. 2) Evaluated the design of internal controls relating to recording transaction in respect of revenue recognition. 3) Review of revenue based on CERC tariff orders circulars and guidelines. 4) Evaluate the method adopted by the company to determine the transmission income. 5) Performed analytical procedures and test of details for reasonableness of transmission Income

Information Other than the Standalone 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 standalone 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 standalone 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 standalone 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 Standalone 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 standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone 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 standalone 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 standalone 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("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

ForShiv & Associates
Chartered Accountants
Firm Reg. No. 009989N

Sd/-
SHIV PRAKASH CHATURVEDI
PARTNER
Membership No. 085084
Place: Delhi
Date: 19.05.2021

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 COMPNAY 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, 2021 in conjunction with our audit of the standalone 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
SHIV PRAKASH CHAURVEDI
PARTNER
Membership No. 085084
Place: Delhi
Date: 19.05.2021

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 COMPNAY LIMITED of even date)

I. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained by the Company the Fixed Assets have been physically verified by the company during the year as O&M contract is with Power Grid Corporation of India Limited. It is also explained by the Company that regular patrolling at frequent interval is being conducted by Power Grid Corporation India Limited for regular maintenance.

(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 land at Jowai(on99-year lease) are held in the name of the Company as at the balance sheet date.

ii. Physical verification of inventory has been done by the management during the year. As reported, there was no discrepancy on physical verification of the inventory.

iii. According the information and explanations given to us, the Company has not granted any loans i.e., secured or unsecured to any firm, Companies and other parties covered in the register maintained under section 189 of the Companies Act, 2013, so the clause 3 iii (a), (b) and (c) are 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, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. Company is required to maintained the cost records under subsection 1 of the section 148 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) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) there is no dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2021 on account of dispute.

(viii) 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.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The company has raised one term loan for repayment of the existing loan. The Company has used the loan for the purpose it has been raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(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 applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

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

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-
SHIV PRAKASH CHATURVEDI
PARTNER
Membership No. 085084
Place: Delhi
Date: 19.05.2021

Annexure C to the Independent Auditor's Report

Directions under section 143(5) of the Companies Act 2013 for the year 2020-21.

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

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

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

For SHIV & ASSOCIATES
Chartered Accountants
Firm Reg. No. 009989N

Sd/-
SHIV PRAKASH CHATURVEDI
PARTNER
Membership No. 085084
Place: Delhi
Date : 19.05.2021

Balance Sheet as at March 31, 2021

(All Amounts are in Rs. Lacs)

Sr. No.	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
1	**ASSETS**			
	Non-current asset			
	(a) Property, plant and equipment	3	134,308.61	145,537.60
	(b) Capital work in progress	4	241.16	226.40
	(c) Intangible assets	5	3,535.81	3,851.89
	(d) Right to use assets	6	180.24	222.87
	(e) Financial assets			
	(I) Other	7	48.78	2,461.31
	(f) Other non-current assets	8	2,126.08	2,064.59
	Total non- current assets		**140,440.68**	**154,364.66**
	Current assets			
2	(a) Inventories	9	70.79	-
	(b) Financial assets			
	(i) Investments	10	7,861.37	10,471.97
	(ii) Trade receivables	11		
	– considered good - secured		-	-
	– considered good - unsecured		4,827.47	6,579.95
	– having significant increase in credit risk		-	-
	– credit impaired		-	-
	(iii) Cash and cash equivalents	12	5,957.19	161.56
	(iv) Other bank balances	13	5,324.42	2,320.24
	(v) Other financial assets	7	2,990.14	3,043.10
	(c) Others Current Assets	14	72.21	113.81
	Total current assets		**27,103.59**	**22,690.63**
3	**Regulatory Deferral Account Debit Balance**	15	6,061.39	1,734.55
	Total assets		**173,605.66**	**178,789.84**
II.	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity share capital	16	41,140.00	41,140.00
	(b) Other equity	17	6,790.88	5,437.49
	Total equity		**47,930.88**	**46,577.49**
1	**LIABILITIES**			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	18	94,488.81	104,768.81
	(ii) Other financial liabilities	19	12.41	104.91
	(b) Provisions	20	28.73	23.95
	(c) Deferred tax liabilities (net)	21	6,140.07	5,006.49
	(d) Other non-current liabilities	23	186.42	208.59
	Total non- current liabilities		**100,856.44**	**110,112.75**
2	**Current liabilities**			
	(a) Financial liabilities			-
	(I) Trade payables	24		
	Total outstanding dues of Micro Enterprises and Small Enterprises		10.95	-
	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		264.36	440.98
	(ii) Other financial liabilities	19	10,846.37	13,554.15
	(b) Other current liabilities	23	35.36	53.54
	(c) Current tax liabilities	25	-	-
	(d) Provisions	20	13,661.30	8,050.93
	Total current liabilities		**24,818.34**	**22,099.60**
	Total liabilities		**125,674.78**	**132,212.35**
	Total equity and liabilities		**173,605.66**	**178,789.84**

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

FOR SHIV & ASSOCIATES
Chartered Accountants
FRN 009989N

Sd/-
(Shiv Prakash Chaturvedi)
Partner
(M. No. 085084)
Place : Delhi
Date : 19.05.2021

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

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

Sd/-
(Ashwani Kumar Srivastava)
Director (Projects)
DIN : 0008496885

Sd/-
(Naveen Kumar Mishra)
Senior Manager

Sd/-
(Mukesh Kumar)
Company Secretary

NOTICE

BOARD'S REPORT

STANDALONE FINANCIAL STATEMENT

Statement of Profit and Loss for the year ended March 31, 2021

(All Amounts are in Rs. Lacs)

Sr. No.	Particulars	Note No.	Year Ended March 31,2021	Year Ended March 31,2020
I	Revenue from operations	26	30,662.74	31,414.95
II	Other income	27	1,733.39	1,167.33
III	**Total income (I+II)**		**32,396.13**	**32,582.28**
IV	**EXPENSES**			
	Employee benefit expenses	28	576.32	459.38
	Finance Costs	29	13,181.72	11,326.01
	Transmission, Adminstration Expenses	30	786.05	985.14
	Depreciation on Right to use Assets	6	42.63	39.35
	Depreciation and amortisation	31	11,694.69	11,713.98
	Loss on Assets Discarded	33	0.39	42.28
	Corporate Social Responsibility Expenses		149.81	122.67
	Other Expenses	32	293.03	341.17
	Total expenses		**26,724.64**	**25,029.98**
V	**Profit before tax and Rate Regulated Activities (III-IV)**		**5,671.49**	**7,552.30**
VI	**Tax expense:**	34		
	(a) Current tax :			
	Current Year		971.57	1,299.77
	Earlier Year		-386.66	2.97
	(b) Deferred tax Liability/ (Assets)	21	1,133.58	1,943.98
	Total Tax Expenses		**1,718.49**	**3,246.71**
VII	**Profit for the year before Rate Regulated Activities (V-VI)**		**3,953.00**	**4,305.59**
	Net Movement in Deferral Regulatory Account balance (Debit)/Credit (Net of Tax)	22	-3,570.85	-1,604.32
VIII	**Profit for the year (VI-VII)**		**7,523.85**	**5,909.92**
	Other comprehensive income			
	(a) Items that will not be reclassified to profit or loss (net of taxes)		0.55	-1.97
	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			
	Total Other Comprehensive Income		0.55	-1.97
IX	**Total Comprehensive income for the year (VII+VIII)**		**7,524.40**	**5,907.95**
X	Earnings per equity share:	35		
	Basic (in Rs.)		1.83	1.44
	Diluted (in Rs.)		1.83	1.44

See accompanying notes to the standalone financial statements 1-36

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

FOR SHIV & ASSOCIATES
Chartered Accountants
FRN 009989N

Sd/-
(Shiv Prakash Chaturvedi)
Partner
(M. No. 085084)
Place : Delhi
Date : 19.05.2021

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

Sd/-
(Naveen Kumar Mishra)
Senior Manager

Sd/-
(Ashwani Kumar Srivastava)
Director (Projects)
DIN : 08496885

Sd/-
(Mukesh Kumar)
Company Secretary

Cash flow statement for the year ended March 31, 2021

(All amounts are in Rs. Lacs)

Particulars	Year Ended March 31, 2021		Year Ended March 31, 2020	
A. CASH FROM OPERATING ACTIVITES :				
Profit for the Year		5,671.48		7,552.30
Adjustments For:				
Depreciation & Amortisation expenses	11,737.32		11,713.98	
Truing up	5,005.19		4,223.51	
Truing up Interest	613.27		579.74	
Balances written back	0.06		-	
Loss on Assets Discarded & Impairment of Assets	0.39		51.82	
MTM on Investment	98.68		-63.21	
Interest Income	-339.63		-570.47	
Interest Expense	9,049.67		10,724.56	
Other Non operating Income	-1,492.45		-533.64	
Other Comprehensive Income Adjustment	-0.55	24,671.97	-1.97	26,124.32
Operating Profit before Working Capital Changes		**30,343.45**		**33,676.62**
Movement in working capital:				
(Increase)/decrease in Trade and other receivables	1,752.48		-846.13	
(Increase)/decrease in current and Non-current assets	-1,819.75		219.02	
Increase/(decrease) in other current liabilities	3,841.00		-272.82	
		3,773.73	-	-899.93
Net cash from operating activities		34,117.18		32,776.69
Direct taxes paid (net of refunds)		-1,581.32		-1,765.87
Net cash Provided/(used)from operating activities(A)		**32,535.86**		**31,010.82**
B. CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase for Property, Plant & Equipment's	-178.52		-817.06	
Capital Advances given	-61.48		-1,338.80	
Purchase of Mutual Funds	-32,121.48		-36,611.00	
Sale proceeds of Mutual Funds	34,633.39		33,824.93	
Investment in FDR	-3,004.17		3,832.84	
Interest received	226.28		666.57	
Disposal of Fixed Assets	0.05		0.19	
Other non operating income	1,491.54	985.61	533.64	91.30
Net cash (used in)/generated by Investing Activities "B"		**985.61**		**91.30**
C. CASH FLOWS FROM FINANCING ACTIVITIES:				
Loan accepted/(Repaid) during the year -Long Term	-10,280.00		-14,012.03	
Payment of Principal of Lease Liability and Interest	-29.80		-46.02	
Dividend	-6,171.00		-4,936.80	
Tax on Dividend	-		-1,014.77	
Payment of Interest on borrowings	-11,245.02	-27,725.83	-10,959.56	-30,969.18
Net Cash Used in Financing Activities "C"		-27,725.83		-30,969.18
Net increase in cash and cash equivalents (A+B+C)		5,795.64		132.94
		-		-
Cash and cash equivalents at the beginning of the year		161.56		28.61
Cash and Cash Equivalents at the end of the Year		**5,957.19**		**161.56**

Note:

1. Cash flow has been prepared as per Indirect method prescribed in IND AS 7.
2. Cash and cash equivalents consist of Balance with Bank and deposits with orignal maturity of upto three months.

FOR SHIV & ASSOCIATES
Chartered Accountants

Sd/-
(Shiv Prakash Chaturvedi)
Partner
(M. No. 085084)
Date : 19.05.2021

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

Sd/-
(Ashwani Kumar Srivastava)
Director (Projects)
DIN : 08496885

Sd/-
(Naveen Kumar Mishra)
Senior Manager

Sd/-
(Mukesh Kumar)
Company Secretary

Notes to Standalone Financial Statements

1. Corporate and General Information

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

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

2. Significant Accounting Policies

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

2.1 Basis of Preparation

i) Statement of Compliance

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

ii) Historical Cost convention

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

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

iii) Functional and presentation currency

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

iv) Use of estimates

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

v) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

The Company recognizes twelve months period as its operating cycle.

2.2 Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

Subsequent costs

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

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

2.3 Capital Work-In-Progress (CWIP)

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

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

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

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

2.4 Intangible Assets and Intangible Assets under development

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

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

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

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

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

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

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

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

2.5 Depreciation / Amortisation

Regulatory Assets:

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

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

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

Non-Regulatory Assets:

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

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

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

Mobile phones are charged off in the year of purchase.

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

Freehold land is not depreciated.

2.6 Impairment of PPE and intangible assets

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

Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

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

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

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

2.7 Borrowing Costs

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

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

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

2.8 Cash and cash equivalents

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

2.9 Leases

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

As lessee

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

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

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

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

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment whether it will exercise an extension or a termination option.
In the comparative period, as lessee the leases were accounted as per Ind AS 17 and classified as finance lease and operating lease, and accounted as follows:

Accounting for finance leases

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

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

Accounting for operating leases

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

As a lessor

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

Company as a lessee

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

2.10 Foreign Exchange Transactions

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

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

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

2.11 Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

(i) Defined Contribution Plan:

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

Defined Benefit Plans

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

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

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

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

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

(ii) Employee benefits

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

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

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

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

2.12 Financial instruments

Financial Assets

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

Classification

The Company classifies its financial assets in the following categories:

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

The classification depends on the following:

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

Initial recognition and measurement

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

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

Subsequent measurement

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

Equity investments

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

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

De-recognition of financial assets

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

Financial Liabilities

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

Classification, initial recognition and measurement

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

Subsequent measurement

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

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

Offsetting of financial instruments

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

De-recognition of financial liability

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

2.13 Income Tax:

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

Current Tax

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

Deferred Tax

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

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

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

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

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

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

Current and deferred tax for the year

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

2.14 Revenue Recognition and Other Income

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

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

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

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

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

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

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

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

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

2.15 Dividends

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

2.16 Provisions and Contingencies

a) Provisions

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

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 inequity as a deduction, net of tax, from the proceeds.

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

2.18 Prior Period Items

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

2.19 Segment Reporting

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

2.20 Earnings per Share

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

2.21 Cash Flow Statement

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

2.22 Regulatory Deferral Account

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

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

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

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

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

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

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

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

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

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

3.1 Critical Accounting Judgments and Key Sources of Estimation Uncertainty-

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

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

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

3.2 Critical judgements in applying accounting policies

Revenue

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

Recognition of deferred tax assets

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

Deferred tax has been recognised in respect of temporary differences which originate during the tax holiday period

3 Property, Plant and Equipment

(All Amounts are in Rs. Lacs)

Carrying Amount of	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Freehold land	679.37	679.37	679.37
Building	542.21	589.15	588.57
Transmission Lines	132,666.39	143,842.85	154,716.21
Assets Discarded ready for reuse	36.92	36.92	46.54
Computers	17.17	11.41	8.35
Office equipment	54.72	57.75	33.60
Furniture and fixtures	100.61	106.62	107.29
Plant and equipment	211.22	213.53	88.44
Total	**134,308.61**	**145,537.60**	**156,268.37**

(All Amounts are in Rs. Lacs)

Cost or deemed cost	Freehold Land	Building	Tans-mission Lines	Assets Discarded ready for reuse	Computers	Office Equipment	Furniture & Fixtures	Plant & Equipment	Total
Balance at March 31, 2019	**679.37**	**590.24**	**212,216.18**	**46.54**	**33.53**	**40.97**	**114.05**	**105.28**	**213,826.17**
Additions	-	20.53	521.93	-	7.81	28.80	6.89	133.26	719.22
Disposals/ adjustments	-	-	57.29	9.62	0.98	-	-	-	67.89
Balance at March 31, 2020	**679.37**	**610.77**	**212,680.82**	**36.92**	**40.37**	**69.77**	**120.94**	**238.54**	**214,477.50**
Additions	0.47	-	150.16	-	13.53	2.38	1.78	10.64	178.97
Disposals/ adjustments	0.47	28.44	-	-	0.97	-	-	-	29.88
Balance at March 31, 2021	**679.37**	**582.34**	**212,830.97**	**36.92**	**52.93**	**72.15**	**122.73**	**249.18**	**214,626.59**

Notes to the Standalone financial statement for the year ended March 31, 2021

(All Amounts are in Rs. Lacs)

Accumulated depreciation and impairment	Freehold Land	Building	Tans-mission Lines	Assets Discarded ready for reuse	Computers	Office Equipment	Furniture & Fixtures	Plant & Equipment	Total
Balance at March 31, 2019	-	**1.67**	**7,499.97**	-	**25.18**	**7.37**	**6.76**	**16.85**	**57,557.80**
Depreciation expense	-	19.95	11,352.92	-	4.64	4.65	7.57	**8.17**	11,397.90
Impairment loss recognised in profit or loss	-	-	-	-	-	-	-	-	-
Eliminated on disposal / adjustments / transfer of assets	-	-	14.94	-	0.87	-	-	-	15.80
Balance at March 31, 2020	-	**21.62**	**68,837.96**	-	**28.96**	**12.02**	**14.33**	**25.01**	**68,939.90**
Depreciation expense	-	20.40	11,326.63	-	7.33	5.41	7.79	12.95	11,380.51
Impairment loss recognised in profit or loss	-	-	-	-	-	-	-	-	-
Eliminated on disposal / adjustments / transfer of assets	-	1.90	-	-	0.53	-	-	-	2.43
Balance at March 31, 2021	-	**40.12**	**80,164.59**	-	**35.75**	**17.43**	**22.12**	**37.97**	**80,317.98**

4. Capital work in progress

Particulars	Railways Diversion	Guwaha -ti Building	Dwarka Office WIP	Forest Afforestation-Maghalaya-RIST	Jowai Land	Rist	Furniture and Fixtures	Plant and Equip-ment	Total
Balance at March 31, 2019	-	-	-	**155.13**	**0.47**	**159.01**	-	-	**31,461,570.00**
Additions during the year	-	-	-	-	-	70.79	-	-	70.79
Less: Transfer to Advance	-	-	-	-	-	-159.01	-	-	-159.01
Less: Transferred to property plant and equipment	-	-	-	-	-	-	-	-	-
Balance at March 31, 2020	-	-	-	**155.13**	**0.47**	**70.79**	-	-	**226.40**
Additions during the year	-	86.03	-	-	-	-	-	-	86.03
Less: Transfer to Advance/Inventory	-	-	-	-	-	-70.79	-	-	-70.79
Less: Disposals/ adjustments	-	-	-	-	-0.47	-	-	-	-0.47
Balance at March 31, 2021	-	**86.03**	-	**155.13**	-	-	-	-	**241.16**

Note - These all assets are mortgaged with ICICI Bank Limited against Loan availed, Refer Note- 18

5 Intangible assets

Carrying Amount of	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Forest & Afforestation	3,535.21	3,851.24	4,167.28
Web Site Designing Expenses	0.60	0.64	0.69
Total	**3,535.81**	**3,851.89**	**4,167.97**

Cost or deemed cost	Forest & Afforestation	Web Site Designing Expenses	Total
Balance at March 31, 2019	**5,985.54**	**0.82**	**5,986.36**
Additions	-	-	-
Disposals/ adjustments	-	-	-
Balance at March 31, 2020	**5,985.54**	**0.82**	**5,986.36**
Additions	-	-	-
Disposals/ adjustments	-	-	-
Balance at March 31, 2021	**5,985.54**	**0.82**	**5,986.36**
Accumulated amortisation and impairment			
Balance at March 31, 2019	**1,818.26**	**0.13**	**1,818.40**
Amortisation expense	316.04	0.04	316.08
Impairment loss recognised in profit or loss	-	-	-
Disposals/ adjustments	-	-	-
Balance at March 31, 2020	**2,134.30**	**0.18**	**2,134.48**
Amortisation expense	316.04	0.04	316.08
Impairment loss recognised in profit or loss	-	-	-
Disposals/ adjustments	-	57,499.97	-
Balance at March 31, 2021	**2,450.34**	**0.22**	**2,450.56**

6 Right to use Assets

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2020		As at March 31, 2019	
Fair value of Leasehold office in Delhi				
Fair value	203.85		230.74	203.85
Less: Depreciation	26.90	176.95	26.90	
Fair value of Vehicle at Jowai				
Fair value	7.36		12.61	
Less: Depreciation	6.31	1.05	5.26	7.36
Fair value of Photocopy Machine in Delhi				
Fair value	0.49		0.99	
Less: Depreciation	0.49	-	0.49	0.49
Fair value of Vehicle at Agartala Tripura				
Fair value on	5.83		9.32	
Less: Depreciation	4.66	1.17	3.50	5.83
Fair value of Vehicle at Silchar Guwahati				
Fair value on	5.35		8.55	
Less: Depreciation	4.28	1.07	3.21	5.35
		180.24		**222.87**

7 Other financial assets

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non-current	Current	Non-current	Current
Security deposits	17.03	-	16.12	-
Interest Accrued on deposits				
On Fixed deposits with more than 12 months maturity (It includes accrued interest of Rs. 19,984 (Previous year Rs. 9,91,556/-) on FDR issued against Bank Guarantee and is Lien marked)	2.57	-	113.62	-
Other Receivable	-	2,985.61	-	3,038.19
Advance to Employees	-	4.53	-	4.91
Others				
Fixed deposits with more than 12 months maturity	29.18	-	2,331.57	-
(It includes Rs. 29,18,245 (PY - Rs. 66,90,983) FDR issued against Bank Guarantee and is Lien marked)				
Total	**48.78**	**2,990.14**	**2,461.31**	**3,043.10**

7.1 Other receivables represents one month unbilled revenue to Powergrid Corporation for the year ended 31.03.2021.

8 Other Non-current assests

Particulars	As at March 31, 2021	As at March 31, 2020
Advance for Capital Expenditure		
Realted Parties:		
Powergrid Corporation of India Limited	2,126.08	2,064.59
Others		
Total	**2,126.08**	**2,064.59**

9 Inventories

Particulars	As at March 31, 2021		As at March 31, 2020	
	Qty. in unit	Amount	Qty. in unit	Amount
Conductor Transferred from WIP	-	70.79	-	-
	-	**70.79**	-	-

10 Other Investments

Particulars	As at March 31, 2021		As at March 31, 2020	
	Qty. in unit	Amount	Qty. in unit	Amount
Financial assets carried at fair value through profit or loss				
Quoted Investments				
Investments in Mutual funds				
SBI Magnum Insta Cash Mutual Fund	22,988,126.41	7,861.37	30,367,577.40	9,829.07
UTI Liquid cash Plan Institutional Growth option	-	-	19,772.57	642.89
Total investments carrying value	**22,988,126.41**	**7,861.37**	**30,387,349.97**	**10,471.97**

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. 78,36,60,204/- in SBI Mutual Fund (Previous Year Rs. 1,03,48,91,131/-).

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11 Trade receivables

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
(secured, considered good unless otherwise stated)		
considered good - secured	-	-
considered good - unsecured	4,827.47	6,579.95
having significant increase in credit risk	-	-
credit impaired	-	-
Total	**4,827.47**	**6,579.95**

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

12 Cash and cash equivalents

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Qty. in unit	Amount	Qty. in unit	Amount
Cash and Cash Equivalents				
Balances with Banks				
- Escrow Account	0.12		16.51	
- Current Account	4,010.99	4,011.11	23.54	40.05
Other Bank Balances				
Term Deposit Accounts having maturity upto 3 months		1,849.80		121.00
Interest Accrued on deposits on FDR with Maturity upto 3 months		96.28		0.50
Total		**5,957.19**		**161.56**

13 Bank Balances other than Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Term Deposit Accounts having maturity more than 3 months upto 12 months	5,198.98	2,270.00
Interest Accrued on deposits 'on FDR with Maturity more than 3 months upto 12 months	125.44	50.24
Total	**5,324.42**	**2,320.24**

14 Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	16.19	9.97
Prepaid Expenses IND AS	1.97	2.87
Advance to others	0.10	3.89
Advance for CSR Projects	53.95	97.08
Total	**72.21**	**113.81**

15 Regulatory Deferral Account Debit Balance

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Reconciliation of Regulatory Asset/(Liability) as per Rate Regulated Activities		
Opening Balance	1,734.55	-209.43
Addition/(Adjustment) during the year	4,326.84	1,943.98
Closing Balance	**6,061.39**	**1,734.55**

15.1 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.

15.2 The company has charged Rs. 34,97,77,752/- in finance cost, as pre-payment charges paid to Power Finance Corporation of India Limited for Refinancing of Loan from ICICI Bank. The same amount has been debited (net of tax) in Regulatory Deferral Account Debit Balance as receivable from CERC. Further, Rs. 3,04,52,584/- has been reduced from Deferral Regulatory Account balance, being adjustment of prepayment charges recovered. It is subject to CERC final order to be passed. Also, Deferred tax liability of Rs.11,33,58,367/- has been added to deferral regulatory account balance.

16 Share Capital

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Share Capital		
Authorised Share Capital:	**60,000.00**	**60,000.00**
600,000,000 Equity Shares of Rs. 10 each		
Issued and Subscribed Share Capital:	**41,140.00**	**41,140.00**
411,400,000 (Previous Year 411,400,000) Equity Shares of Rs.10/- each fully paid up		
(as at March 31, 2020: 411,400,000 Equity Shares of Rs, 10 each)		
Fully paid equity shares:	**41,140.00**	**41,140.00**
411,400,000 (Previous Year 411,400,000) Equity Shares of Rs.10/- each fully paid up		
Total	**41,140.00**	**41,140.00**

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

Particulars	Number of shares	Share Capital (Rs. In Lacs)
Balance at April 1, 2020	4,114.00	41,140.00
Shares issued during the year		
Balance at March 31, 2021	**4,114.00**	**41,140.00**
Outstanding as at March 31, 2021	**4,114.00**	**41,140.00**

16.2. Terms/rights attached to equity shares

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

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

(All Amounts are in Rs. Lacs)

Name of equity share holders	As at March 31, 2021		As at March 31, 2020	
	No.	% holding	No.	holding
ONGC Tripura Power Company Limited	106,964,000.00	26%	106,964,000.00	26%
Powergrid Corporation of India Limited	106,964,000.00	26%	106,964,000.00	26%
Assam Electricity Grid Corporation Limited	53,482,000.00	13%	53,482,000.00	13%
Government of Tripura	41,140,000.00	10%	41,140,000.00	10%
Government of Mizoram	41,140,000.00	10%	41,140,000.00	10%
Government of Manipur	24,684,000.00	6%	24,684,000.00	6%

17 Statement of change in equity for year ended March 31, 2020

a. Equity share capital

(All Amount are in Rs Lacs)

Name of equity share holders	Amount
Balance at April 1, 2020	41,140.00
Changes in equity share capital during the year	-
Balance at March 31, 2021	**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 income	Other items of other comprehe-nsive income (specify nature)	
Balance at March 31, 2019	**2,514.24**	**139.28**	**2,832.23**	-	**-4.63**	**5,481.12**
Profit for the year	-	-	5,909.92	-	-	5,909.92
Other comprehensive income for the year, net of income tax	-	-	-	-	-1.97	-1.97
Total comprehensive income	**2,514.24**	**139.28**	**8,742.15**	-	**-6.60**	**11,389.06**
Transferred to Self Insurance Reserve	551.16	-	-551.16	-	-	-
Transferred to Corporate Social Responsibility Reserve	-	-122.67	122.67	-	-	-
Dividend	-	-	4936.80	-	-	-4,936.80
Dividend Distribution Tax	-	-	-1,014.77	-	-	-1,014.77
Balance at March 31, 2020	**3,065.40**	**16.61**	**2,362.08**	-	**-6.60**	5,437.49
Profit for the period	-	-	7,523.84	-	-	7,523.84
Other comprehensive income for the year, net of income tax	-	-	-	-	-	0.55
Total comprehensive income	**3,065.40**	**16.61**	**9,885.92**	-	**0.55**	**12,961.88**
Transferred to Self Insurance Reserve	536.57	-	-536.57	-	-6.05	-
Transferred to Corporate Social Responsibility Reserve	-	-16.61	16.61	-	- -	-
Dividend	-	-	-6,171.00	-	-	-6,171.00
Balance at 31st March, 2021	**3,601.97**	**-0.00**	**3,194.97**	-	**-6.05**	**6,790.88**

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

	Year 2020-2021		Year 2019-20		Year 2018-19	
	Divident (in %)	Amount (Rs. Lacs)	Divident (in %)	Amount (Rs. Lacs)	Divident (in %)	Amount (Rs. Lacs)
Internim Dividend*	12.00	4936.80	7.00	3,471.75	5.00	2,480.00
Final Dividend*	3.00	1,234.20	3.00	1,234.20	5.00	2,480.00

The Board of Directors in their meeting held on May 19, 2021 recommended a final dividend of Rs. 0.30/- per equity share for the financial year ended March 31, 2021. This payment is subject to the approval of shareholders in the Annual General Meeting date which will be announced by the company in due course. The Final dividend , if approved by shareholders would result in net cash outflow of 12.34 crore

* It includes Dividend distribution tax upto FY 19-20.

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

FOR SHIV & ASSOCIATES
Chartered Accountants
FRN 009989N

Sd/-
(Shiv Prakash Chaturvedi)
Partner
(M. No. 085084)
Place : Delhi
Date : 19.05.2021

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

Sd/-
(Ashwani Kumar Srivastava)
Director (Projects)
DIN : 08496885

Sd/-
(Naveen Kumar Mishra)
Senior Manager

Sd/-
(Mukesh Kumar)
Company Secretary

18 Borrowings

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured – at amortised cost		
Rupee Term Loan (RTL) from Banks: ICICI Bank	94,488.81	
Rupee Term Loan (RTL) from Others ; PFC		104,768.81
Total	94,488.81	104,768.81

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

1. The company has availed new Loan vide Agreement signed w.e.f. 11.12.2020 for an amount Rs. 11,12,87,53,179/- from ICICI Bank Ltd. and closed old loan from Power Finance Corporation, by creating a exclusive charge on the company's movable and immovable properties acquired for the project along with the revenue and receivables from the project, present and future and old loan amounting to Rs. 10,77,89,75,427/- has been closed. As per terms and conditions mentioned in Agreement of Loan with ICICI bank, charge on assets is to be created within 180 days from disbursal of Loan.

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

3. Rate of Interest is @ 6.44% p.a (3 M T-bill rate + "Spread" per annum, every 3 month reset, with effect from 11.12.2020.

4. Current portion of borrowings transferred to Note no. 19 as Current maturity of long term debt.

5. In line with refinance agreement signed on 11.12.2020, Company has prepaid Rs. 50 crore on 14.01.2021 and Rs. 10 crore on 10.03.2021 without any prepayment charges.

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

Year of Repayment	ICICI Bank		Power Finance Corporation of India Ltd.	
	As At 31st March, 2021	As At 31st March, 2020	As At 31st March, 2021	As At 31st March, 2020
2021-22	10,798.72	-	-	-
2022-23	10,798.72	-	-	-
2023-24	10,798.72	-	-	-
2024-25	10,798.72	-	-	-
2025-26	10,798.72	-	-	-
2026-27	10,798.72	-	-	-
2027-28	10,798.72	-	-	-
2028-29	10,798.72	-	-	-
2029-30	10,798.72	-	-	-
2029-30	8,099.04	-	-	-
Total	**105,287.53**	-	-	-

19 Other financial liabilities

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non current	Current
Current maturity of long-term debt	-	10,798.72	-	11,312.46
Interest accrued	-	18.40	-	2,213.75
Other Current Liability	-	3.05	-	3.00
Creditors for Capital Expenditure	12.41	-	104.91	-
Payable to Employees	-	22.88	-	21.70
Audit Fee Payable	-	3.32	-	3.24
Total	**12.41**	**10,846.37**	**104.91**	**13,554.15**

19.1. The Statutory Auditors Remuneration is as under:

Payment to Auditors (including GST)	As at March 31, 2021	As at March 31, 2020
Audit Fees	3.54	3.54
Tax Audit Fees	1.44	1.42
Certification and Other Services	3.54	4.53
Travelling and Out of Pocket Expenses	0.06	0.43
Total	**8.58**	**9.92**

20 Provisions

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non current	Current
Provision for Truing Up (Refer Note [20.1])	-	14,600.17	-	9,594.99
Less: Amount Paid to CTU	-	-3,831.81	-	-3,831.81
Provision for Interest on Truing up (Refer Note [20.1])	-	2,772.83	-	2,159.56
Provision for Income Tax (Net of Taxes paid)	-	118.00	-	127.40
Provision for Employee benefits:	-	-	-	-
For Leave encashment	12.03	1.82	11.00	0.58
For Gratuity	16.69	0.27	12.95	0.22
	28.73	**13,661.30**	**23.95**	**8,050.93**

20.1. Company has already filled truing up petition for tariff period 2014-19 on 24.01.2020, however keeping in view provisions as mentioned in regulation 8, any excess (deficit) in tariff is recoverable/payable and such excess/deficit is also subject to additional interest on excess amount recoverable/payable at bank rate as applicable for that respective year. Accordingly, to save interest cost, company has paid back excess tariff to the tune of Rs. 38.32 crore to Powergrid Corporation of India Ltd. (CTU). The Company has recognized Rs. 146.00 crores as truing up provision and corresponding interest provision of Rs. 27.72 crores. This Truing up provision is mainly due to reduction of rate of interest from 12.50 % to 11.50% w.e.f. October 2015 and again reduction in interest from 11.50% to 9.04% w.e.f. December 2017 and 6.44% from January 2021. In CERC order dated 16.08.16 related with fixation of Tariff for the period 2014-2019 ,CERC directed NETC to provide details of all additional capital expenditure of all the assets at the time of truing up. Till 31.03.2014 Company has done cumulative assets addition of Rs 2086.06 Crores (revised to Rs 2103.87 Crores due to additional IDC) and has done further capitalisation of Rs 92.28 Crors. In trueing up petition Company has submitted complete details of all additional capital expenditure with all technical justifications and also made submission to allow additional tariff excess of operation & maintenance incurred over norms.

The Company has also made submission to CERC to treat above mentioned rate reduction as refinance and to admit 1/3 for Tariff period 2014-19 and 1/2 for tariff period 2019-2024, savings achieved through this reduction as additional Tariff.

20.2. Company has also filled Multi Year Tariff for Tariff Perid 2019 -24. Current Year is the second year of the Tariff period 2019-24. For this year Company has projected a turnover of Rs 328.04 Crores. The year wise break up is given below :-

	2019-20	2020-21	2021-22	2022-23	2023-24
Projected Tariff * Rs Crores	336.45	328.04	317.73	306.61	294.60

* The projected Tariff includes submission for additional O&M and 1/2 of interest reduction as additional Tariff

The Company in line with prudent practices, has not considered additional operation & mintenance expenses and 1/2 savings as refinance benefits as additional tariff, Accordingly tariff considered is Rs 301.48 Crores instead of Rs 328.04 crores projected in Tariff. The company has recognised the transmission income for year ended 31st March, 2021, as per the final order dated 16.08.2016.

20.3 The truing up provision for the year 20-21 is made in accordance with Regulation 10(4) of CERC Regulation 2019-24, which is as follows:

In case of the existing projects, the generating company or the transmission licensee, as the case may be, shall continue to bill the beneficiaries or the long term customers at the capacity charges or the transmission charges respectively as approved by the Commission and applicable as on 31.3.2019 for the period starting from 1.4.2019 till approval of final capacity charges or transmission charges by the Commission in accordance with these regulations.

21 Deferred Tax Liabilities (net)

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

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	5,006.49	3,062.51
Addition during the period	1,133.58	1,943.98
Total	**6,140.07**	**5,006.49**

22. Movement in Deferral Regulatory Account Debit balance

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

Particulars	As at March 31, 2021	As at March 31, 2020
Addition during the period	4,326.84	1,943.98
Tax on Movement in Deferral Regulatory Account balance	-755.98	-339.65
Total	**3,570.85**	**1,604.32**

Further Note:

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

22.2 The company has charged Rs. 34,97,77,752/- in finance cost, as pre-payment charges paid to Power Finance Corporation of India Limited for Refinancing of Loan from ICICI Bank. The same amount has been debited (net of tax) in Regulatory Deferral Account Debit Balance as receivable from beneficiaries. Further, Rs. 3,04,52,584/- has been reduced from Deferral Regulatory Account balance, being adjustment of prepayment charges recovered. It is subject to CERC final order to be passed. Also, Deferred tax liability of Rs.11,33,58,367/- has been added to deferral regulatory account balance.

23. Other liabilities

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non current	Current	Non current	Current
Statutory Dues Payables	-	13.65	-	24.22
Lease Liability - Delhi Office	186.42	18.16	204.58	13.65
Lease Liability - Jowai Vehicle	-	1.14	1.14	6.49
Lease Liability - Delhi Xerox Machine	-	-	0.04	0.47
Lease Liability - Agartala Vehicle	-	1.26	1.67	4.35
Lease Liability - Silchar Vehicle	-	1.15	1.15	4.37
Total	**186.42**	**35.36**	**208.59**	**53.54**

24 Trade payables

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Creditors for Goods, expenses & Services to MSME	10.95	-
Creditors for Goods & Services	130.25	201.67
Retention Money & Others	134.10	239.31
Total	**275.30**	**440.98**

25 Current Tax Liabilities (Net)

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Income Tax	4,092.52	3,681.18
Income tax on Deferred Regulatory Account balance	755.98	339.65
Reversal of Provision of earlier Years	-703.46	-1,228.08
Provision for Income Tax Current Year	971.57	1,299.77
Less: Advance Tax Paid	-4,863.24	-3,855.29
Less: TDS Recoverable	-135.36	-109.83
Excess Tax paid/provision transferred to Note 20	**-118.00**	**-127.40**

26 Revenue From Operations

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2021		As at March 31, 2020	
Transmission Charges	35,044.92		35,013.31	
Incentive	447.02		432.17	
RLDC Fees	175.97		192.97	
Less: Provision for Truing Up	-5,005.19	30,662.73	-4,223.51	31,414.95
Total		**30,662.73**		**31,414.95**

26.1 As per CERC Regulation, transmission charges billing shall be done on the basis of last available tariff order that is 2014-19, hence company has booked the transmission income according to the tariff order of 2014-19. The company has filed the petition for 2019-24, and order is awaited.

27 Other Income

(All Amounts are in Rs. Lacs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on:		
Fixed Deposits with Banks	339.63	570.47
	339.63	570.47
Dividend Income from:		
Investment in Mutual fund investment	603.68	269.06
MTM on Mutual Fund	-98.68	63.21
	504.99	332.27
Other Non-Operating Income	-	
Interest on Security Deposit	0.91	0.91
Surcharge	764.57	263.07
Interest on Income Tax Refund	111.04	-
Other Non-operating Income	12.24	0.59
	888.77	264.58
Total	**1,733.39**	**1,167.33**

28 Employee benefit expenses

(All Amounts are in Rs. Lacs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and other allowances	537.40	392.96
Contribution to Provident fund and other funds	16.41	11.18
Staff Welfare Expenses	22.51	55.23
Total	**576.32**	**459.38**

29 Finance Cost

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Interest cost on loan:		
Interest on Term Loan	9,049.67	10,724.56
(b) Other Interest/Finance Cost:	-	-
Interest on Truing Up	613.27	579.74
Prepayment charges	3,497.78	-
Interest on Leasehold Assets	19.83	21.70
Bank charges	1.16	0.01
Total	**13,181.72**	**11,326.01**

29.1 The company has charged Rs. 34,97,77,752/- in finance cost, as pre-payment charges paid to Power Finance Corporation of India Limited for Refinancing of Loan from ICICI Bank.

30 Transmission, Administration Expenses

(All Amount are in Rs. Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
CERC Tariff Fee	81.34	84.16
Operation & Maintenance Expenses	704.71	900.98
Total	**786.05**	**985.14**

31 Depreciation, Depletion, Amortization and Impairment

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2021		As at March 31, 2020	
Depreciation of property, plant and equipment	11,378.61		11,397.90	
Amortisation of intangible assets	316.08	11,694.69	316.08	11,713.98
Total		**11,694.69**		**11,713.98**

32 Other Expenses

(All Amount are in Rs. Lacs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Electricity Expenses	6.98	7.59
Office Expenes	36.93	35.12
Repair & Maintenance	-	-
-Machinery	10.83	2.19
- Building	14.75	14.81
Rent Expenses	1.10	0.03
Rates & Taxes	1.10	2.11
Recruitment Expenses	-	-
Penalty - Provident Fund		
Travelling & Conveyance	50.29	74.19
Communication Expenses	9.40	9.84
Printing & Stationery	4.67	7.33
Auditors' remuneration	8.52	9.49
Legal & professional	131.39	117.15
Audit Expenes(Internal)	1.53	1.70
Advertisement & exhibition expenses	3.08	12.51
Meeting Expenses	12.04	28.16
AGM Expenses	-	8.93
Cost Audit Expenses	0.41	0.41
Impairment of Assets	-	9.62
Total		

33 Loss on Assets Discarded

(All Amounts are in Rs. Lacs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Railway Diversion		
Cost of Assets Discarded	-	57.29
Less : Residual value Taken to Fixed Assets	-	-14.94
Laptop	-	-
Cost of Assets lost	0.97	-
Less: Depreciation	-0.53	-
Profit on Sale of Assets	-0.05	-0.08
Total	**0.39**	**42.28**

33.1 Approval of financial

The financial statements of the company for the year ended March 31, 2021 were approved for issue by the Board of Directors on 19.05.2021

FOR SHIV & ASSOCIATES
Chartered Accountants
FRN 009989N

Sd/-
(Shiv Prakash Chaturvedi)
Partner
(M. No. 085084)
Place : Delhi
Date : 19.05.2021

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

Sd/-
(Ashwani Kumar Srivastava)
Director (Projects)
DIN : 0008496885

Sd/-
(Naveen Kumar Mishra)
Senior Manager

Sd/-
(Mukesh Kumar)
Company Secretary

34 Income Taxes

34.1. Income tax recognised in profit or loss **(All Amounts are in Rs. Lacs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax		
- In respect of the current year	971.57	1,299.77
- In respect of prior years	-386.66	2.97
	584.91	**1,302.73**

35 Earnings per share **(All Amounts are in Rs. Lacs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Profit for the year attributable to equity shareholders (in Rs.)	7,524.39	5,907.95
Weighted average number of equity shares (Nos.)	4,114.00	4,114.00
Basic & Diluted earnings per equity share (in Rs.)	1.83	1.44
Face Value per equity share (Rs.)	10.00	10.00

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 PGCIL **(All Amounts are in Rs, Lacs)**

Customer	As at March 31, 2021		As at March 31, 2020	
	Percentage	**Amount**	**Percentage**	**Amount**
Collection through Powergrid Corporation of India Limited as per CTU Agreement	**100.00**	4,827.47	**100.00**	6,579.97
Total		4,827.47		6,579.97

No other single customers contributed 10% or more to the company's revenue for both 2019-20 and 2020-21.

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 Mr. Satyajit Ganguly (Managing Director) from 09.10.2018
2 Mr. Ashwani Jain (Director Project) upto 26.11.2018
3 Mr A K Srivastava (Director Projects) From 24.06.2019
4 Mr. R.K Sarkar (Director Project) upto 24.06.19
5 Mr. Bimal Ram Nagar (Chief Financial Officer) upto 15.03.2021
6 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 31.03.2021	Outstanding as on 31.03.2020	Transaction during 20-21	Transaction during 18-20
Service received from :					
a) Power Grid Corporation of India Limited	Project Consultancy Services	12.41	-	18.82	101.82
b) Power Grid Corporation of India Limited	Operation & Maintenance Service	-	101.44	266.23	461.50
c) Power Grid Corporation of India Limited	Project work	-	-	144.99	1,846.53
d) Power Grid Corporation of India Limited	Dividend	-	-	1,604.46	1,283.57
e) Power Grid Corporation of India Limited	Payment for Refinance Effect	-	3,831.81	-	-
f) Power Grid Corporation of India Limited	Director's Remuneration Reimbursement	22.88	-	90.10	-
g) ONGC Tripura Power CompanyLimited	Dividend	-	-	1,604.46	1,283.57
h) ONGC Tripura Power CompanyLimited	Staff Training Expenses	-	-	-	0.83
Total		**35.30**	**3,933.25**	**3,729.07**	**4,977.81**

Note: + represents Dr. and - represents Cr.

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

(All Amounts are in Rs. Lacs)

Name of related party	Nature of transaction	Outstanding as on 31.03.2021	Outstanding as on 31.03.2020	Transaction during 20-21	Transaction during 19-20
Mr. Satyajit Ganguly (Managing Director) from 09.10.2018	Remuneration	-	-	56.12	-
Mr. Ashwani Jain (Director Project) upto 26.11.2018	PRP & Remuneration	-	-	-	8.84
Mr A K Srivastava (Director Projects) From 24.06.2019	PRP & Remuneration	22.88	-	90.10	64.17
Mr. R.K Sarkar (Director Project) upto 24.06.19	PRP & Remuneration	-	-0.45	-	16.04
Mr. Bimal Ram Nagar (Chief Financial Officer) upto 15.03.2021	Remuneration	-	-	37.62	35.12
Mr. Mukesh Kumar (Company Secretary)	Remuneration	-	-	25.55	20.02
Total		22.88	-0.45	209.39	144.20

36.4 Employee benefit plans **(All Amounts are in Rs. Lacs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Leave Encashment	13.86	11.58
Gratuity	16.97	13.17

36.4.1 Employee Retirement Benefits

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

The disclosure required as per IND AS are provided below:

Actuarial Assumptions

(I) Economic Assumptions

Particulars	As at March 31, 2021	As at March 31, 2020
i) Discounting Rate	0.07	0.07
ii) Future salary Increase	0.05	0.05
iii) Expected Rate of return on plan assets		

(II) Actuarial Method

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

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

Particulars	As at March 31, 2021	As at March 31, 2020
i) Present value of obligation as at the beginning of the period	13.17	8.18
ii) Interest cost	0.89	0.63
iii) Current service cost	4.38	3.12
iv) Benefits paid	-	-
v) Actuarial (gain)/loss on obligation	-1.48	1.24
vi) Present value of obligation as at the end of period	16.97	13.17

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

Particulars	As at March 31, 2021	As at March 31, 2020
i) Current service cost	4.38	3.12
ii) Interest cost	0.89	0.63
iii) Net actuarial (gain) / loss recognized in the period	-1.48	1.24
iv) Expenses recognized in the statement of profit & losses	3.80	4.99

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

Particulars	As at March 31, 2021	As at March 31, 2020
i) Opening net liability	13.17	8.18
ii) Expenses as above	3.80	4.99
iii) Benefits paid	-	-
iv) Closing net Liability	16.97	13.17

Sensitivity Analysis of the defined benefit obligation.

a)	Impact of the change in discount rate		
	Present Value of Obligation at the end of the period	16.97	13.17
a)	Impact due to increase of 0.50%	-1.02	-0.84
b)	Impact due to decrease of 0.50 %	1.11	0.91
b)	Impact of the change in salary increase		
	Present Value of Obligation at the end of the period	16.97	13.17
a)	Impact due to increase of 0.50%	1.13	0.93
b)	Impact due to decrease of 0.50 %	-1.04	-0.85

Provision of Leave encashment is made on actuarial basis as summarized below :

The disclosure required as per IND AS 19, is provided below

Actuarial Assumptions

(I) Economic Assumptions

Particulars	As at March 31, 2021	As at March 31, 2020
i) Discounting Rate	0.07	0.07
ii) Future salary Increase	0.05	0.05
iii) Expected Rate of return on plan assets		

(II) Actuarial Method

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

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

Particulars	As at March 31, 2021	As at March 31, 2020
i) Present value of obligation as at the beginning of the period	11.58	6.56
ii) Interest cost	0.79	0.50
iii) Current service cost	4.94	3.38
iv) Benefits paid	-4.26	-
v) Actuarial (gain)/loss on obligation	0.81	1.14
vi) Present value of obligation as at the end of period	13.86	11.58

Sensitivity Analysis of the defined benefit obligation:

Particulars	As at March 31, 2021	As at March 31, 2020
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	13.86	11.58
a) Impact due to increase of 0.50 %	-0.80	-0.71
b) Impact due to decrease of 0.50 %	0.86	0.76
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	13.86	11.58
a) Impact due to increase of 0.50 %	0.88	0.77
b) Impact due to decrease of 0.50 %	-0.81	-0.72

Expense recognized in the statement of profit and loss

Particulars	As at March 31, 2021	As at March 31, 2020
i) Current service cost	4.94	3.38
ii) Interest cost	0.79	0.50
iii) Net actuarial (gain) / loss recognized in the period	0.81	1.14
iv) Expenses recognized in the statement of profit & losses	6.54	5.02

Movement in the liability recognized in the balance sheet

Particulars	As at March 31, 2021	As at March 31, 2020
i) Opening net liability	11.58	6.56
ii) Expenses as above	6.54	5.02
iii) Benefits paid	-4.26	-
iv) Closing net Liability	13.86	11.58

Assumptions as at March 31, 2021

Particulars	As at March 31, 2021	As at March 31, 2020
Gratuity		
1 Discount rate	6.80	6.79
2 Expected return on plan assets	-	-
3 Annual increase in costs	NA	NA
4 Annual increase in salary	0.05	0.05
Leave Encashment		
1 Discount rate	0.07	0.07
2 Expected return on plan assets	NA	NA
3 Annual increase in costs	NA	NA
4 Annual increase in salary	0.05	0.05

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

36.4.3. Earned Leave (EL) Benefit

Accrual – 20 days per year
Encashment while in service – 100% of Earned Leave balance subject to a maximum of 240 days per calendar year

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

36.4.4. Gratuity

15 days salary for each completed year of service. Vesting period is 5 years.
The gratuity fund is managed by self monitor of fund.

36.5 Sensitivity Analysis as on March 31, 2021 **(All Amounts are in Rs. Lacs)**

Particulars		As at March 31, 2021	As at March 31, 2020
Impact on Interest on Loan	0.05	452.48	536.23
Impact on Income from Mutual Fund	0.05	25.25	16.61

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, 2021	As at March 31, 2020
Bank Guarantee in respect Sales Tax/VAT	-	25.00
Bank Guarantee to DMRC	24.49	24.49
Income Tax Demand u/s 156 of The Income Tax Act.1961	0.26	0.99
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)	5,452.00	5,448.00
Total	**5,476.76**	**5,498.49**

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 have been filed against the company, the liability for which is not ascertainable.

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

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account:-	284.72	372.50

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

Particulars	As at March 31, 2021	As at March 31, 2020
(i) not later than one year;	39.22	29.32
(ii) later than one year and not later than five years;	156.12	140.41
(iii) later than five years.	119.90	67.72

36.6.5 Movement of Provisions :

Particulars	As at March 31, 2021	As at March 31, 2020
Truing up provision movement:		
Opening	9,594.99	5,371.48
Additional Provision	5,005.19	4,223.51
Closing balance	14,600.17	9,594.99
Gratuity:		
Opening	13.17	8.18
Additional Provision	3.80	4.99
Closing balance	16.97	13.17
Leave Encashment:		
Opening	11.58	6.56
Additional Provision	-2.28	5.02
Closing balance	9.30	11.58

36.7 Financial instruments

36.7.1 Interest rate risk management

The Company has exposed to interest rate risk because company has borrowed funds at fluctuating interest rates and current rate of interest is 6.44% and next reset is due in April 2021.

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, 2021	As at March 31, 2020
Financial Assets		
Measured at FVTPL		
Mandatory measured:		
a) Investment in Mutual Fund	7,861.37	10,471.97
Measured at Amortised Cost		
a) Trade receivables		
b) Cash & Cash Equivalents	4,827.47	6,579.95
c) Other Bank balances	4,011.11	40.05
d) Loans & Advances	5,324.42	2,320.24
e) Other Financial Assets	72.21	113.81
	2,990.14	3,043.10
Financial Liabilities		
Measured at Amortised Cost		
a) Borrowings (including current maturities of long term borrowings)	105,287.53	116,081.27
b) Trade Payables	275.30	440.98
c) Other Financial Liabilities	83.00	2,295.23

36.9 Financial risk management objectives

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

36.10 Market Risk

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

36.11 Foreign currency risk management

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

36.12 Interest rate risk management:

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's: Profit before tax for the year ended March 31, 2021 would decrease/increase by Rs 4.52 crore (For the year ended March 31, 2020: decrease/increase by Rs. 6.10 crore). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

36.13 Price risks:

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

36.13.1. Price sensitivity analysis:

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

Profit before tax for the year ended March 31, 2021 would increase/decrease by Rs. 393.07 Lakhs (For the year ended March 31, 2020 would increase/decrease by Rs 523.60 Lakhs) as a result of the changes in net asset value of investment in mutual funds."

36.14. Credit risk management:

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

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

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

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

Credit risk management :

Credit risk is managed and limited in accordance with the type of transaction and the creditworthiness of the counterparty. 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"

36.15. Liquidity risk management:

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities 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.

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

Particular	Less Than 1 Year	1 Year to 3 Year	More than 3 Year
As at March 31,2020			
- Borrowings (including current maturities of Long Term Borrowings)	11,312.46	33,937.38	70,831.43
- Trade Payables	440.98	-	-
- Other Financial Liabilities (Excluding current maturities of Long Term Borrowings)	2,295.23	-	-

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

Particular	Less Than 1 Year	1 Year to 3 Year	More than 3 Year
As at March 31,2020			
- Investments in Mutual fund	10,471.97	-	-
- Investments in FDR	2,391.00	2,495.94	-
- Trade Receivables	9,557.40	-	-
- Other Current Assets	219.52	-	-

36.16. Transaction in Foreign exchange :

Particulars	As at March 31, 2021	As at March 31, 2020
Foreign Tour Expenses ($ 825 in PY 19-20)	-	0.60

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

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

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

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

Particulars	As at March 31, 2021	As at March 31, 2020
Amount required to be spent during the year	144.91	120.30
Amount spent on CSR:	-	-
(a) Construction or acquisition of any asset	-	-
(b) on Purpose other than (a) above	149.81	122.67
Total Shortfall/(Excess) amount	-4.89	-2.37
Break-up of the amount spent on CSR :	-	-
Education and Skill Development expenses	52.14	97.17
Health and Sanitation expenses	82.77	25.49
Ecology and Environment Expenses	11.69	-
Other CSR activities	3.21	-
Salaries, wages and other benefits of Company's own CSR personnel limited to 5% of total amount required to be spent on CSR	-	-
Total Amount spent on CSR	149.81	122.67
Amount spent in Cash out of above	149.81	122.67
Amount yet to be spent in Cash		-

FOR SHIV & ASSOCIATES
Chartered Accountants
FRN 009989N

Sd/-
(Shiv Prakash Chaturvedi)
Partner
(M. No. 085084)
Place : Delhi
Date : 19.05.2021

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

Sd/-
(Ashwani Kumar Srivastava)
Director (Projects)
DIN : 0008496885

Sd/-
(Naveen Kumar Mishra)
Senior Manager

Sd/-
(Mukesh Kumar)
Company Secretary

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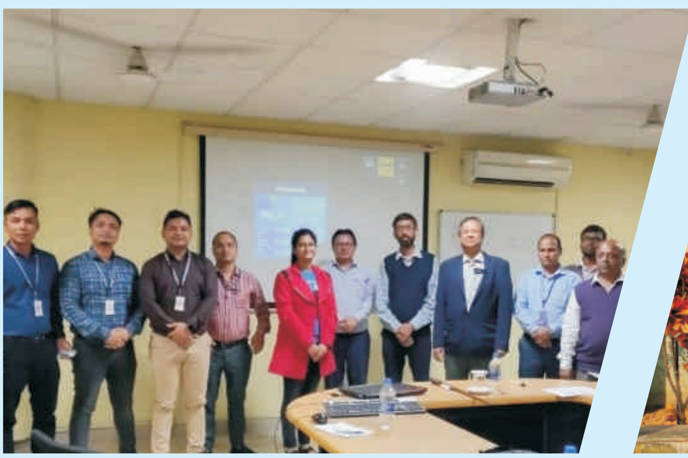
TRAININGS & EVENTS

SAFETY AWARENESS PROGRAMMES AT SITES

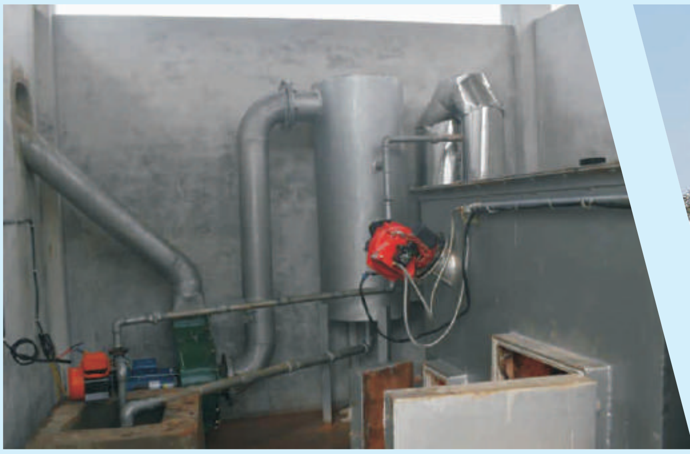


EMPLOYEES AT NATIONAL POWER TRAINING INSTITUTE, GUWAHATI

WOMEN'S DAY CELEBRATION

PLANTATION ON ENVIRONMENT DAY

CSR



INCINATORE INSTALLATION AT JOWAI, MEGHALAYA

5KW SOLAR PLANT INSTALLED AT GIRLS HOSTEL DHALAI, TRIPURA.

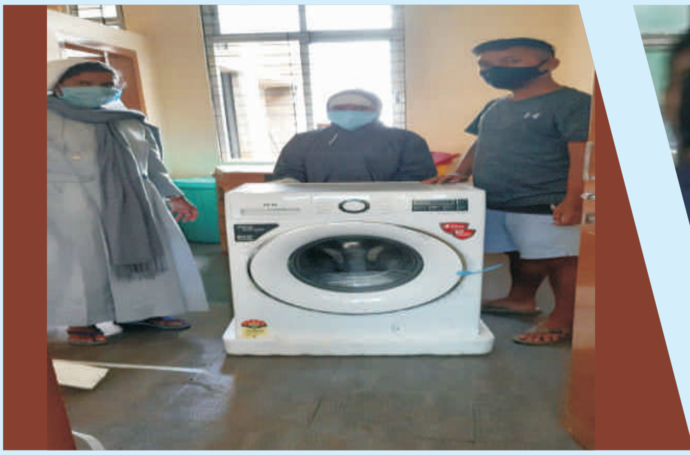
SOLAR STREET LIGHT, TRIPURA

RENOVATION OF SCHOOLS AT CACHER, ASSAM

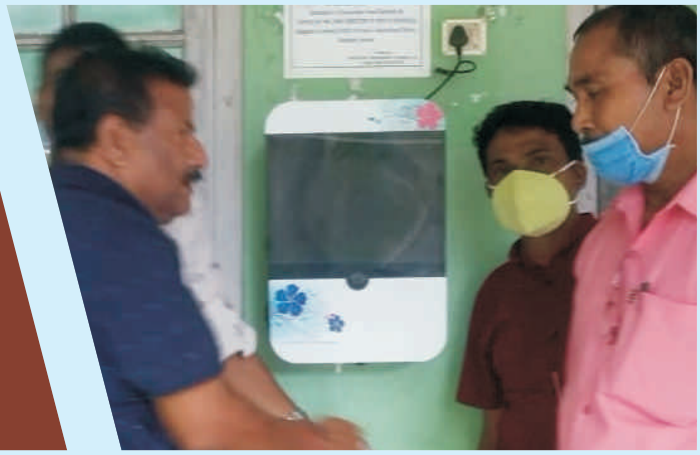
AMBULANCE DISTRIBUTION, MEGHALAYA

CYCLE DISTRIBUTION, ASSAM

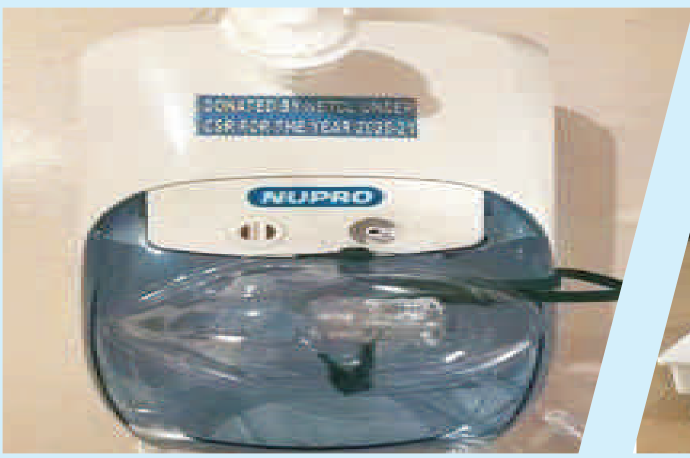
CSR-COVID PREVENTION



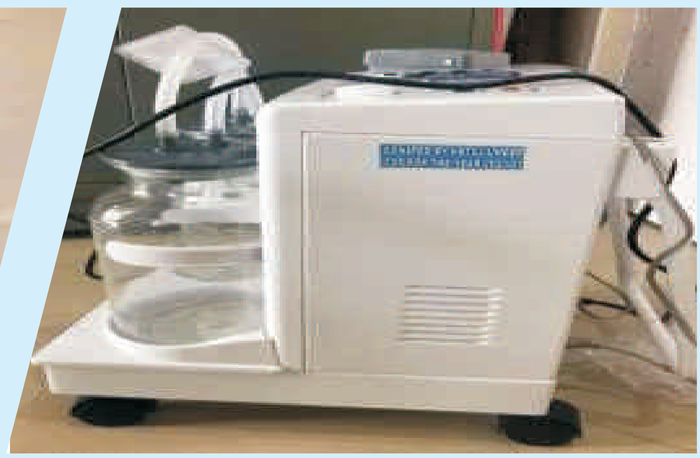
WASHING MACHINE INSTALLATION



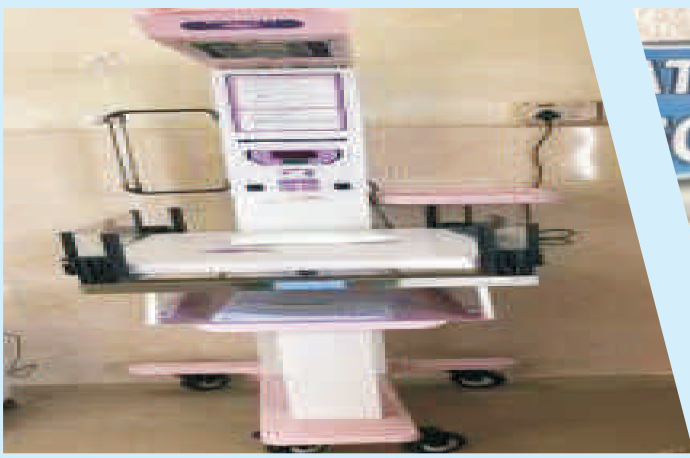
SANITIZER DISPENSER



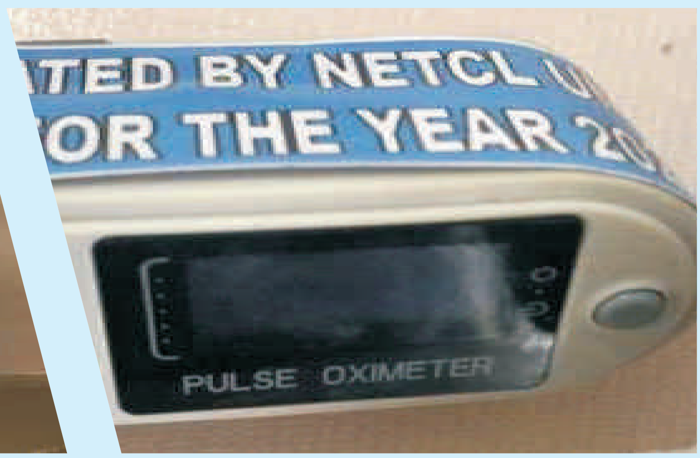
NEBULIZER KIT



SUCTION MACHIN



RADIANT WARMER



PULSE OXIMETER

NETC

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