



# NETC

North East Transmission Company Limited

ANNUAL  
REPORT  
**2018-19**



**Corporate Office, Delhi**



**Inauguration of Regd. Office at Agartala**

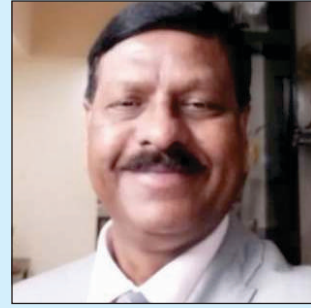
## BOARD OF DIRECTORS



MR. K. SREEKANT  
CHAIRMAN



MR. SATYAJIT GANGULY  
MANAGING DIRECTOR



MR. A. K. SRIVASTAVA  
DIRECTOR (PROJECTS)



MS. KAADAMBARI



DR. M. S. KELE



MR. N. C. PANDEY



MR. P. UMA SHANKAR



MR. S. N. KALITA



MR. T. C. SARMAH



MR. VANLALREMA



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

Email id: [netc@netcindia.in](mailto:netc@netcindia.in)

**Corporate Office:**

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

**Chief Financial Officer:**

Mr. Bimal Ram Nagar  
[bimalnagar@netcindia.in](mailto:bimalnagar@netcindia.in)

**Company Secretary:**

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

**Statutory Auditors:**

Gupta Nayar & Co., Chartered Accountants  
610, Jaksons Crown Heights, Plot No. 3 B1, Twin  
District Centre, Sector-10,  
Rohini, Delhi-110085

**Cost Auditors:**

K. G. Goyal & Associates, Cost Accountants  
289, Mahaveer Nagar-II, 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

**Bankers:**

Axis Bank Limited  
State Bank of India  
HDFC Bank Limited

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## NOTICE OF ELEVENTH (11<sup>TH</sup>) ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eleventh (11th) Annual General Meeting of the members of North East Transmission Company Limited will be held on Friday, the 20<sup>th</sup> of September 2019 at 1:00 p.m. in Hotel Taj Vivanta, 613, Mahapurush Sriamanta Sankradeva Road, Khanapara, Guwahati, Assam 781022 to transact the following business:

### ORDINARY BUSINESS:

#### 1. Adoption of Financial Statements

To consider and adopt the financial statements of the Company for the year ended March 31, 2019, and the reports of Board of Directors and Auditors thereon along with the comments of the Comptroller and Auditor General of India.

#### 2. Declaration of Dividend

To note the payment of interim dividend of Re. 0.50 per equity share and declare a final dividend of Re. 0.50 per equity share, for the financial year ended March 31, 2019.

#### 3. Re-appointment of Shri S. N. Kalita as a Director liable to retire by rotation

To appoint a Director in place of Shri S. N. Kalita (DIN 07876114), who retires by rotation and, being eligible, seeks reappointment.

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 152 and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company be, and is hereby accorded to reappoint Shri S. N. Kalita (DIN 07876114) as a director, liable to retire by rotation."

#### 4. To fix the remuneration of the Auditors of the company, appointed by the Comptroller and Auditor-General of India, for the financial year 2019-20.

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, the Auditors of the Company M/s Gupta Nayar & Company, appointed by the Comptroller and Auditor General of India, shall be entitled to such remuneration for the financial year 2019-20 as may be approved by the Board of Directors of the Company."

### SPECIAL BUSINESS

#### 5. Ratification of remuneration of the Cost Auditors of the Company for the financial year 2019-20.

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s K. G. Goyal & Associates, Cost Accountants (Firm Registration No. 00024), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2020, 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.”

#### 6. Appointment of Shri K. Sreekant as a Director of the Company

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

“RESOLVED that Shri K. Sreekant (DIN 06615674) a nominee of Power Grid Corporation of India Limited, who was appointed as an Additional Director of the Company with effect from 22<sup>nd</sup> August 2019 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.”

#### 7. Appointment of Mr. Navin Chandra Pandey as a Director of the Company

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

“RESOLVED that Mr. Navin Chandra Pandey (DIN 08252350) a nominee of ONGC Tripura Power Company Limited, who was appointed as an Additional Director of the Company with effect from 9<sup>th</sup> October 2018 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.”

#### 8. Appointment of Shri Yash Malik as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV of the said Act, Shri Yash Malik (DIN : 8529130), who was appointed as an Additional Director of the Company with effect from August 5, 2019 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto three consecutive years commencing from August 5, 2019.”

#### 9. Appointment of Dr. Murhari Sopanrao Kele as a Director of the Company

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

“RESOLVED that Dr. Murhari Sopanrao Kele (DIN 07323280) a nominee of Government of Tripura, who was appointed as an Additional Director of the Company with effect from 22<sup>nd</sup> August 2019 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.”

#### 10. Appointment Shri T. C. Sarmah as a Director of the Company

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

“RESOLVED that Shri T. C. Sarmah (DIN 07381585) a nominee of Power Grid Corporation of India Limited, who was appointed as an Additional Director of the Company with effect from 22<sup>nd</sup> August 2019 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.”

## 11. Appointment of Shri Vanlalrema as a Director of the Company

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

“RESOLVED that Shri Vanlalrema (DIN 08541424) a nominee of Government of Mizoram, who was appointed as an Additional Director of the Company with effect from 22<sup>nd</sup> August 2019 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.”

## 12. Appointment of Mr. Ashwani Kumar Srivastava as a Director of the Company

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

“RESOLVED that Mr. Ashwani Kumar Srivastava (DIN 0008496885) a nominee of Power Grid Corporation of India Limited, who was appointed as an Additional Director of the Company with effect from 3<sup>rd</sup> July 2019 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.”

## 13. Approval of appointment of Mr. Ashwani Kumar Srivastava as a Whole-time Director of the Company and approval of his remuneration

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), as amended or re-enacted from time to time, read with Schedule V to the Act and Articles of Association of the Company, the Company hereby approves the appointment Mr. Ashwani Kumar Srivastava (DIN 0008496885) as a Whole-time Director of the Company upon the terms & conditions and remuneration as approved by the Board of Directors of the Company in its meeting held on 24<sup>th</sup> July, 2019 and as set out in the Explanatory Statement annexed to the Notice, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such a manner as may be agreed to between the Board of Directors and Mr. Ashwani Kumar Srivastava.”

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

## 14. Approval of the appointment and payment of managerial remuneration to Mr. Robin Kumar Sarkar as a Whole-time Director of the Company.

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

“RESOLVED THAT in compliance of the provisions of sections 203, 196, 197 and Schedule V and other applicable provisions, if any, of the Companies Act 2013, consent of the shareholders be and is hereby accorded to ratify the appointment of Mr. Robin Kumar Sarkar as a Whole-time Director of the Company from 28<sup>th</sup> February, 2019 to 24<sup>th</sup> June, 2019 upon the terms and conditions as approved by the Board of Directors of the Company in its meeting held on February 28, 2019 and as set out in the Explanatory Statement annexed to this notice.”

## 15. Adoption of Memorandum of Association as per the provisions of the Companies Act, 2013

To consider and, if deemed fit, to pass with or without modification, the following Resolution as a *Special Resolution*:

“RESOLVED THAT pursuant to Section 13, 15 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force, and Rules made thereunder and subject to necessary statutory approvals and modifications if any, consent of the members be and is hereby accorded to adopt the new Memorandum of Association in place of the existing Memorandum of Association with no change in existing Clause III A containing the Main Objects sub-clause no. 1 to 3.

RESOLVED FURTHER THAT the existing Clause III B containing the “Objects Incidental or Ancillary to the attainment of Main Objects” sub-clause no. 1 to 38 be and is hereby renamed as “Matters which are necessary for furtherance of the Objects specified in Clause III(A).

RESOLVED FURTHER THAT the existing Clause III C containing the “Other Objects” sub clause no. 1 to 23 be and is hereby also stands deleted in full.

RESOLVED FURTHER THAT consent of shareholders of the Company be and is hereby accorded to approve and adopt the aforesaid changes in the Memorandum of Association of the Company and that Mr. Satyajit Ganguly, Managing Director, Mr. Bimal Ram Nagar, Chief Financial Officer and/or Mr. Mukesh Kumar, Company Secretary be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

#### 16. Adoption of Articles of Association as per the provisions of the Companies Act, 2013

To consider and, if deemed fit, to pass with or without modification, the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 14, 15 and any other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to adopt the new set of Articles of Association containing, inter-alia, Article no. 1 to Article no. 222 in place of existing Articles of Association containing Article No. 1 to Article no. 217 as available for inspection in the meeting and at the registered office of the company during working hours.

RESOLVED FURTHER THAT Mr. Satyajit Ganguly, Managing Director, Mr. Bimal Ram Nagar, Chief Financial Officer and/or Mr. Mukesh Kumar, Company Secretary be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

**By Order of the Board of Directors**

Sd/-

Place: Delhi  
Dated: 23.08.2019

**(Mukesh Kumar)**  
**Company Secretary**

#### Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) in respect of the business under Item No. 5-16 of the Notice, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company’s Registered Office, duly

completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of Limited Companies, Governors, etc., must be supported by appropriate Resolutions / Authority, as applicable. A person can act as proxy on behalf of Members holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
4. A route map giving directions to reach the venue of the 11<sup>th</sup> Annual General Meeting ('AGM') is given at the end of the Notice.
5. 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, will be available for inspection at the Annual General Meeting.
6. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip, which is enclosed with the notice. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the Registration Counter at the venue.
7. Record date and Dividend:
  - A. 20<sup>th</sup> September 2019 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 20<sup>th</sup> September, 2019.
  - B. Members are requested to provide details of their bank account in which the amount of the dividend can be credited.
8. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the Meeting.
9. Members/ Proxies should bring the enclosed Attendance Slip duly filled in, for attending the AGM, along with their copy of the Annual Report.
10. 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.
11. A copy of the proposed Memorandum of Association and Articles of Association of the Company would be available for inspection for the members at the Registered Office/Corporate Office of the Company during the office hours on any working day, except Saturdays, Sundays and public holidays, between 11.00 a.m. to 5.00 p.m. till the date of the AGM.
12. The Resolutions, if passed by the requisite majority, shall be deemed to have been passed on the date of the 11<sup>th</sup> Annual General Meeting i.e. 20.09.2019.

**By Order of the Board of Directors**

**Sd/-**

Place: Delhi  
Dated: 23.08.2019

**(Mukesh Kumar)**  
**Company Secretary**

## EXPLANATORY STATEMENT

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

### Item No. 5

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s K. G. Goyal & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2020. 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 their relatives, are concerned or interested (financially or otherwise) in this Resolution.

The Board recommends the Ordinary Resolution set out at Item no. 5 for the approval of Members.

### Item No. 6

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the appointment of Shri K. Sreekant in the Annual General Meeting as a Director of the Company, nominated by Power Grid Corporation of India Limited. Shri K. Sreekant was appointed as an Additional Director of the Company on 22<sup>nd</sup> August 2019 by a Board resolution passed by circulation. He is nominated by Power Grid Corporation of India Limited pursuant to the Shareholder 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 of India Limited, Government of Meghalaya, Government of Mizoram, Government of Manipur and Government of Nagaland.

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

Shri K. Sreekant (55 years), (DIN: 06615674) is Chairman & Managing Director of Power Grid Corporation of India Limited. He is CMA and PGDM (Finance) from Management Development Institute, Gurgaon. He has over 33 years of experience in the power sector in the areas of Long-Term Financial Planning, Investment Appraisals, formulation of Capital Budgets, Resource Mobilization from domestic and international markets, Corporate Accounts, Commercial, Regulatory Affairs and Enterprise Resource Planning Systems. He was appointed as a Director on Board of POWERGRID in September, 2016.

None of the Directors or Key Managerial Personnel and their relatives, except Shri Ashwani Kumar Srivastava, Shri T. C. Sarmah, being Directors nominated by POWERGRID and Shri K. Sreekant himself, are concerned or interested in this Resolution.

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

### Item No. 7

Based on recommendation of Nomination & Remuneration Committee, the Board of Directors proposes the appointment of Mr. Navin Chandra Pandey in the Annual General Meeting as a nominee Director of the Company. Mr. Navin Chandra Pandey (DIN 08252350) was appointed as Additional Director of the Company w.e.f. 9<sup>th</sup> October, 2018. He is nominated by the ONGC Tripura Power Company Ltd. pursuant to the Shareholders Agreement dated February 3, 2009 executed between the Company, ONGC Tripura Power Company Ltd., Power Grid Corporation of India Limited, Government of Tripura and subsequent deed of adherence signed with Assam Electricity Grid Corporation Limited, Government of Meghalaya, Government of Mizoram, Government of Manipur and Government of Nagaland.

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

Mr. Navin Chandra Pandey (59 years), a Mechanical Engineering graduate from Moti Lal Nehru Regional Engg. College, Allahabad (NIT, Allahabad), is Director (T & FS) in Oil and Natural Gas Corporation Limited. Mr. Pandey has a vast experience of over 36 years in oil and gas industry. He held various key positions in offshore & onshore assignments in various departments in oil & gas asset management, operations and services. He has a strong track record for delivery of the projects with his excellent project execution skills. He was conferred CMD's MANAGER OF THE YEAR AWARD in 2007 for converting ONGC first offshore rig Sagar Samrat to Dumb Barge from self-propelled rig.

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Satyajit Ganguly being Managing Director of OTPC and Mr. Navin Chandra Pandey 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 of Directors of the Company had appointed Shri Yash Malik (DIN 08529130) as an Additional Director of the Company with effect from August 5, 2019. He is Independent Director of the Company. In accordance with the provisions of Section 161 of Companies Act, 2013, Shri Yash Malik shall hold office up to the date of the forthcoming Annual General Meeting.

Based on the recommendation on Nomination Remuneration Committee, at the Board of Director proposes the appointment of Mr. Yash Malik as an Independent Director of the Company in the Annual General Meeting.

Mr. Yash Malik (61 years), Former Executive Director of Oil & Natural Gas Corporation Ltd. (ONGC), as an Independent Director of the Company. Mr. Yash Malik is a BE (Mining Engineering) Gold Medalist from Jodhpur University and Master Degree in Financial Management, JBIMS. Mr. Yash Malik is a highly experienced professional with more than 36 years of professional work experience having a comprehensive and keen understanding of the energy business with active interest in upstream oil and gas. Specialty focus areas includes Corporate Board-level management, Strategic Planning, Marketing, Onshore and Offshore oil/gas field operations / process, sour gas processing, contracts and project monitoring with a proven ability deliver production and marketing goals and objectives of the upstream sector within stipulated timelines.

The Company has received a declaration of independence from Shri Yash Malik. In the opinion of the Board, Shri Yash Malik fulfils the conditions specified in the Companies Act, 2013, for appointment as Independent Director of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day.

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

The Board commends the Ordinary Resolution set out at Item no. 8 for approval of the Members.

#### Item No. 9:

Based on recommendation of Nomination & Remuneration Committee, the Board of Directors proposes the appointment of Dr. Murhari Sopanrao Kele, nominated by the Government of Tripura, as a Director of the Company in the Annual General Meeting. Dr. Murhari Sopanrao Kele (DIN: 07323280) was appointed as an Additional Director of the Company w.e.f. August 22, 2019. He is nominated by the Government of Tripura pursuant to the Shareholders Agreement dated February 3, 2009, executed between the Company, ONGC Tripura Power Company Ltd., Power Grid Corporation of India Limited, Government of Tripura and subsequent deed of adherence signed with Assam Electricity Grid Corporation of India Limited, Government of Meghalaya, Government of Mizoram, Government of Manipur and Government of Nagaland.

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

Dr. Murhari Sopanrao Kele (53 years) is graduate in Electrical Engineering with MBA and LLB from Aurangabad University besides holding other academics qualifications in Power Distribution Management, Energy Audit, Journalism etc. He has done PHD in Power Distribution Franchisee from Nagpur. He has authored 7 books and has contributed over 150 articles on various topics in various magazines and newspapers. He is multidimensional personality with over 30 years of rich experience in power distribution sector. He is a leading expert & analysts in the power distribution. He is Chairman-Cum-Managing Director of Tripura State Electricity Corporation Limited (TSECL). He is also in the Board of ONGC Tripura Power Company Limited (OTPC). Before joining as CMD, TSECL he has worked at key positions with various private and public sector companies.

None of the Directors or Key Managerial Personnel or their relatives, except Dr. Murhari Sopanrao Kele himself, are concerned or interested in this Resolution.

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

#### Item No. 10

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the appointment of Shri T. C. Sarmah in the Annual General Meeting as a Director of the Company, nominated by Power Grid Corporation of India Limited. Shri T. C. Sarmah was appointed as Additional Director of the Company on 22<sup>nd</sup> August 2019 by a Board resolution passed by circulation. He is nominated by Power Grid Corporation of India Limited pursuant to the Shareholders Agreement dated February 3, 2009 executed between the Company, ONGC Tripura Power Company Ltd., Power Grid Corporation of India Limited, Government of Tripura and subsequent deed of adherence signed with Assam Electricity Grid Corporation of India Limited, Government of Meghalaya, Government of Mizoram, Government of Manipur and Government of Nagaland.

As per the provisions of Section 161 of the Act, he holds office of Additional Director only up to the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director Shri T. C. Sarmah, (58 years), DIN - 07381585, is Executive Director (BDD&JV) of Power Grid Corp. of India Ltd. He graduated in Electrical Engineering from Jorhat Engineering College and has a diverse experience in Power Sector of more than 33 years. He started his career from BRPL in 1985, then he joined NTPC in April 1986. Thereafter, he has been associated with POWERGRID from 1991. He has worked in various key departments like PESM, Commercial, etc. He has been associated in construction of various Transmission Lines, Sub/stations in North East Region, Western Region and Northern Region of POWERGRID. Presently he is heading the Business Development team of POWERGRID. He was associated with successful execution of UPPCL Lalitpur Project & Railway Electrification of Mansi -Saharsa Railway Line.

None of the Directors or Key Managerial Personnel and their relatives, except Shri Ashwani Kumar Srivastava, Shri K. Sreekant, being Directors nominated by POWERGRID and Shri T. C. Sarmah himself, are concerned or interested in this Resolution.

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

#### Item No. 11

Based on recommendation of Nomination & Remuneration Committee, the Board of Directors proposes the appointment of Shri Vanlalrema (DIN 08541424) a nominee of Government of Mizoram, as a Director of the Company in the Annual General Meeting. Er. Vanlalrema was appointed as Additional Director of the Company w.e.f. August 22, 2019. He is nominated by the Government of Mizoram pursuant to the Shareholders Agreement dated February 3, 2009, executed between the Company, ONGC Tripura Power Company Ltd., Power Grid Corporation of India Limited, Government of Tripura and subsequent deed of adherence signed with Assam Electricity Grid Corporation of India Limited, Government of Meghalaya, Government of Mizoram, Government of Manipur and Government of Nagaland.

As per the provisions of Section 161 of the Act, he holds office of Additional Director only up to the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director. Er. Vanlalrema (59

years) is graduated in Electrical Engineering from Assam Engineering College, Guwahati, Assam way back in 1984. He has more than 34 years of experience in various fields of Electrical Engineering, holding key positions under Power & Electricity Department, Government of Mizoram. Currently, he is holding the post of Chief Engineer, System Operation, Power & Electricity Department, Government of Mizoram.

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

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

### Item No. 12 & 13

Based on recommendation of Nomination & Remuneration Committee, the Board of Directors proposes the appointment of Mr. Ashwani Kumar Srivastava in the Annual General Meeting as a Director of the Company nominated by Power Grid Corporation of India Limited. Mr. Ashwani Kumar Srivastava (DIN 0008496885) was appointed as Additional Director of the Company w.e.f. 3<sup>rd</sup> July, 2019 by a Board Resolution passed by circulation. He is nominated as a full time Director in the Board of the Company with effect from 25.06.2019 by Power Grid Corporation of India Limited (POWERGRID) pursuant to the Shareholders Agreement dated February 3, 2009 executed between the Company, ONGC Tripura Power Company Ltd., POWERGRID, Government of Tripura and subsequent deed of adherence signed with Assam Electricity Grid Corporation of India Limited, Government of Meghalaya, Government of Mizoram, Government of Manipur and Government of Nagaland.

Mr. Ashwani Kumar Srivastava (58 years) is a graduate in Electrical Engineering from IIT Roorkee. He joined NTPC in 1985 and in 1991 absolved POWERGRID as Senior Engineer. He has around 34 years of rich experience in power transmission system which inter alia includes design, construction, operation & maintenance, consultancy and project management. He has successfully commissioned various transmission line and substation projects of 765 kV, 400 kV, 220 kV and 66 kV voltage level.

He was project in charge for construction of world bank funded NERPSIP Scheme Project and comprehensive scheme Project in Arunachal Pradesh. Before his nomination in NETC he was posted at Corporate Centre of POWERGRID in Gurgaon, Haryana as Chief General Manager and was looking after BDD, CSR and Corporate Monitoring Department related with the projects of POWERGRID.

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

Mr. Ashwani Kumar Srivastava has been appointed as a Whole-time Director by the Board of Directors of the Company in its meeting held on 24.07.2019. He is entitled a remuneration given hereinbelow with effect from the date of his joining in NETC i.e. 25.06.2019.

The main terms and conditions of appointment of Mr. Ashwani Kumar Srivastava (hereinafter referred to as an "Whole-time Director") are given below:

#### A. Tenure of Appointment:

The appointment of Whole-time Director is for a period of two years with effect from 24<sup>th</sup> July 2019.

#### B. Nature of Duties:

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

#### C. Remuneration:

Following remuneration as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors of the Company is payable to him with effect from June 25, 2019:

Particulars	Amount (Rs. per month)	Amount (Rs. per annum)
Basic Pay (increments as applicable)	219500	2634000
HRA	52680	632160
Cafeteria Allowance (35% of Basic Pay)	76825	921900
Transfer Settlement Bene.	75	900
Dearness Allowance (As per June 2019 salary)	21950	263400
Deput. Allow. PGCIL Pay	4500	54000
<b>Total</b>	<b>375530</b>	<b>4506360</b>

In addition to above he will be entitled to leave salary, superannuation benefits, incremental DA and increments on basic pay as per the POWERGRID Policy. In future, if the employee opts for lease facility, the payment shall be as per the policy of POWERGRID. He will be also entitled to the reimbursement of medical expenses, hospital expenditure, Telephone Expenditure as per the policy of POWERGRID.

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

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

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

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

In addition to above, Shri Ashwani Kumar Srivastava is entitled to following benefits/facilities as per the policy of the Company:

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

#### **D. Other terms of Appointment:**

- i. The terms and conditions of the appointment of the Whole-time Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard, in such manner as may be agreed to between the Board and the Whole-time Director, subject to such approvals as may be required.
- ii. The employment of the Whole-time Director may be terminated by the Company without notice or payment in lieu of notice:
  - a. if the Whole-time Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company; or
  - b. in the event of any serious repeated or continuing breach (after prior warning) or non-observance of his duty by the Whole-time Director;

- iii. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Whole-time Director, unless specifically provided otherwise.
- iv. If at any time, the Whole-time Director ceases to be a Director of the Company for any reason whatsoever, he shall also cease to be the Whole-time Director.

None of the Directors or Key Managerial Personnel and their relatives, except Shri K. Sreekant, Shri T. C. Sarmah being Directors nominated by POWERGRID and Mr. Ashwani Kumar Srivastava himself, are concerned or interested in this Resolution.

The Board recommends the Ordinary Resolution set out at Item no. 12 & 13 for approval of the Members.

#### Item No. 14

Mr. Robin Kumar Sarkar (DIN 07634505) was appointed as an Additional Director of the Company w.e.f. November 26, 2018. He was nominated by Power Grid Corporation of India Limited (POWERGRID) pursuant to the Shareholders Agreement dated February 3, 2009 executed between the Company, ONGC Tripura Power Company Ltd., POWERGRID, Government of Tripura and subsequent deed of adherence signed with Assam Electricity Grid Corporation Limited, Government of Meghalaya, Government of Mizoram, Government of Manipur and Government of Nagaland.

Mr. Robin Kumar Sarkar is a graduate in Electrical Engineering from IIT Roorkee. He has around 35 years of rich experience in power transmission system which inter alia includes design, construction, operation & maintenance, consultancy and project management. He has been actively involved in designing of AIS and GIS sub-stations upto 765 kV voltage level in POWERGRID. As a Project Manager for Jharkhand consultancy work of Rs. 1400 Crore, he has commissioned a number of transmission lines and sub-stations upto 400 kV voltage level.

He has participated in various CIGRE working groups committees. His technical papers in the field of transmission system have been published in various national and international conferences/ symposia like CBIP and CIGRE. In his career path he has served various organizations in power sector like MPEB, NTPC, POWERGRID. He has also been a Director of the Company earlier from 28.12.2016 to 05.07.2017. During this tenure he also worked as a Whole-time Director of the Company. He has also been a Whole-time Director of Torrent Power Grid Limited .

Mr. Sarkar, had joined at the Corporate office of the Company with effect from 26.11.2018 (AN) as he was nominated as a Whole-time Director of the Company. However, he was appointed as a Whole-time Directors by the Board of Directors of the Company with effect from February 28, 2019 in the Board meeting held on the same date. Subsequently, he has resigned from the Board of the Company with effect from 24<sup>th</sup> June, 2019 pursuant to his repatriation to POWERGRID.

Remuneration with effect from 27.11.2018 to 24.06.2019 (both date inclusive) was paid to him as per following details:

Particulars	Amount (Rs. per month)	Amount (Rs. per annum)
Basic Pay (increments as applicable)	2,19,500	2,63,4000
DA as on 01.01.2019 @8.8% of Basic Pay (*)	19,316	2,31,792
HRA (24% of Basic)	52,680	6,32,160
Special Allowance (**)	76,825	9,21,900
Transfer Settlement Benefits	75	900
Recovery of Conveyance (***)	-2,000	-24000
Deputation Allowance (#)	9,000	1,08,000
<b>(A) Pay &amp; Allowances*** (Not included in calculation)</b>	<b>3,77,396</b>	<b>45,28,752</b>
Residential office entertainment expenditure reimbursement	1,500	18,000
Electricity reimbursements	1,300	15,600
Servant Expenses reimbursements (as per minimum wages applicable from time to time)	14,378	17,2536
<b>(B) Other Benefits to Employees</b>	<b>17,178</b>	<b>20,6136</b>
<b>(A)+(B)</b>	<b>3,94,574</b>	<b>47,34,888</b>

Particulars	Amount (Rs. per month)	Amount (Rs. per annum)
Provident Fund (Company's contribution) @ 12% of (Basic + DA)	28,658	3,43,896
PF Admin charges @0.185% of (Basic + DA)	442	5,304
Gratuity Contribution @ 4.81% of (Basic + DA)	11,487	1,37,844
Gr Ins Premium + EDLI	238	2,856
GPAI Ins. Premium	286	3,432
EDCSB(Pension) @ 9% of (Basic + DA)	21,493	2,57,916
Leave salary @11% of (Basic + DA)	26,270	3,15,240
PRMB Contribution @ 4.19% of (Basic + DA)	10,006	1,20,072
<b>(C) Contribution to POWERGRID ^^</b>	<b>98,880</b>	<b>11,86,560</b>
<b>(A)+ (B) + (C)</b>	<b>4,93,454</b>	<b>59,21,44</b>

\*DA as on 01.01.2019 is Rs. 19316 @ 8.8% of Basic Pay. Incremental DA and increments on basic pay was payable as per the policy of Power Grid Corporation of India Limited.

\*\* The special allowance was towards compensation for cafeteria perks @ 35 % of the basic pay.

^^ Contribution to POWERGRID would be as per the terms and conditions to be finalized with POWERGRID. If any of these rates undergo revision by POWERGRID, the same would be applicable for the incumbent.

(#) Any Revision in deputation allowance would be payable as and when revised.

The remuneration/ emoluments and benefits as drawable by the incumbent in POWERGRID would be fully protected.

PRP was released as per the notification from POWERGRID for the period of Deputation served.

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

Further allowances was paid in the following manner:

- Mobile handset and laptop as per Company Policy;
- Residential Phone, Mobile & Internet charges reimbursement as per Company policy;
- Medical reimbursement, including hospitalization for self and dependent family members, as per POWERGRID rules;
- Company provided chauffeur driven car including parking/ toll tax / road tax etc. or Rs. 76,000 per month to the incumbent in lieu thereof.
- Reimbursement of cost of crockery/ uniform/ towels/ other items, as per POWERGRID rules/ circulars issued from time to time.
  - (a) Furniture/ furnishing/ equipment for residential office as per the applicable list of POWERGRID amounting to Rs. 2,50,000/- and maintenance as per POWERGRID circular ref: C/HR/Policy/17.4/16 dated 28.10.16, as amended from time to time.
  - (b) Further items / equipment shall also be provided as per POWERGRID circular ref: C:HR:Pol:5 dated 19.10.05, as amended from time to time.

None of the Directors or Key Managerial Personnel or relatives of directors and KMPs except Shri K. Sreekant, Shri T. C. Sarmah and Mr. Ashwani Kumar Srivastava, being Directors nominated by POWERGRID, and Mr. Robin Kumar Sarkar (who has now resigned from the directorship) is concerned or interested in the resolutions at Item No.14 of the Notice relating to his appointment and remuneration.

The Board recommends the Resolutions at Item No. 14 for approval by the Members.

**Item No. 15:**

The Companies Act, 2013, has prescribed a new format of Memorandum of Association (“MOA”) for public companies limited by shares. Accordingly, with a view to align the existing MOA of the Company with Table A of the Schedule I of the Act and in accordance with Section 4 and 13 of the Act, it is proposed to alter the MOA of the Company by deleting the Objects under Clause III (C) – “Other Objects” and also to rename clause III (B) of the Object Clause. The Board at its meeting held on 24<sup>th</sup> July, 2019 has approved alteration of the MOA of the Company and recommends the Special Resolution set forth in Item No. 15 of the Notice for approval of the Members. The proposed draft MOA is being uploaded on the Company’s website for perusal by the Members. Further, a copy of the proposed MOA of the Company would be available for inspection by the Members at the Registered Office/Corporate Office of the Company during the office hours on any working day, except Saturdays, Sundays and public holidays, between 11.00 a.m. to 5.00 p.m. till the date of AGM. The aforesaid documents are also available for inspection at the AGM. None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the resolution except to the extent of their shareholding, if any, in the Company.

**Item No. 16:**

The existing Articles of Association (AOA) are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Companies Act, 2013 (“the Act”). Till the date the Ministry of Corporate Affairs (“MCA”) had notified almost all the Sections of the Act for implementation. With the coming into force of the Act, several regulations of the existing AOA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to replace wholly the existing AOA by a new set of AOA. Pursuant to Section 14 of the Act, the consent of the Members by way of Special Resolution is required for alteration of AOA of the Company. The Board recommends the Special Resolution set forth in Item No. 16 of the Notice for approval of the Members. The proposed new draft AOA is being uploaded on the Company’s website for perusal by the Members.

Further, a copy of the proposed AOA of the Company would be available for inspection for the Members at the Registered Office/Corporate Office of the Company during the office hours on any working day, except Saturdays, Sundays and public holidays, between 11.00 a.m. to 5.00 p.m. till the date of AGM. The aforesaid documents are also available for inspection at the AGM. None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the resolution except to the extent of their shareholding, if any, in the Company.

**By Order of the Board of Directors**

**Sd/-**

**(Mukesh Kumar)**  
**Company Secretary**

Place: Delhi  
Dated: 23.08.2019

## BOARD'S REPORT

Dear Shareholders

I am delighted to present on behalf of the Board of Directors, the 11<sup>th</sup> Annual Report on the performance of your Company during the financial year ended on March 31, 2019 together with audited Financial Statements, Auditors' Report and comments of the Comptroller and Auditor General of India on the Financial Statements.

### 1. PROJECT OPERATION

400 kV D/C Palatana-Bongaigaon Transmission line having line length of 662.8 KMs has been constructed by North East Transmission Company Limited (NETC) for evacuation of power from 726.6 MW Gas Based Combined Cycle Power Project (GBCCPP) of ONGC Tripura Power Company (OTPC) at Palatana, Tripura. The entire line was progressively put into commercial operation from February 2015. The entire Transmission Line from Palatana to Bongaigaon is connected to the States of Tripura, Assam and Meghalaya through substations at Silchar, Azara & Bongaigaon in Assam and Byrnihat in Meghalaya.

The total stretch of 662.8 kms of the 400 kV interstate transmission line is divided into following five assets:

Asset No.	Section	Type	Distance (Kms)	Date of Commissioning
I	Palatana- Silchar	D/C 2	47.39	01.09.2012
II	Silchar – Byrnihat	2 <sup>nd</sup> Ckt of D/C	214.41	01.03.2013
III	Byrnihat-Bongaigaon	2 <sup>nd</sup> Ckt of D/C	201.00	22.02.2015
IV	Silchar-Azara	1 <sup>st</sup> Ckt of D/C	256.41	27.07. 2014
V	Azara- Bongaigaon	1 <sup>st</sup> Ckt of D/C	159.00	16.01.2015

The project became completely operational from February 2015.

### 2. FINANCIAL PERFORMANCE (Amount in Rs. crore)

Particulars	Financial Year ended	
	March 31, 2019	March 31, 2018
Paid- up Capital	411.40	411.40
Reserve & Surplus	72.11	31.31
Non-Current Liabilities:		
Secured Loans	1187.81	1300.93
Other Non-Current Liabilities	15.56	15.56
Current Liabilities	180.52	224.72
<b>Total Equity and Liabilities</b>	<b>1867.41</b>	<b>1983.92</b>
Non-current Assets	1607.62	1716.96
Current Assets	259.79	266.96
<b>Total Assets</b>	<b>1867.41</b>	<b>1983.92</b>
Total Income	341.07	353.21
Total Expenditure excluding depreciation and tax	144.79	178.20
Profit/(Loss) before Depreciation and Tax	196.28	175.00
Depreciation on Fixed Assets	113.24	116.20
Profit/(Loss) before Tax	83.04	58.80
Tax Expense	17.49	(25.04)
<b>Profit / (Loss) after Taxation</b>	<b>65.55</b>	<b>83.84</b>
<b>Other Comprehensive Income</b>	<b>0.04</b>	<b>(0.02)</b>
<b>Total Profit</b>	<b>65.60</b>	<b>83.82</b>
<b>Interim Dividend &amp; Dividend Distribution Tax</b>	<b>(24.80)</b>	<b>(19.81)</b>
Balance of Profit/(Loss) Brought Forward	31.31	(32.70)
Balance of Profit/(Loss) Carried Forward	72.11	31.31

## 2. DIVIDEND

The Board of Directors of the Company in its 54<sup>th</sup> meeting held on 28.02.2019 has declared an Interim Dividend for the Financial Year 2018-19 at the rate of 5% (Re. 0.50/- per share) amounting to Rs. 24.80 crore including dividend tax on the Equity share capital of the Company. The Board has recommended the member of the Company to declare a final dividend at the rate of 5 % on the Equity share capital of the Company. The dividend will be paid once the members declare the same in the forthcoming Annual General Meeting of the Company.

Based on the Company's performance, the Board of Directors of your Company is pleased to recommend a final dividend at the rate of 5% i.e. Re.0.50 per equity share for Financial Year 2018-19 taking the total dividend to 10% i.e. Re. 1.00 per share. The total dividend paid for FY 2017-18 was at the rate of 4% i.e. Re. 0.40 per share. The final dividend on equity shares, if approved by the members, would involve a cash outflow of 24.80 crore, including dividend tax. The total dividend on equity shares including dividend tax for Financial Year 2018-19 would aggregate Rs. 49.60 crore, resulting in a payout of 75.60 percent of the total profits after the tax (PAT) of the Company.

## 3. RESERVES

The closing balance of the retained earnings of the Company for Financial Year 2018-019, after all appropriation and adjustments was Rs.45.63 crore. During the year, your Company has transferred Rs. 5.50 Crore to Self-Insurance Reserve on account of augmentation of corpus fund against contingency that may occur to the Transmission Line Project of the Company.

## 4. 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 Audit of the Company to conduct Internal Audit on quarterly basis. The observations of the Internal Auditors 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.

## 5. 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 2018-19, the Company maintained availability of the transmission system at 99.97%. To maintain such high availability, preventive maintenance activities are planned well in advance. During Financial Year 2018-19, 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 bentonite slurry (chemical earthing) to reduce tower footing resistance in lightning prone area which in turn resulted into line availability.

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

Division work of 400 KV Silchar-Byrnihat Portion of the transmission line for factitating construction of Tetalia-Byrniha Railway Line has been completed during the reporting period

## 6. 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 AA+ and stated that the outlook on the long-term rating is stable.

## 7. 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.

## 8. SHIFTING OF CORPORATE OFFICE AND REGISTERED OFFICE

During the period under review the Corporate office of the Company has been shifted from #217, 2<sup>nd</sup> Floor, D-21, Corporate Park, DMRC Building, Sector-21, Dwarka, New Delhi-110077 to #2C, 3<sup>rd</sup> Floor of the same premises.

The Registered Office of the Company has been shifted from House No. 051358, Dhaleswar, Road No.3., Post Office Dhaleswar, Police Station East Agartala, Tripura 799007 to Company's own newly constructed office cum stores and transit house in Vill- East Champamura, Bypass Road, Near Asian Paint Godown, P/O- Old Agartala, District- West Tripura, Pin- 799008 (Agartala) with effect from 1<sup>st</sup> March 2019.

## 9. DEPOSITS

The Company has not invited any deposits from the public under Section 73 of the Companies Act, 2013.

## 10. 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.

## 11. AUDITORS

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India. The office of the Comptroller and Auditor General of India (CAG) has appointed M/s Gupta Nayar & Company, Chartered Accountant, as the Statutory Auditors of the Company for the Financial Year 2018-19.

## 12. COST AUDITORS

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 accounting records and get them audited every year.

Your company has re-appointed the Cost Auditors M/s K. G. Goyal & Associates, Cost Accountants, as cost auditors of the Company for the financial year 2018-19. The Cost Auditors' report for the Financial Year 2018-19 does not contain any qualifications, reservations or adverse remarks.

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

## 13. 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/s Kumar Naresh Sinha &

Associates, a firm of Company Secretaries in practice, to conduct the Secretarial Audit of the Company for the Financial Year 2018-19. The report of the Secretarial Audit is annexed to this report as **Annexure I**. The Secretarial Auditors' report for the Financial Year 2018-19 does not contain any qualifications, reservations or adverse remarks.

#### 14. AUDITORS' REPORT

The auditors' report for the Financial Year 2018-19 does not contain any qualifications, reservations or adverse remarks. No fraud is reported by auditors under sub-section (12) of section 143 of the Companies Act, 2013.

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

The CAG has conducted the Supplementary Audit of the Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March, 2019. The copy of the letter received from CAG along with the Board explanation thereon is attached at **Annexure-II** to this Report.

#### 16. RELATED PARTY TRANSACTION

None of the transactions with related parties 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** to the report.

#### 16. 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. There was no foreign exchange inflow or outflow during the year under review.

#### 18. 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.

#### 19. EXTRACT OF ANNUAL RETURN

Identification of risks in advance and taking of preventive measure to avoid the risks 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.

An extract of Annual Return under section 92 (3) of the Companies Act, 2013 is annexed at Annexure-IV. 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\\_2018-19.pdf](http://netcindia.in/pdf/Annual_Return_2018-19.pdf).

#### 20. RISK MANAGEMENT POLICY

Identification of risks in advance and taking of preventive measure to avoid the risks 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.

The Board of Directors of the Company in its 42<sup>nd</sup> meeting held on 01.09.2016 has approved the Risk Management Policy of the Company. The Risk Management Policy has identified the element of risk which may adversely affect the Company.

## 21. BOARD AND INDIVIDUAL DIRECTORS EVALUATION

The Company has a formal process for evaluation of the Board, its Committee and individual Directors on annual basis. The Board of Directors of the Company in its 55<sup>th</sup> meeting held on 30.04.2019 has evaluated the Board, its committees and individual Directors accordance with the Board Evaluation Policy of the Company.

## 22. BOARD OF DIRECTORS

During the Financial Year 2018-19 some changes have taken place in the Continuation of the Board of Directors of the Company. Mr. Navin Chandra Pandey, Mr. R. K. Sarkar and Mr. Ravi P. Singh were appointed as Additional Director on 09.10.2018, 26.11.2018 and 05.02.2019 respectively.

During the Financial Year 2018-19 Mr. S. N. Sunkari, Mr. Ashwani Jain, Mr. I. S. Jha, Mr. Jayanta Barkakati and Mr. Lalramliana, Directors of the Company have resigned from the Board with effect from 21.08.2018, 26.11.2018, 21.01.2019, 26.02.2019 and 31.03.2019 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. S. N. Kalita retires 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.

## 23. 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 were designated/identified as Key Managerial Personnel of the company:

### A. Existing KMPs as on date of the Board Report

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

Mr. Satyajit Ganguly has been appointed as Managing Director w.e.f. 09.10.2018 and Mr. Ashwani Kumar Srivastava appointed as Whole-time Director/Director (Projects) w.e.f. 24.07.2019. Mr. Ashwani Jain, Whole-time Director (Director Projects) has resigned with effect from 26.11.2018 due to his repatriation to POWERGRID. Mr. S. N. Sunkari, Managing Director have resigned with effect from and 21.08.2018. Mr. R. K. Sarkar has been appointed as Whole-time Director of the Company with effect from 28.02.2019. However, he has subsequently resigned with effect from 24.06.2019 due to his repatriation to POWERGRID.

## 24. MEETING OF THE BOARD OF DIRECTORS

During the financial year 2018-19 five meetings of the Board of Directors were held on 30.04.2018, 30.07.2018, 09.10.2018, 06.11.2018 and 28.02.2019.

## 25. COMPOSITION & MEETINGS OF 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. D. S. Yadav : Member
- iv) Mr. Mahananda Debbarma : Member

*Mr. Jayanta Barkakati who was member of the Committee has vacated office of Directorship w.e.f. 26.02.2019 and Mr. Mahananda Debbarma inducted as a member of the Committee w.e.f. 30.04.2019.*

During the financial year 2018-19 three meetings of the CSR Committee were held on 30.07.2018, 06.11.2018 and 28.02.2019.

**B. Audit Committee:****Composition**

- i) Mr. P. Uma Shankar (Independent Director) : Chairman
- ii) Ms. Kaadambari Puri (Independent Director) : Member
- iii) Mr. Satyajit Ganguly : Member

During the financial year 2018-19 five meetings of the Audit Committee were held on 30.04.2018, 26.06.2018, 27.07.2018, 26.10.2018 and 02.02.2019.

**C. Nomination and Remuneration Committee:****Composition**

- i) Mr. P. Uma Shankar (Independent Director) : Chairman
  - ii) Mr. Ravi P. Singh : Member
  - iv) Ms. Kaadambari Puri (Independent Director) : Member
  - v) Mr. Navin Chandra Pandey : Member
- (w.e.f. 28.02.2019)*

*Mr. I. S. Jha who was member of the Committee has vacated office of Directorship w.e.f. 21.01.2019. Mr. Satyajit Ganguly who was inducted as a member of the Committee with effect from 30.07.2018, has disassociated from the committee with effect from 28.02.2019 pursuant to its reconstitution.*

During the financial year 2018-19 three meetings of the Nomination & Remuneration Committee was held on 30.07.2018, 09.10.2018 and 28.02.2019.

**26. 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 who are from OTPC and POWERGRID respectively. The Chairman of POWERGRID is the Chairman of the Company. The appointment of Directors and their remuneration, etc. are approved by the Board of Directors of the Company on the recommendation of the Nomination & Remuneration Committee of the Company. The Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters provided under sub-section (3) of section 178 of the Act has been disclosed in the Nomination and Remuneration Policy of the Company. Copy of the Nomination and Remuneration Policy of the Company is available on website of the Company [www.netcindia.in](http://www.netcindia.in).

## 27. CAPITAL STRUCTURE

There has not been any change in total paid-up equity share capital during the Financial Year 2018-19. The total paid up equity share capital of the company as on date is as per the following details:

S. No.	Name of Shareholder	Percentage (%) of Shareholding
1	ONGC Tripura Power Company Limited	26
2	Power Grid Corporation of India Limited	26
3	Assam Electricity Grid Corporation Limited	13
4	Governor, Govt. of Tripura	10
5	Governor, Govt. of Mizoram	10
6	Governor, Govt. of Manipur	6
7	Governor, Govt. of Meghalaya	5
8	Governor, Government of Nagaland	4
	<b>Total</b>	<b>100</b>

## 28. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Board of Directors of your Company confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the Directors had prepared the annual accounts on a going concern basis; and
- 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.

## 29. DECLARATION OF INDEPENDENT DIRECTORS

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

## 30. LOANS, GUARANTEES OR INVESTMENT U/S 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.

## 31. MARKET AND FUTURE OUTLOOK

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. Total installed capacity of power stations in India stood at 357.87 Gigawatt (GW) as of June 2019.

The Government of India has identified power sector as a key sector of focus so as to promote sustained industrial growth. To meet the rising electricity demand, the Central Government plans to expedite market opportunity of US\$ 14.94 billion for power transmission. Between April 2000 and March 2019, the power industry attracted US\$ 14.32 billion in Foreign Direct Investment (FDI), accounting for 3.41 per cent of total FDI inflows in India. As of June 2019,

government launched US\$ 5 billion of transmission-line tenders in phases, to meet 175 GW target till 2022. The Government of India is expected to offer nearly 20 power transmission projects worth Rs 16,000 crore (US\$ 2.22 billion) for bidding in 2019.

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.

### 32. CORPORATE SOCIAL RESPONSIBILITY POLICY

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

The objective of the CSR Policy is to consistently pursue the concept of integrated development of the society in an economically, socially and environmentally sustainable manner. To attain its CSR objectives in a professional and integrated manner, the Company is undertaking the CSR activities as specified under the Act. During the year under review the Company has expended Rs. 63.72 Lakh in CSR Projects related to rural development, 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 V**.

### 33. REPORT ON SEXUAL HARASSMENT

An Internal Complaints Committee has been constituted to look into grievance/complaints of sexual harassment lodged by women as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review no complaint was received and no complaint was pending as on 31<sup>st</sup> March 2019.

### 34. VIGIL MECHANISM

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

### 35. ACKNOWLEDGEMENTS

The Board of Directors thanks the Ministry of Power, Government of India, Central Electricity Regulatory Commission, Central Electricity Authority, Ministry of Environment Forest and Climate Change, Government of India, Airports Authority of India Limited and various other departments of Government of India, Governments of Tripura, Assam, Manipur, Mizoram, Meghalaya, Nagaland, Assam Electricity Grid Corporation of India Limited, Power Grid 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/-**

**Ravi P. Singh**  
Chairman

Place: Gurgaon  
Date: 24.07.2019

**Form MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

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

To,  
The Members,

**NORTH EAST TRANSMISSION COMPANY LIMITED**

Vill- East Champamura, Bypass Road, Near Asian Paint Godown,  
P/O- Old Agartala, Agartala West Tripura - 799008

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2019** 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; **(Not Applicable 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; **(Not Applicable 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; **(NotApplicable 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; **(NotApplicable 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; **(NotApplicable 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; **(NotApplicable during the period under review, as the Company is not Listed)**
- (v) The other law, as informed and certified by the management of the Company which, is specifically applicable to the Company based on their sector/ industry is:

### The Electricity Act, 2003

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

For the compliances of Labour Laws & other General Laws, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the Company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. In our opinion, there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory financial 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. **(Being non-listed company during the period under review, it's not applicable).**

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 at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**We further report that** during the Audit period,

- Shri Satyajit Ganguly was appointed as Managing Director of the Company with effect from 09/10/2018 vice Shri S.N. Sunkari who ceased to be the Managing Director of the Company due to his resignation, with effect from 21/08/2018
- Shri. N.C. Pandey was appointed as the Additional Director of the Company, with effect from 09/10/2018.
- Shri Robin Kumar Sarkar was appointed as the Additional Director of the Company, with effect from 26/11/2018 and later he was designated as Whole Time Director of the Company with effect from 28/02/2019 subject to approval of shareholders of the Company in the next Annual General Meeting of the Company, vice Shri Ashwani Jain who ceased to be the Whole Time Director of the Company, with effect from 26/11/2018
- Shri Ravi Prakash Singh was appointed as the Additional Director of the Company, with effect from 05/02/2019 vice Shri I.S. Jha, who ceased to be the Director of the Company, with effect from 21/01/2019
- Shri Jayanta Barkakati ceased to be Director of the Company with effect from 26/02/2019
- Shri Mahananda Debbarma was appointed as the Additional Director of the Company, with effect from 28/02/2019.
- Shri Lalraliana ceased to be Director of the Company with effect from 31/03/2019.
- During the Audit Period Company has shifted its registered office from House no-051358, Dhaleshwar, Road no-3 post office Dhaleshwar, Agartala, Tripura-799007 to Vill- East Champamura, Bypass Road, Near Asian Paint Godown, P/O- Old Agartala, Agartala-West Tripura- 799008 with effect from 01/03/2019.

**For Kumar Naresh Sinha & Associates  
Company Secretaries**

**Sd/-**

**Naresh Kumar Sinha  
(Proprietor)**

**FCS No.: 1807**

**CP No.: 14984**

**Date: 08.07.2019**

**Place: NOIDA**

*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. We have relied upon the Reports of statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statement of the relevant financial Year, which give a true and fair view of the state of the affairs of the Company.
4. We have relied upon the reports of statutory auditors regarding compliance of Fiscal Laws including Goods and Service Tax and not gone into that.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. 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.
7. 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.

**For Kumar Naresh Sinha & Associates  
Company Secretaries**

**Sd/-**

**Naresh Kumar Sinha  
(Proprietor)  
FCS No.: 1807  
CP No.: 14984**

**Date: 08.07.2019  
Place: NOIDA**

## 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 YEAR ENDED 31 MARCH 2019**

The preparation of financial statements of North East Transmission Company Limited for the year ended 31 March 2019 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 30.04.2019.

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 2019 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) Balance Sheet**
**(I) Current Assets**
**1. Cash and Cash Equivalents (Note No. 10) – Rs. 8433.90 lakh**
**Other Bank Balances (Note no. 10) – Rs. 28.61 lakh**

- (i) Figure of 'Cash and Cash Equivalents' (having maturity less than three months) amounting to Rs. 28.61 lakh and that of 'Other Bank Balances' (having maturity more than three months) amounting to Rs. 8433.90 lakh, have been interchanged incorrectly on the face of the Balance Sheet. This has resulted in overstatement of 'Cash and Cash Equivalents' and understatement of 'Other bank balance by Rs. 8405.29 lakh each on the face of the Balance Sheet.
- (ii) Terms deposits amounting to Rs. 449.49 lakh with remaining maturity period of more than 12 months, required to be classified under 'Other Financial Assets' (Non-Current Assets) in compliance of Schedule III to the Companies Act 2013, has been incorrectly included in 'Other Bank Balances'. This has resulted in understatement of 'Other Financial Assets' (Non-Current Assets) and overstatement of 'Other Bank Balances' by Rs. 449.49 lakh each.

**2. Other Current Assets: Rs. 921.10 lakh (Note No. 11)**

As per Schedule III to Companies Act, 2013, advances, given for procurement of Property, Plant and Equipment which are non-current assets, are capital advance.

NETCL, however, classified the advance of Rs. 344.86 lakh given to PGCIL for services and purchase of Tools & Plant-PGCIL under the head 'Other Current Assets'. This resulted in overstatement of 'Other Current Assets' and understatement of 'Other Non-Current Assets' by Rs. 344.86 lakh each.

**(II) Non-Current Liabilities**

### 3. Deferred Tax Liabilities (Net) – Rs. 1542.08 lakh (Note-18)

NETCL has recognised an amount of Rs. 1542.08 lakh towards Deferred Tax Liabilities (Net) in the Balance Sheet after deducting an amount of Rs. 1513.14 lakh of Deferred Assets for Deferred Tax Liability (Note No. 18).

Guidance Note on accounting for the Rate Regulated Activities of ICAI stipulates that an entity shall not offset rate regulated assets and liabilities and should present separate line items in the Balance Sheet for: (a) the total of all regulatory assets; and (b) the total of all regulatory liabilities. An entity shall present a separate line item in the statement of profit and loss, for the net movement in all regulatory assets and regulatory liabilities for the reporting period.

The presentation by the Company of deferred tax liabilities in balance sheet and deferred tax expense in statement of profit and loss, each net of Deferred Tax Adjustment against Deferred Tax Liability' is not in compliance of above said Guidance Note.

### (B) Cash Flow Statement

#### 4. Cash Flow from Investing Activities- Rs. 2270.87 lakh

- (i) Para 43 of Ind AS 7 requires that Investing and Financing transactions that do not require the use of cash or cash equivalents shall be excluded from a Statement of Cash Flows.

NETCL has discarded fixed assets amounting to Rs. 1617.69 lakh during the year 2018-19 with no actual cash flow. However, NETCL has disclosed Rs. 1617.69 lakh towards discard of fixed assets under investing activities. Therefore, to this extent, the requirements of Ind AS have not been complied with.

#### (ii) Cash and Cash Equivalents at the year-end – Rs. 8462.52 lakh

Para 7 of Ind AS-7 states that investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. Besides, the Significant Accounting Policy No. 2.7 of the Company states that 'Cash and Cash Equivalents' includes 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 are shown in Sub-head 'Other Bank Balances' under the head 'Cash and Cash Equivalents'.

In non-compliance to the above, 'Cash and Cash Equivalents' amounting of Rs. 8462.52 lakh includes an amount of Rs. 8433.90 lakh which was related to Term Deposits having maturity more than 3 months. This has resulted in understatement of Investing Activities and overstatement of 'Cash and Cash Equivalents' at the year-end by Rs. 8433.90 lakh.

Place: New Delhi

Date: 19.07.2019

For and on behalf of the  
Comptroller & Auditor General of India  
Sd/-  
(Raj Kumar)

Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board —III, New Delhi

**Reply to Comments of the C&AG on Financial Statements of North East Transmission Co. Ltd. (NETCL) for the year ended 31<sup>st</sup> March 2019.**

S. No.	Comment	Replies of NETCL
1	<p><b>(A) Balance Sheet</b></p> <p><b>(I) Current Assets</b></p> <p><b>1. Cash and Cash Equivalents (Note No. 10) -Rs. 8433.90 lakh</b>  <b>Other Bank Balances (Note no. 10) -Rs. 28.61 lakh</b></p> <p>(i) Figure of 'Cash and Cash Equivalents' (having maturity less than three months) amounting to -Rs.28.61 lakh and that of 'Other Bank Balances' (having maturity more than three months) amounting to -Rs. 8433.90 lakh, have been interchanged incorrectly on the face of the Balance Sheet. This has resulted in overstatement of 'Cash and Cash Equivalents' and understatement of 'Other bank balance' by Rs. 8405.29 lakh each on the face of the Balance Sheet.</p> <p>(ii) Terms deposits amounting to-Rs.449.49 lakh with remaining maturity period of more than 12 months, required to be classified under 'Other Financial Assets' (Non-Current Assets) in compliance of Schedule III to the Companies Act 2013, has been incorrectly included in 'Other Bank Balances'. This has resulted in understatement of 'Other Financial Assets' (Non-Current Assets) and overstatement of 'Other Bank Balances' by-Rs. 449.49 lakh each.</p>	<p>It has been assured to the CAG Audit in the replies already submitted on provisional comments that this point is noted and accordingly all financial statements of 2019-20 onwards will be modified to reflect this classification.</p>
2	<p><b>2. Other Current Assets: -Rs. 921.10 lakh (Note No. 11)</b></p> <p>As per Schedule III to Companies Act, 2013, advances, given for procurement of Property, Plant and Equipment which are non-current assets, are capital advance.</p> <p>NETCL, however, classified the advance of Rs. 344.86 lakh given to PGCIL for services and purchase of Tools &amp; Plant-PGCIL under the head 'Other Current Assets'. This resulted in overstatement of 'Other Current Assets' and understatement of 'Other Non-Current Assets' by-Rs. 344.86 lakh each.</p>	<p>It has been assured to the CAG Audit in the replies already submitted on provisional comments that this point is noted and accordingly all financial statements of 2019-20 onwards will be modified to reflect this classification.</p>
3	<p><b>(II) Non-Current Liabilities</b></p> <p><b>3. Deferred Tax Liabilities (Net) --Rs. 1542.08 lakh (Note-18)</b></p> <p>NETCL has recognised an amount of -Rs.1542.08 lakh towards Deferred Tax Liabilities (Net) in the Balance Sheet after deducting an amount of-Rs.1513.14 lakh of Deferred Assets for Deferred Tax Liability (Note No. 18).</p> <p>Guidance Note on accounting for the Rate Regulated Activities of ICAI stipulates that an entity shall not offset rate regulated assets and liabilities and should present separate line items in the Balance Sheet for: (a) the total of all regulatory assets; and (b) the total of all regulatory liabilities. An entity shall present a separate line item in the staGuidance Note on accounting for the Rate Regulated Activities of ICAI stipulates</p>	<p>The company has reviewed the opinion of Expert Advisory Committee of the Institute of Chartered Accountants of India published in the Monthly Journal of May 2019 obtained by one of the Power sector CPSE. As per the said opinion deferred tax assets for deferred tax liability is in the nature of regulatory deferral account balance, as this would reverse in future by way of tariff adjustment. Thus, need to be disclosed as separate line item in Balance Sheet</p>

S. No.	Comment	Replies of NETCL
	<p>that an entity shall not offset rate regulated assets and liabilities and should present separate line items in the Balance Sheet for: (a) the total of all regulatory assets; and (b) the total of all regulatory liabilities. An entity shall present a separate line item in the statement of profit and loss, for the net movement in all regulatory assets and regulatory liabilities for the reporting period.</p> <p>The presentation by the Company of deferred tax liabilities in balance sheet and deferred tax expense in statement of profit and loss, each net of Deferred Tax Adjustment against Deferred Tax Liability' is not in compliance of above said Guidance Note.</p>	<p>and Statement of Profit &amp; Loss as per IND AS 114.</p> <p>It has been assured to the CAG Audit in the replies already submitted on provisional comments that this point is noted and accordingly all financial statements of 2019-20 onwards will be modified to reflect this classification.</p>
4	<p><b>Provisional Comment No. 04</b></p> <p><b>(B) Cash Flow Statement</b></p> <p><b>4. Cash Flow from Investing Activities-Rs. -2270.87 lakh</b></p> <p>(i) Para 43 of Ind AS 7 requires that Investing and Financing transactions that do not require the use of cash or cash equivalents shall be excluded from a Statement of Cash Flows. NETCL has discarded fixed assets amounting to Rs. 1617.69 lakh during the year 2018-19 with no actual cash flow. However, NETCL has disclosed-Rs.1617.69 lakh towards discard of fixed assets under investing activities. Therefore, to this extent, the requirements of Ind AS have not been complied with.</p> <p>(ii) <b>Cash and Cash Equivalents at the year-end - Rs. 8462.52 lakh</b></p> <p>Para 7 of Ind AS-7 states that investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. Besides, the Significant Accounting Policy No. 2.7 of the Company states that 'Cash and Cash Equivalents' includes 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 are shown in Sub-head 'Other Bank Balances' under the head 'Cash and Cash Equivalents'.</p> <p>In non-compliance to the above, 'Cash and Cash Equivalents' amounting of Rs.8462.52 lakh includes an amount of Rs.8433.90 lakh which was related to Term Deposits having maturity more than 3 months. This has resulted in understatement of Investing Activities and overstatement of 'Cash and Cash Equivalents' at the year-end by Rs. 8433.90 lakh.</p>	<p>The company has reviewed the opinion of Expert Advisory Committee of the Institute of Chartered Accountants of India published in the Monthly Journal of May 2019 obtained by one of the Power sector CPSE. As per the said opinion deferred tax assets for deferred tax liability is in the nature of regulatory deferral account balance, as this would reverse in future by way of tariff adjustment. Thus, need to be disclosed as separate line item in Balance Sheet and Statement of Profit &amp; Loss as per IND AS 114.</p> <p>It has been assured to the CAG Audit in the replies already submitted on provisional comments that this point is noted and accordingly all financial statements of 2019-20 onwards will be modified to reflect this classification.</p>

## 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, 2019, 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 2018-19

(a)	Name of related party	Power Grid Corporation of India Limited		
	Nature of relationship	Investing Company		
(b)	Nature of contract/ arrangement/ transactions	<b>Project services</b>	<b>Operation &amp; consultancy Maintenance service</b>	<b>Project/civil work</b>
(c)	Duration of contract/ arrangement/ transactions	Running contract	Running contract	up to the date of the 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
	Value, if any	Rs.30.98 Lakh	Rs. 439.21 Lakh	Rs. 235.35 Lakh
(e)	Date of approval by the Board, if any	19.08.2013	29.02.2016	23.06.2015
(f)	Amount paid in advance, if any	NIL	NIL	NIL

Staff training expenses of Rs. 0.53 Lakh and Rs. 2.12 Lakh were paid to POWERGRID and ONGC Tripura Power Company Limited respectively, the investing Companies.

**For and on behalf of the Board of Directors of**

**North East Transmission Company Limited**

**Sd/-**

**Ravi P. Singh**  
Chairman

**Place: Gurgaon**  
**Date: 24.07.2019**

**FORM NO. MGT.9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on March 31, 2015**

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

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN:	U40101TR2008PLC008249
ii)	Registration Date	26/08/2008
iii)	Name of the Company	North East Transmission Company Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares/Indian Non-Government Company
v)	Address of the Registered office and contact details	Village- East Champamura, Khayerpur By-pass Road, Post Office- Old Agartala, West Tripura, Agartala- 799008 (Tripura)
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Electricity transmission	35107	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

**NOT APPLICABLE**

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
Individual/HUF	—	—	—	—	—	—	—	—	—
Central Govt	—	—	—	—	—	—	—	—	—
State Govt.	—	14,39,90,000	14,39,90,000	35	—	14,39,90,000	14,39,90,000	35	—
Bodies Corp.	—	26,74,10,000	26,74,10,000	65	—	26,74,10,000	26,74,10,000	65	—
Banks / FI	—	—	—	—	—	—	—	—	—
Any other	—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (1)</b>	—	<b>41,14,00,000</b>	<b>41,14,00,000</b>	<b>100</b>	—	<b>41,14,00,000</b>	<b>41,14,00,000</b>	<b>100</b>	—
<b>(2) Foreign</b>									
NRIs-Individuals	—	—	—	—	—	—	—	—	—
Other -Individuals	—	—	—	—	—	—	—	—	—
Bodies Corp.	—	—	—	—	—	—	—	—	—
Banks/FI	—	—	—	—	—	—	—	—	—
Any Other	—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (2)</b>	—	—	—	—	—	—	—	—	—
<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	—	<b>41,14,00,000</b>	<b>41,14,00,000</b>	<b>100</b>	—	<b>41,14,00,000</b>	<b>41,14,00,000</b>	<b>100</b>	—
<b>Public Shareholding Institutions</b>									
Mutual Funds	—	—	—	—	—	—	—	—	—
Bank/FI	—	—	—	—	—	—	—	—	—
Central Govt.	—	—	—	—	—	—	—	—	—
State Govt.(s)	—	—	—	—	—	—	—	—	—
Venture Capital Funds	—	—	—	—	—	—	—	—	—
Insurance Companies	—	—	—	—	—	—	—	—	—
FIs —	—	—	—	—	—	—	—	—	—
Foreign Venture Capital Fund	—	—	—	—	—	—	—	—	—
Other (Specify)	—	—	—	—	—	—	—	—	—
<b>Sub-total (B) (1)</b>	—	—	—	—	—	—	—	—	—
<b>2. Non Institutions:</b>									
Bodies Corp.									
Indian	—	—	—	—	—	—	—	—	—
ii. Overseas									
i) Others (specify)	—	—	—	—	—	—	—	—	—
<b>Sub-total (B)(1):-</b>	—	—	—	—	—	—	—	—	—
<b>2. Non-Individuals</b>									
Individual shareholders holding nominal share capital upto Rs. 1 lakh	—	—	—	—	—	—	—	—	—
Individual shareholders holding nominal share capital excess of Rs. 1 lakh	—	—	—	—	—	—	—	—	—
Other (Specify)	—	—	—	—	—	—	—	—	—
<b>Sub-total (B)(2)</b>	—	—	—	—	—	—	—	—	—
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	—	—	—	—	—	—	—	—	—
<b>Shas held by Custodians for GDRs and ADRs</b>	—	—	—	—	—	—	—	—	—
<b>Grand Total (A+B+C)</b>	—	<b>41,14,00,000</b>	<b>41,14,00,000</b>	<b>100</b>	—	<b>41,14,00,000</b>	<b>41,14,00,000</b>	<b>100</b>	—

**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares (of Rs. 10 each)	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	ONGC Tripura Power Company Limited (Out of 10,69,64,000 shares 1 share is held jointly with Mr. Satyajit Ganguly)	10,69,64,000	26	--	10,69,64,000	26	--	--
2.	Power Grid Corporation of India Limited	10,69,64,000	26	--	10,69,64,000	26	--	--
3.	Assam Electricity Grid Corporation Limited	5,34,82,000	13	--	5,34,82,000	13	--	--
4.	Governor, Government of Tripura	4,11,40,000	10	--	4,11,40,000	10	--	--
5.	Governor, Government of Mizoram	4,11,40,000	10	--	4,11,40,000	10	--	--
6.	Governor, Government of Manipur	2,46,84,000	6	--	2,46,84,000	6	--	--
7.	Governor, Government of Meghalaya	2,05,70,000	5	--	2,05,70,000	5	--	--
8.	Governor, Government of Nagaland	1,64,56,000	4	--	1,64,56,000	4	--	--
	<b>Total</b>	<b>41,14,00,000</b>	<b>100</b>	<b>--</b>	<b>41,14,00,000</b>	<b>100</b>	<b>--</b>	<b>--</b>

(iii) Change in Promoters' Shareholding (please specify, if there is no change): **Not any Change**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): **NOT APPLICABLE**(v) Shareholding of Directors and Key Managerial Personnel: **NIL****V. INDEBTEDNESS:****Indebtedness of the Company including interest outstanding/accrued but not due for Payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	14140576000	—	—	14140576000
ii. Interest due but not paid	—	—	—	—
iii. Interest accrued but not due	266168000	—	—	266168000
<b>Total (i+ii+iii)</b>	<b>14406744000</b>	<b>—</b>	<b>—</b>	<b>14406744000</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	—	—	—	—
Reduction	1152539000	—	—	1152539000
<b>Net Change</b>	<b>(1152539000)</b>	<b>—</b>	<b>—</b>	<b>(1152539000)</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	13009330000	—	—	13009330000
ii. Interest due but not paid	—	—	—	—
iii. Interest accrued but not due	244875000	—	—	244875000
<b>Total (i+ii+iii)</b>	<b>13254205000</b>	<b>—</b>	<b>—</b>	<b>13254205000</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Amount in Rs. Lakh

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Satyajit Ganguly (MD)	S. N. Sunkari (MD)	Ashwani Jain (Whole –time Director)	R. K. Sarkar (Whole –time Director)	
1.	Gross salary	—	23.72	65.02	23.86	112.6
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	23.72	65.02	23.26	112.6
	Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—	—	—
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—	—
2.	Stock Option	—	—	—	—	—
3.	Sweat Equity	—	—	—	—	—
4.	Commission	—	—	—	—	—
	-As % of Profit	—	—	—	—	—
	-Other, specify	—	—	—	—	—
5.	Others, please specify	—	—	—	—	—
	<b>Total (A)</b>	—	<b>23.72</b>	<b>65.02</b>	<b>23.26</b>	<b>112.6</b>
	Ceiling as per the Act	As per Part II of Schedule V of the Companies Act 2013.				

### B. Remuneration to other directors:

(Amount in Rs.)

Sl. No.	Particulars of Remunerations	Name of Directors		Total amount
	Independent Directors	P. Uma Shankar	Kaadambari Puri	
	• Fee for attending board/ committee meetings Commission Others, please specify	3.40	2.80	6.20
	<b>Total (1)</b>	<b>3.40</b>	<b>2.80</b>	<b>6.20</b>
	4. Other Non-Executive Directors Fee for attending board, committee meetings Commission Others, please specify	—	—	—
	<b>Total (2)</b>	—	—	—
	<b>Total (B)=(1+2)</b>	<b>3.40</b>	<b>2.80</b>	<b>6.20</b>
	Total Managerial Remuneration	—	—	118.80
	Overall Ceiling as per the Act	Rs. 1,00,000/- per meeting		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	16.04	23.00	39.04
	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	-as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
<b>Total</b>		-	<b>16.04</b>	<b>23.00</b>	<b>39.04</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

NOTICE

BOARD'S REPORT

STANDALONE FINANCIAL STATEMENT

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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

### 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>

#### 2. Composition of CSR Committee –

Your Company recognizes its responsibility towards the society and environment. Your Company has constituted a Corporate Social Responsibility Committee to monitor the CSR activities.

Members of the Committee (as on 31.03.2019):

- i) Mr. P. Uma Shankar (Independent Director) : Chairman
- ii) Mr. Satyajit Ganguly (Director) : Member
- iii) Mr. D. S. Yadav (Director) : Member

#### 3. Average net profit of the Company during the last three financial years i.e. Financial Years 2015-16, 2016-17 and 2017-18: Loss of Rs. 25,09,518/-

#### 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): NIL

#### 5. Details of CSR funds spent during the financial year:

- a. Total amount to be spent for the financial year 2018-19: Nil
- b. Amount unspent, if any: Nil
- c. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project/ activity identified	Sector in which the project is covered	Projects/Programs 1. Local area/ others 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project/ programs wise (Rs in Lakh)	Amount spent on the project / programs Subheads: 1. Direct Expenditure on projects 2. Overheads (Rs in Lakh)	Work in progress to be completed during Quarter 1 of FY 19-20 (Rs in Lakh)	Amount spent: Direct/ through implementing agency (IA)
1	Construction of road/ school/ community building mainly for ST population	Rural Development	Local Area Meghalaya Ribhoi	84.06	12.73	84.06	District Rural Dev. Authority, Ribhoi
2	Construction of Sarum 2 JB School,	Edu	Tripura Sepahijila.	20.00	12.00	12.00	BDO, Jampuijila, Sepahijila
3	Joint benches (JB) for 43 schools	Edu	Sepahijila.Tripura	14.22	13.73	13.73	BDO, Jampuijila, Sepahijila
4	Skill Development Training for women	Skill Development.	Tripura, Dhalai	13.96	13.96	13.96	Inspector of Social Education, Sepahijila
5	Distribution of Vehicle for Children with Special Needs (CWSN)	Edu.	Meghalaya,Jowai	11.50	11.30	11.30	DC, West Jaintia District, Jowai
Total				143.74	63.72	135.05	

## 6. Reason for not expending

The Company has spent more than two percent of the average net profit of the last three financial year.

## 7. Responsibility statement of the CSR Committee:

The implementation and monitoring of CSR Policy of the Company, is in compliance with CSR objectives and Policy of the Company.

Sd/-

**(Satyajit Ganguly)**  
**Managing Director**  
**DIN:06961418**  
**Date: 24.07.2019**

Sd/-

**(P. Uma Shankar)**  
**Chairman, CSR Committee**  
**DIN: 00130363**  
**Date: 24.07.2019**

## 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, 2019, 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, 2019, 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. Refer to Note no 17.1 to the financial statement : Company has not taken income effect on refinance done on 7<sup>th</sup> Dec 2017 and accordingly, has not accrued any income on 1/3 saving saved through refinance down from 7<sup>th</sup> Dec, 2017. This is subject to plead by company to treat this as refinance and CERC approves this as refinance.

We draw attention to Note 17.1 to the financial statements which describes the uncertainty related to the Income against truing up of the company. Our opinion is not qualified in respect of this matter.

##### Key Audit Matter

Sr. No	Key Audit Matter	Auditor's Response
1	<b>Capitalization and de-capitalization of Assets during the year in case of replacement of Regulated Fixed Assets.</b> Refer Notes 3 & 29 to the Standalone Financial Statements	<p><b>Principal Audit Procedures</b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ol style="list-style-type: none"> <li>1) Obtained details of Regulated fixed assets replaced during the year.</li> <li>2) Evaluated the design of internal controls relating to recording transaction in respect of replaced Fixed Assets.</li> <li>3) Review of contracts in respect to addition in fixed assets.</li> </ol>

Sr. No	Key Audit Matter	Auditor's Response
2.	<p>a. Provision of Truing up as per CERC Regulation 2014-19. In case of refinance of term loan facility, the benefit of reduction of rate of interest will be shared in ration of 2:1 i.e. 2/3 will go to beneficiaries and 1/3 will go to company as per CERC Regulation 2014-19.</p> <p>b. Refer Notes 17.1 &amp; 17.2 to the Standalone Financial Statements</p>	<p>4) Evaluate the method adopted by the company to determine the carrying value of replaced part of the regulated assets in view of related Ind-AS &amp; accounting policy of the company.</p> <p>5) Performed analytical procedures and test of details for reasonableness of carrying value of the replaced part.</p> <p><b>Principal Audit Procedures</b></p> <p>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.</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures as under:</p> <p>1) Obtained details of addition of Regulated fixed assets and details of decapitalization during the year.</p> <p>2) Evaluated the design of internal controls relating to recording transaction in respect of Fixed Assets.</p> <p>3) Review of contracts in respect to addition in fixed assets &amp; Power Finance Corporation contract in relation to term loan and reduction of rate of interest.</p> <p>4) Evaluate the method adopted by the company to determine the carrying value of replaced part of the regulated assets in view of related Ind-AS &amp; accounting policy of the company.</p> <p>5) Performed analytical procedures and test of details for reasonableness of carrying value of the replaced part and interest cost.</p>

### 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 report is 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

As required by Section 143(3) of the Act, based on our audit we report that:

- 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.
- 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.
- 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.
- 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.
- On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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.
- 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

#### FOR GUPTA NAYAR & CO.

**Chartered Accountants**

**Firm Reg. No. 008376N**

**Sd/-**

**SANJAY KUMAR GUPTA**

**PARTNER**

**Membership No. 086004**

**Place: Delhi**

**Date: 30.04.2019**

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of North East Transmission Company Limited of even date)

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

We have audited the internal financial controls over financial reporting of **North East Transmission Company Limited** (“the Company”) as of March 31, 2019 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, 2019, 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 GUPTA NAYAR & CO.**

**Chartered Accountants**

**Firm Reg. No. 008376N**

**Sd/-**

**SANJAY KUMAR GUPTA**

**PARTNER**

**Membership No. 086004**

**Place: Delhi**

**Date: 30.04.2019**

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of North East Transmission Company Limited of even date)**

- 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 Assets have not 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 ( on 99 year lease) are held in the name of the Company as at the balance sheet date.
- ii. As explained by the Company, there is no inventory held by the company except mandatory tools and spares of Plant and Machinery which are lying with Power Grid Corporation of India Limited site for O&M.
- 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, 2019 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(1) of the Companies Act, 2013 in respect of transmission operations. The company has integrated financial and cost records. We have, however not made detailed examination of Cost Records with a view to determine whether they are accurate or complete as the cost records of the company are subject to the audit of cost auditors.
- 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, 2019 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, 2019 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) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- 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 GUPTA NAYAR & CO.**

**Chartered Accountants**

**Firm Reg. No. 008376N**

**Sd/-**

**SANJAY KUMAR GUPTA**

**PARTNER**

**Membership No. 086004**

**Place: Delhi**

**Date: 30.04.2019**

**ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT****Directions under section 143(5) of the Companies Act 2013 for the year 2018-19.**

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 is being maintained by the company.
2. As explained by the company there is no case of restructuring of the existing loan during the year.
3. As explained by the company there is no funds received/receivable for specific schemes from central/state agencies.

**FOR GUPTA NAYAR & CO.**  
**Chartered Accountants**  
**Firm Reg. No. 008376N**

**Sd/-**

**SANJAY KUMAR GUPTA**  
**PARTNER**  
**Membership No. 086004**

**Place: Delhi**  
**Date: 30.04.2019**

## Balance Sheet as at March 31, 2019

All Amounts are in Rs. Lacs

	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>I</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current asset</b>			
	(a) Property, plant and equipment	3	156,268.37	166,283.82
	(b) Capital work in progress	4	314.62	916.74
	(c) Intangible assets	5	4,167.97	4,484.05
	(d) Financial assets			
	(i) Investments		-	-
	(ii) Loans		-	-
	(iii) Other	6	11.17	12.11
	(e) Other non-current assets	7	-	-
	(f) Deferred tax assets	7	-	-
	<b>Total non-current assets</b>		<b>160,762.13</b>	<b>171,696.72</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	8	-	-
	(b) Financial assets			
	(i) Investments	8	7,622.68	9,146.20
	(ii) Trade receivables	9		
	considered good - secured			
	considered good - unsecured		8,711.27	7,145.26
	having significant increase in credit risk			
	credit impaired			
	(iii) Cash and cash equivalents	10	8,433.90	7,648.90
	(iv) Other bank balances		28.61	554.13
	(v) Other financial assets	6	260.93	197.53
	(c) Others Current Assets	11	921.10	1,011.43
	(d) Current tax Assets	12	-	992.24
	<b>Total current assets</b>		<b>25,978.49</b>	<b>26,695.69</b>
	<b>Total assets</b>		<b>186,740.62</b>	<b>198,392.41</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	(a) Equity share capital	13	41,140.00	41,140.00
	(b) Other equity	14	7,210.98	3,130.98
	<b>Total equity</b>		<b>48,350.98</b>	<b>44,270.98</b>
	<b>LIABILITIES</b>			
<b>1</b>	<b>Non-current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	15	118,780.84	130,093.30
	(ii) Other financial liabilities	16	-	-
	(b) Provisions	17	14.26	13.84
	(c) Deferred tax liabilities (net)	18	1,542.08	1,542.08
	(d) Other non-current liabilities	19	-	-
	<b>Total non-current liabilities</b>		<b>120,337.18</b>	<b>131,649.22</b>
<b>2</b>	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Trade payables -	20		
	Total outstanding dues of Micro			
	Enterprises and Small Enterprises			
	Total outstanding dues of creditors other than			
	Micro Enterprises and Small Enterprises		862.92	1,088.09
	(ii) Other financial liabilities	16	13,768.50	17,441.53
	(b) Other current liabilities	19	47.23	403.21
	(c) Current tax liabilities	21	-	-
	(d) Provisions	17	3,373.81	3,539.38
	<b>Total current liabilities</b>		<b>18,052.46</b>	<b>22,472.21</b>
	<b>Total liabilities</b>		<b>138,389.64</b>	<b>154,121.43</b>
	<b>Total equity and liabilities</b>		<b>186,740.62</b>	<b>198,392.41</b>

Significant accounting policies and note to financial statements 1-32 The notes referred to above are an integral part of financial statements

As per our report of even date attached

**FOR GUPTA NAYAR & CO.**

Chartered Accountants

FRN 008376N

Sd/-

Sanjay Kumar Gupta

Partner

(M No. 086004)

Place : Gurugram

Date : 30<sup>th</sup> April, 2019For and on behalf of the Board of Directors  
of North East Transmission Company Limited

Sd/-

(Satyajit Ganguly )

Managing Director

DIN : 06961418

Sd/-

(Bimal Ram Nagar)

Chief Financial Officer

Sd/-

(R K Sarkar)

Director Projects)

DIN : 07634505

Sd/-

(Mukesh Kumar)

Company Secretary

## Statement of Profit and Loss for the year ended March 31, 2019

All Amounts are in Rs. Lacs

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I.	Revenue from operations	22	32,980.00	34,263.42
II	Other income	23	1,127.45	1,057.15
III	<b>Total income (I+II)</b>		<b>34,107.45</b>	<b>35,320.57</b>
IV	<b>EXPENSES</b>			
	Employee benefit expenses	24	337.94	287.71
	Finance Costs - PFC	25	12,487.17	16,529.98
	Transmission, Administration Expenses	26	632.85	633.88
	Depreciation and amortisation	27	11,323.66	11,619.92
	Loss on Assets Discarded		613.23	-
	Corporate Social Responsibility Expenses		63.71	100.02
	Other Expenses	28	344.38	268.64
	<b>Total expenses (IV)</b>		<b>25,802.94</b>	<b>29,440.15</b>
V	<b>Profit before tax (III-IV)</b>		<b>8,304.51</b>	<b>5,880.42</b>
VI	<b>Tax expense:</b>	30		
	(a) Current tax		1,748.76	1,228.96
	(b) Deferred tax		1,513.14	5,586.82
	Less: Reversal of Deferred Tax Liability		-1,513.14	-9,319.63
	(c) Earlier years		-	-
	(d) MAT Credit Entitlement		-	-
	<b>Total tax expense</b>		<b>1,748.76</b>	<b>-2,503.84</b>
VII	<b>Profit for the year (V-VI)</b>		<b>6,555.75</b>	<b>8,384.26</b>
VIII	<b>Other comprehensive income</b>			
	(a) Items that will not be reclassified to profit or loss		4.07	-2.18
	(b) Items that will be reclassified to profit or loss		-	-
	<b>Total other comprehensive income</b>		<b>4.07</b>	<b>-2.18</b>
IX	<b>Total comprehensive income for the year (VII+VIII)</b>		<b>6,559.82</b>	<b>8,382.08</b>
X	Earnings per equity share:	30		
	Basic (in Rs.)		1.59	2.04
	Diluted (in Rs.)		1.59	2.04
See accompanying notes to the standalone financial statements 1-32				

**FOR GUPTA NAYAR & CO.**  
Chartered Accountants  
FRN 008376N

Sd/-  
Sanjay Kumar Gupta  
Partner  
(M No. 086004)

Place : Gurugram  
Date : 30<sup>th</sup> April, 2019

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

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

Sd/-  
(Bimal Ram Nagar)  
Chief Financial Officer

Sd/-  
(R K Sarkar)  
Director Projects  
DIN : 07634505

Sd/-  
(Mukesh Kumar)  
Company Secretary

NOTICE

BOARD'S REPORT

STANDALONE FINANCIAL STATEMENT

## Standalone Cash flow statement for the year ended March 31, 2019

(All amounts are in Lakhs unless otherwise stated)

Particulars	Year Ended March 31, 2019		Year Ended March 31, 2018	
<b>A. CASH FROM OPERATING ACTIVITIES :</b>				
Profit for the Year		8,304.51		5,880.42
Adjustments For:				
Depreciation & Amortisation expenses	11,323.66		11,619.92	
Depreciation Reversal on Assets sold/discarded	-477.85		-0.09	
Loss on Assets Discarded	408.99		-	
Balances Written Back	-2.21		-	
Interest Income	-656.90		-335.99	
Interest Expense	11,848.61		15,586.08	
Other Non operating Income	-410.71		-721.16	
Other Comprehensive Income Adjustment	4.07		-2.18	
		22,037.65		26,146.58
<b>Operating Profit before Working Capital Changes</b>		<b>30,342.17</b>		<b>32,027.00</b>
<b>Movement in working capital:</b>				
(Increase)/decrease in Trade and other receivables	-1,564.67		1,753.46	
(Increase)/decrease in current assets	1,020.11		159.10	
Increase/(decrease) in other current liabilities	-4,419.33		2,898.24	
		-4,963.89		4,810.80
<b>Net cash from operating activities</b>		25,378.28		36,837.80
Direct taxes paid (net of refunds)		-1,748.76		1,228.96
<b>Net cash Provided/(used) from operating activities ( A )</b>		<b>23,629.51</b>		<b>35,608.84</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase for Property, Plant & Equipment's	-2,418.09		-2,164.98	
Capital Advances given	602.13		-905.99	
Net Current (Investment) in Mutual Funds	1,401.53		-2,041.31	
Interest received	656.90		335.99	
Disposal of Fixed Assets	1,617.69		0.18	
Other non operating income	410.71		721.16	
		2,270.87		-4,054.95
<b>Net cash (used in)/generated by Investing Activities "B"</b>		<b>2,270.87</b>		<b>-4,054.95</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Loan accepted/(Repaid) during the year -Long Term	-11,312.46		-11,312.45	
Interim Dividend	-2,057.00		-1,645.60	
Tax on Interim Dividend	-422.82		-335.01	
Payment of Interest on borrowings	-11,848.61	-25,640.89	-15,586.08	-28,879.14
<b>Net Cash Used in Financing Activities "C"</b>		-25,640.89		-28,879.14
<b>Net increase in cash and cash equivalents (A+B+C)</b>		259.48		2,674.75
Cash and cash equivalents at the beginning of the year		8,203.03		5,528.29
<b>Cash and Cash Equivalents at the end of the Year</b>		<b>8,462.52</b>		<b>8,203.03</b>

**Note:**

- Cash flow has been prepared as per Indirect method prescribed in IND AS 7
- Cash and cash equivalents consist of Balance with Bank and deposits with original maturity of upto three months
- Reconciliation Cash and cash equivalents as per Note -16

4. Reconciliation of liabilities from financing activities:		
Particulars	Year Ended March 31,2019 (Rs)	Year Ended March 31,2018 (Rs)
Opening balance at the beginning of the year	14,140,575,992.00	15,271,821,322.00
Interest on Loan during the year	-	-
Repayment during the year	1,131,246,080.00	1,131,245,330.00
Closing balance at the end of the year	13,009,329,912.00	14,140,575,992.00

**FOR GUPTA NAYAR & CO.**  
Chartered Accountants  
FRN 008376N

Sd/-  
Sanjay Kumar Gupta  
**Partner**  
(M No. 086004)

Place : Gurugram  
Date : 30<sup>th</sup> April, 2019

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

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

Sd/-  
(Bimal Ram Nagar)  
**Chief Financial Officer**

Sd/-  
(R K Sarkar)  
**Director Projects**  
DIN : 07634505

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

#### 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.

##### 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 lacs Indian Rupees (Rupees or ₹ ), which is the Company's functional and presentation currency and all amounts are shown as actuals thereof, except as stated otherwise.

##### iv) Use of estimates

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

##### v) Current and non-current classification

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

An asset is current when it is:

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

**Notes to the Standalone financial statement for the year ended March 31, 2019**

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 after successful completion of trial operation as prescribed under 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

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.

## Notes to the Standalone financial statement for the year ended March 31, 2019

### 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.

## Notes to the Standalone financial statement for the year ended March 31, 2019

### 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 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.

### 2.7 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".

### 2.8 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.

## Notes to the Standalone financial statement for the year ended March 31, 2019

"Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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 the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred."

### 2.9 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 to 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

**Notes to the Standalone financial statement for the year ended March 31, 2019**

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.

**2.10 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.

**Notes to the Standalone financial statement for the year ended March 31, 2019*****Equity investments***

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

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

***De-recognition of financial assets***

A financial asset is derecognized only when:

- The group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

***Financial Liabilities***

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

***Classification, initial recognition and measurement***

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

***Subsequent measurement***

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

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

***Offsetting of financial instruments***

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

***De-recognition of financial liability***

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

## Notes to the Standalone financial statement for the year ended March 31, 2019

### 2.11 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 Income Tax

The current tax is based on taxable profit for the year under the Income Tax Act, 1961.

Deferred Tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Balance Sheet liability method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that is no longer probable that sufficient taxable profits will be available against which temporary differences can be utilised.

Deferred tax assets and liabilities 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 the tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

### 2.12 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.

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.

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.

## Notes to the Standalone financial statement for the year ended March 31, 2019

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

### 2.13 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.

### 2.14 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.

### 2.15 Share capital and Other Equity

Ordinary shares are classified as equity.

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

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

### 2.16 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.

### 2.17 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.

**Notes to the Standalone financial statement for the year ended March 31, 2019****2.18 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.

**2.19 Cash Flow Statement**

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

**3 Property, Plant and Equipment**

(All Amounts are in Rs. Lacs)

Carrying amounts	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Freehold land	679.37	679.37	246.13
Building	588.57		-
Transmission Lines	154,716.21	165,531.24	175,134.28
Assets Discarded ready for reuse	46.54		-
Computers	8.35	1.76	2.53
Office equipment	33.61	6.32	4.69
Furniture and fixtures	107.29	16.33	12.06
Plant and equipment	88.44	48.80	52.02
<b>Total</b>	<b>156,268.37</b>	<b>166,283.82</b>	<b>175,451.71</b>

Cost or deemed cost	Freehold Land	Buildings	Trans-mission Lines	Assets Discarded ready for reuse	Computers	Office Equipment	Furniture & Fixtures	Plant & Equipment	Total
<b>Balance at March 31, 2017</b>	<b>246.13</b>	-	<b>210,605.42</b>	-	<b>24.05</b>	<b>7.80</b>	<b>15.06</b>	<b>60.88</b>	<b>210,959.34</b>
Additions	433.24	-	1,694.97	-	1.44	2.27	5.41	-	2,137.33
Disposals/ adjustments	-	-	-	-	-	0.18	-	-	0.18
<b>Balance at March 31, 2018</b>	<b>679.37</b>	-	<b>212,300.38</b>	-	<b>25.49</b>	<b>9.89</b>	<b>20.47</b>	<b>60.88</b>	<b>213,096.49</b>
Additions	-	590.24	1,530.33	46.54	9.00	31.58	95.28	44.41	2,347.37
Disposals/ adjustments	-	-	1,614.53	-	0.96	0.50	1.70	-	1,617.69
<b>Balance at March 31, 2019</b>	<b>679.37</b>	<b>590.24</b>	<b>212,216.18</b>	<b>46.54</b>	<b>33.53</b>	<b>40.97</b>	<b>114.05</b>	<b>105.28</b>	<b>213,826.17</b>

**Notes to the Standalone financial statement for the year ended March 31, 2019**

(All Amounts are in Rs. Lacs)

Accumulated depreciation and impairment	Freehold	Buildings Land	Trans-Lines	Assets mission ready for reuse	Computers Discarded	Office	Furniture & Equipment	Plant & Fixtures	Total equipment
<b>Balance at March 31, 2017</b>	-	-	<b>35,471.13</b>	-	<b>21.52</b>	<b>3.11</b>	<b>3.01</b>	<b>8.86</b>	<b>35,507.63</b>
Depreciation expense	-	-	11,298.01	-	2.22	0.55	1.14	3.21	11,305.13
Impairment loss recognised in profit or loss	-	-	-	-	-	-	-	-	-
Eliminated on disposal / adjustments / transfer of assets	-	-	-	-	-	0.09	-	-	0.09
<b>Balance at March 31, 2018</b>	-	-	<b>46,769.14</b>	-	<b>23.73</b>	<b>3.57</b>	<b>4.14</b>	<b>12.07</b>	<b>46,812.67</b>
Depreciation expense	-	1.67	11,207.55	-	2.21	4.01	2.77	4.77	11,222.99
Impairment loss recognised in profit or loss	-	-	-	-	-	-	-	-	-
Eliminated on disposal / adjustments / transfer of assets	-	-	476.72	-	0.77	0.22	0.15	-	477.85
<b>Balance at March 31, 2019</b>	-	<b>1.67</b>	<b>57,499.97</b>	-	<b>25.18</b>	<b>7.36</b>	<b>6.76</b>	<b>16.85</b>	<b>57,557.80</b>

**4. Capital work in progress**

	Railway Diversion	Agartala Building	Dwarka office WIP	Forest Afforestation-Maghalaya-RIST	Jowai Land	Rist	Plant and equipment	Total
<b>Balance at March 31, 2017</b>	-	<b>10.76</b>	-	-	-	-	-	<b>10.76</b>
Additions during the year	806.00	99.99	-	-	-	-	-	905.99
Transferred to property plant and equipment	-	-	-	-	-	-	-	-
<b>Balance at March 31, 2018</b>	<b>806.00</b>	<b>110.74</b>	-	-	-	-	-	<b>916.75</b>
Additions during the year	391.35	453.80	97.87	155.13	0.47	159.01	-	1,257.64
Less: Transfer to Advance	-	-	-	-	-	-	-	-
Less: Transferred to property plant and equipment	-1,197.36	-564.55	-97.87	-	-	-	-	-1,859.77
<b>Balance at March 31, 2019</b>	-	-	-	<b>155.13</b>	<b>0.47</b>	<b>159.01</b>	-	<b>314.62</b>

**Note** These all assets are mortgaged with Power Finance Corporation Limited against Loan availed, Refer Note- 15

**Notes to the Standalone financial statement for the year ended March 31, 2019**

(All Amounts are in Rs. Lacs)

**5 Intangible assets**

Carrying amount of	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Forest & Afforestation	4,167.28	4,483.32	4,770.41
Web Site Designing Expenses	0.69	0.73	0.77
<b>Total</b>	<b>4,167.97</b>	<b>4,484.05</b>	<b>4,771.19</b>

Cost or deemed cost	Forest & Afforestation	Web Site Designing Expenses	Total
<b>Balance at March 31, 2017</b>	<b>5,957.90</b>	<b>0.82</b>	<b>5,958.72</b>
Additions	27.65	-	27.65
Disposals/ adjustments	-	-	-
<b>Balance at March 31, 2018</b>	<b>5,985.54</b>	<b>0.82</b>	<b>5,986.36</b>
Additions	-	-	-
Disposals/ adjustments	-	-	-
<b>Balance at March 31, 2019</b>	<b>5,985.54</b>	<b>0.82</b>	<b>5,986.36</b>

Accumulated amortisation and impairment	Forest & Afforestation	Web Site Designing Expenses	Total
<b>Balance at March 31, 2017</b>	<b>1,187.48</b>	<b>0.05</b>	<b>1,187.53</b>
Amortisation expense	314.74	0.04	314.79
Impairment loss recognised in profit or loss	-	-	-
Disposals/ adjustments	-	-	-
<b>Balance at March 31, 2018</b>	<b>1,502.23</b>	<b>0.09</b>	<b>1,502.32</b>
Amortisation expense	316.04	0.04	316.08
Impairment loss recognised in profit or loss	-	-	-
Disposals/ adjustments	-	-	-
<b>Balance at March 31, 2019</b>	<b>1,818.26</b>	<b>0.13</b>	<b>1,818.40</b>

**Note** These all assets are mortgaged with Power Finance Corporation Limited against Loan availed, Refer Note-15

**6 Others**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non- current	Current	Non- current	Current
<b>Security deposits</b>	<b>11.17</b>		<b>12.11</b>	
<b>Interest Accrued on deposits</b>			-	
- Considered Good			-	
<b>Advance to Employees</b>			-	
<b>Others</b>			-	
- Considered Good	-		-	
- Considered Doubtful	-		-	
Less: Impairment for doubtful receivables				
<b>Total</b>	<b>11.17</b>	<b>260.93</b>	<b>12.11</b>	<b>197.52</b>

**Notes to the Standalone financial statement for the year ended March 31, 2019**

(All Amounts are in Rs. Lacs)

**7 Other Non-Current assets**

Particulars	As at March 31, 2019	As at March 31, 2018
i) Advance for Capital Expenditure	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**8 Other investments**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Qty (in Units)	Amount	Qty (in Units)	Amount
<b>Financial assets carried at fair value through profit or loss</b>				
<b>Quoted Investments</b>				
<b>Investments in Mutual funds</b>				
SBI Magnum Insta Cash Fund	75,366.61	2,207.16	25,783.34	990.90
UTI Liquid cash Plan Institutional Growth option	176,934.89	5,415.52	286,643.98	8,155.30
<b>Total investments carrying value</b>	<b>252,301.50</b>	<b>7,622.68</b>	<b>312,427.32</b>	<b>9,146.20</b>

Note : 1 The method of valuation of Mutual fund is NAV of the Mutual Fund as at the end of Financial Year

2. The cost of Investment is Rs. 21,90,00,000/- in SBI Magnum Insta Cash Fund and Rs. 53,72,83,653/- in UTI Liquid Cash Plan

**9 Trade receivables**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current</b>		
<b>(secured, considered good unless otherwise stated)</b>		
- considered good - secured	-	-
- considered good - unsecured	8,711.27	7,145.26
- having significant increase in credit risk	-	-
- credit impaired	-	-
<b>Total</b>	<b>8,711.27</b>	<b>7,145.26</b>

9.1 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.

**10 Cash and cash equivalents**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Cash and Cash Equivalents</b>		
Balances with Banks	27.02	553.53
Cheques in Hand	1.59	0.60
Cash on Hand	-	-
Term Deposit Accounts	-	-
Other Bank Balances	-	-
Term Deposit Accounts having maturity over 3 months	8,433.90	7,648.90
<b>(It includes Rs. 42,41,043 FDR issued against Bank Guarantee and is Lien marked)</b>		
	<b>8,462.51</b>	<b>8,202.44</b>

**Notes to the Standalone financial statement for the year ended March 31, 2019**

(All Amounts are in Rs. Lacs)

**11 Other current assets**

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Advances recoverable in cash or kind or value to be received	-	-
(ii) Advance To Related Parties for purchase of Tools & Plant		
Powergrid Corporation of India Limited	775.79	821.60
(iii) Others		
Prepaid Expenses	13.62	15.14
Prepaid Expenses IND AS	1.68	2.62
Advance to others	-	3.00
Other Receivable	67.26	73.61
Advances to suppliers /Related party/Employees	-	0.33
Advance for CSR Projects	62.74	95.14
<b>Total</b>	<b>921.10</b>	<b>1,011.43</b>

11.1 Other receivables represents rebate of 0.25% accrued but not due on PFC loan interest provided for the year ended 31.03.2019.

**12 Current Tax Assets (Net)**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Income tax (including TDS)	-	992.24
<b>Total</b>	<b>-</b>	<b>992.24</b>

**13 Share Capital**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Share Capital</b>		
<b>Authorised Share Capital:</b>		
600,000,000 Equity Shares of Rs. 10 each	60,000.00	60,000.00
<b>Issued and Subscribed Share Capital:</b>		
411,400,000 ( Previous Year 411,400,000) Equity Shares of Rs.10/- each fully paid up (as at March 31, 2019: 411,400,000 Equity Shares of Rs, 10 each)	41,140.00	41,140.00
<b>Fully paid equity shares:</b>		
411,400,000 ( Previous Year 411,400,000) Equity Shares of Rs.10/- each fully paid up (as at March 31, 2019: 411,400,000 Equity Shares of Rs. 10 each)	41,140.00	41,140.00
<b>Total</b>	<b>41,140.00</b>	<b>41,140.00</b>

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

Particulars	Number of shares (in Lacs)	Share capital
Balance at April 1, 2018	4,114.00	41,140.00
Shares issued during the year		
<b>Balance at March 31, 2019</b>	<b>4,114.00</b>	<b>41,140.00</b>
Shares issued during the year		
<b>Outstanding as at March 31, 2019</b>	<b>4,114.00</b>	<b>41,140.00</b>

**13.2. 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

**Notes to the Standalone financial statement for the year ended March 31, 2019**

(All Amounts are in Rs. Lacs)

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.

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

Name of the equity share holder	As at March 31, 2019		As at March 31, 2018	
	No.	% Holding	No.	% Holding
ONGC Tripura Power Company Limited	106,964,000	26%	106,964,000	26%
Powergrid Corporation of India Limited	106,964,000	26%	106,964,000	26%
Assam Electricity Grid Corporation Limited	53,482,000	13%	53,482,000	13%
Government of Tripura	41,140,000	10%	41,140,000	10%
Government of Mizoram	41,140,000	10%	41,140,000	10%
Government of Manipur	24,684,000	6%	24,684,000	6%

**14. Equity**

Statement of change in equity for year ended March 31, 2019

**a. Equity share capital**

Particulars	Amount
Balance at April 1, 2018	41,140.00
Changes in equity share capital during the year	-
Balance at March 31, 2019	41,140.00

**b. Other equity**

	Reserve and Surplus			Other Comprehensive Income		
	Self Insurance Reserve	Corporate Social Responsibility Reserve	Retained earnings	Equity instrument through other comprehensive income	Other items of other comprehensive income (specify nature)	Total
Balance at March 31, 2018	1,964.71	202.99	971.99	-	-	3,130.98
Profit for the year	-	-	6,555.75	-	-	6,555.75
Other comprehensive income for the year, net of income tax	-	-	-	-	4.07	4.07
<b>Total comprehensive income for the year</b>	-	-	<b>6,555.75</b>	-	<b>4.07</b>	<b>6,559.82</b>
Transferred to Self Insurance Reserve	549.53	-	-549.53	-	-	-
Transferred to Corporate Social responsibility	-	-63.71	63.71	-	-	-
Deduction during the year	-	-	-	-	-	-
Interim Dividend	-	-	-2,057.00	-	-	-2,057.00
Dividend Distribution Tax	-	-	-422.82	-	-	-422.82
Prior Period Adjustments	-	-	-	-	-	-
Add: Reversal of Proposed Dividend Tax	-	-	-	-	-	-
<b>Balance at March 31, 2019</b>	<b>2,514.24</b>	<b>139.28</b>	<b>4,562.09</b>	-	<b>4.07</b>	<b>7,210.98</b>

Note:

**14.1** The company has declared interim dividend of 5% on Board meeting held on 28.02.2019.

**14.2** In respect of the year ended March 31, 2019, the Board of Directors has proposed a final dividend of Rs. 0.50 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these standalone financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares.

**Notes to the Standalone financial statement for the year ended March 31, 2019**

(All Amounts are in Rs. Lacs)

**14.3** The company has transferred 0.25% on Gross Block of Property, Plant & Equipment by appropriating current year profit to Self-Insurance Reserve, to mitigate any future losses which may arise from un-insured risks.

**15 Borrowings**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Secured – at amortised cost</b>		
Rupee Term Loan (RTL) from Banks		
Rupee Term Loan (RTL) from Others ;		
Power Finance Corporation India Ltd. (Refer Note [1-5] below)	118,780.84	130,093.30
<b>Total</b>	<b>118,780.84</b>	<b>130,093.30</b>

**Further Note:**

- The company has availed new Loan vide Agreement signed w.e.f. 07.12.2017 for an amount Rs. 14,42,38,87,512/- from Power Finance Corporation Ltd. by creating a first charge on the company's movable and immovable properties acquired for the project (except the land utilized by the right of way) along with the revenue and receivables from the project, present and future and old loan amounting to Rs. 16,99,02,00,000/- has been closed.
- Repayment of Loan in 51 equal quarterly installments and strating from 15th January 2018.
- Net Rate of Interest is @ 8.79% p.a with effect from 07.12.2017 after adjusting rebate of @0.25%
- Current portion of borrowings transferred to Note no. 16 as Current maturity of long term debt.

**Repayment Schedule of Rupee Term Loan**

Year of Repayment	As at March 31, 2019	As at March 31, 2018
2018-19	-	11,312.46
2019-20	11,312.46	11,312.46
2020-21	11,312.46	11,312.46
2021-22	11,312.46	11,312.46
2022-23	11,312.46	11,312.46
2023-24	11,312.46	11,312.46
2024-25	11,312.46	11,312.46
2025-26	11,312.46	11,312.46
2026-27	11,312.46	11,312.46
2027-28	11,312.46	11,312.46
2028-29	11,312.46	11,312.46
2029-30	5,656.23	5,656.23
<b>Total</b>	<b>118,780.84</b>	<b>130,093.30</b>

**16 Other financial liabilities**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non current	Current	Non current	Current
Current maturity of long-term debt (Loan from PFC) (Refer to Note 15)	-	11,312.46	-	11,312.46
Interest accrued	-	2,448.75	-	2,661.68
Other Current Liability	-	3.00	-	3,463.06
Payable to Employees	-	1.59	-	1.63
Audit Fee Payable	-	2.70	-	2.70
<b>Total</b>	<b>-</b>	<b>13,768.50</b>	<b>-</b>	<b>17,441.53</b>

**Notes to the Standalone financial statement for the year ended March 31, 2019**

(All Amounts are in Rs. Lacs)

**17 Provisions**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non current	Current	Non current	Current
Provision for Truing Up (Refer Note [17.1])		5,371.48		2,597.08
Less: Amount Paid to CTU		-3,831.81		-
Provision for Interest on Truing up (Refer Note [17.2])	-	1,579.82		941.80
Provision for Income Tax		253.85		-
<b>Provision for Employee benefits:</b>		-		-
For Leave encashment (Refer Note [32.5])	6.23	0.33	5.99	0.37
For Gratuity (Refer Note [32.5])	8.03	0.14	7.85	0.13
<b>Total</b>	<b>14.26</b>	<b>3373.81</b>	<b>13.84</b>	<b>3,539.38</b>

17.1 The Company is going to file truing up petition for tariff period 2014-19 in due course, 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 interest 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. 27.74 crores as truing up provision for current year and thus cumulative truing up amounts to Rs. 53.71 crores and corresponding interest provision amounts to Rs. 15.80 crores. This Truing up and refinance 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. These provisions pertain to Tariff period 2014-19. Further with respect to refinance done with effect from 07.12.2017, company will make a plead CERC to treat this as refinance and in line with CERC Regulations will claim 1/3 as refinance benefit, if admitted by CERC, this will result in additional tariff of Rs. 14.54 crores (This pertains to refinance done for the period from 07.12.17 to 31.03.19).

17.2 The Company is going to file truing up petition for tariff period 2014-19 in due course, 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. and has done further capitalisation of Rs 110.55 Crores (net of Decapitalisation of Rs. 9.18 crores as per IND AS 16) during the period 01.04.2014 to 31.03.2019. This additional Capital expenditure is subject to CERC admitting it as Capex. While closing the books of accounts for the year 31.03.2019, Company has done a cumulative net provision for Truing up after taking additional Tariff on Additional Capex and reduction on Tariff due to reduction in Rate of Interest. Hence this Truing up is subject to final order of CERC and any deficit/Excess is payable/recoverable to Beneficiary.

**18 Deferred Tax Liabilities (net)**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	1,542.08	5,274.88
Addition during the period	1,513.14	5,586.82
Less: Deferred Assets for Deferred tax Liability	-1,513.14	-5,586.82
Less: Reversal of Deferred tax Liability as per IND AS	-	-3,732.80
<b>Total</b>	<b>1,542.08</b>	<b>1,542.08</b>

**Further Note:**

- a) In compliance with the Accounting Standard relating to "Income Taxes" (IND AS- 12), the Company has recognized deferred tax liability (Net) arising on account of timing differences.

**Notes to the Standalone financial statement for the year ended March 31, 2019**

(All Amounts are in Rs. Lacs)

- b) The Tariff norms for the block period 2014-2019 notified by the CERC provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the F.Y. on the transmission income. Accordingly Deferred tax provided during the year ended on 31st March, 2019 on transmission income is accounted as Deferred Assets against Deferred tax liability. Deferred Assets against Deferred tax liability for the year will be reversed in future years when the related deferred tax liability forms a part of current tax. In respect of opening balance of Deferred Tax Liabilities, Management is of the view that the balance should be carried forward as at Balance Sheet date.

**19 Other liabilities**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non current	Current	Non current	Current
Statutory Dues Payables	-	47.23	-	403.21
<b>Total</b>	-	<b>47.23</b>	-	<b>403.21</b>

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

19.2 The Statutory Auditors Remuneration is as under:

Payment to Auditors (including service tax)	Year ended March 31, 2019	Year ended March 31, 2018
Audit Fees	4.72	4.72
Tax Audit Fees	1.42	1.42
Certification and Other Services	-	-
Travelling and Out of Pocket Expenses	0.15	0.20
<b>Total</b>	<b>6.29</b>	<b>6.33</b>

**20 Trade payables**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current</b>		
Creditors for Goods, expenses & Services to MSME	-	-
Creditors for Goods & Services	4.83	8.14
Creditors for Capital Expenditure	578.50	645.03
Trade Creditors	16.89	13.74
Retention Money & Others	262.70	421.17
<b>Total</b>	<b>862.92</b>	<b>1,088.09</b>

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

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

20.3 Based on the information available with the Company, the balance due to micro and small enterprise as defined under the MSMED ACT, 2006 as on March, 31, 2019 is Rs NIL ( Previous year Rs Nil) and no interest has been paid during the year or is payable under the terms of the MSMED ACT, 2006.

**21 Current Tax Liabilities (Net)**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Income Tax	1,932.42	703.46
Provision for Income Tax Current Year	1,748.76	1,228.96
Less: Advance Tax Paid	-3,342.05	-2,666.85
Less: TDS Recoverable	-85.28	-257.81
Excess Tax paid transferred to Note 12/ 17	-253.85	992.24
<b>Total</b>	<b>-0.00</b>	<b>-</b>

**Notes to the Standalone financial statement for the year ended March 31, 2019**

(All Amounts are in Rs. Lacs)

**22 Revenue From Operations**

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
<b>A. Transmission Charges</b>	34,845.29		36,296.86	
Incentive	445.74		468.01	
Surcharge	320.92		-	
RLDC Fees	142.46		95.63	
Less: Provision for Truing Up	(27,74.40)	32,980.00	(2,597.08)	34,263.43
<b>B. Income to be recovered in future tariff determination [net]</b>		-		-
<b>Total</b>		<b>32,980.00</b>		<b>34,263.43</b>

**22.1** The company has recognised the transmission income for year ended 31<sup>st</sup> March, 2019, as per the final order dated 16.08.2016.

**23 Other Income**

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
<b>Interest on:</b>				
Fixed Deposits with Banks	534.29		280.64	
	<b>534.29</b>		<b>280.64</b>	
<b>Dividend Income from:</b>				
Investment in Mutual fund	408.42		502.78	
MTM on Mutual Fund	59.84		121.99	
	<b>468.27</b>		<b>624.77</b>	
<b>Other Non-Operating Income</b>				
Interest on Security Deposit	0.05		0.54	
Interest on Income Tax Refund	122.55		54.82	
Other Non-operating Income	2.29		96.39	
	<b>124.89</b>		<b>151.74</b>	
<b>Total</b>		<b>1,127.45</b>		<b>1,057.15</b>

**24 Employee benefit expenses**

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
<b>Interest on:</b>				
Salaries and other allowances	311.68		270.10	
Contribution to Provident fund and other funds	7.61		8.98	
Staff Welfare Expenses	18.66		8.64	
<b>Total</b>		<b>337.94</b>		<b>287.71</b>

**25 Finance Cost**

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
<b>(a) Interest cost:</b>				
Interest on PFC Loan	11,848.61		15,586.08	
<b>(b) Other interest expense</b>				
Others Finance charges	0.03		-	
Interest on Truing Up & Rebate	638.01		942.68	
Interest on Self Assessment Tax AY 18-19	0.43		-	
Bank charges	0.09		1.22	
<b>Total</b>		<b>12,487.17</b>		<b>16,529.98</b>

**26 Transmission, Administration Expenses**

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
CERC Tariff Fee	41.39		86.38	
Operation & Maintenance Expenses	591.46		547.50	
<b>Total</b>		<b>632.85</b>		<b>633.88</b>

**Notes to the Standalone financial statement for the year ended March 31, 2019**

(All Amounts are in Rs. Lacs)

**27 Depreciation, Depletion, Amortization and Impairment**

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Depreciation of property, plant and equipment	11,007.58		11,305.13	
Amortisation of intangible assets	316.08	11,323.66	314.79	11,619.92
<b>Total</b>		<b>11,323.66</b>		<b>11,619.92</b>

**28 Other Expenses**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Electricity Expenses	2.89	5.69
Office Expenses	36.16	27.96
Repair & Maintenance	-	-
- Machinery	3.23	2.40
- Building	-	-
Rent Expenses	84.31	50.25
Rates & Taxes	1.29	0.33
Recruitment Expenses	2.10	3.06
Penalty - Provident Fund	2.21	-
Travelling & Conveyance	70.30	69.73
Communication Expenses	6.56	7.27
Printing & Stationery	3.83	4.63
Auditors' remuneration	6.14	6.14
Legal & professional	103.20	73.22
Audit Expenses (Internal)	1.17	1.01
Advertisement & exhibition expenses	2.09	3.50
Meeting Expenses	12.61	7.54
AGM Expenses	5.88	5.49
Cost Audit Expenses	0.41	0.43
<b>Total</b>	<b>344.38</b>	<b>268.65</b>

**29 Loss on Assets Discarded**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Pile Work</b>		
Cost of Assets Discarded	193.00	-
Less : Residual value Taken to Fixed Assets	-11.43	-
Less: Depreciation upto 09.06.2018	-33.56	
<b>Furniture at Dwarka Old Office</b>		
Cost of Assets Discarded	1.70	
Less: Depreciation upto 31.12.2018	-0.15	
<b>Railway Diversion</b>		
Cost of Assets Discarded	726.52	
Less : Residual value Taken to Fixed Assets	-35.11	
Less: Accumulated Depreciation	-227.75	
<b>Total</b>	<b>613.23</b>	<b>-</b>

**30 Income Taxes**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current tax</b>		
- In respect of the current year	1,748.76	1,228.96
- In respect of prior years		
	<b>1,748.76</b>	<b>1,228.96</b>

NOTICE

BOARD'S REPORT

STANDALONE FINANCIAL STATEMENT

## Notes to the Standalone financial statement for the year ended March 31, 2019

(All Amounts are in Rs. Lacs)

### 31 Earnings per share

Particulars	As at March 31, 2019	As at March 31, 2018
Profit for the year attributable to equity shareholders (in Rs. Lacs)	6,559.82	8,382.08
Weighted average number of equity shares (Nos. in Lacs)	4,114.00	4,114.00
Basic & Diluted earnings per equity share (in Rs.)	1.59	2.04
Face Value per equity share (Rs.)	10.00	10.00

### 32 Other Notes

#### 32.1 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.

#### 32.2 Information about Collection

All collection are routed through one single CTU PGCIL

Customer	As at March 31, 2019		As at March 31, 2018	
	Percentage	Amount	Percentage	Amount
Powergrid Corporation of India Limited	100.00	8,711.27	100.00	7,145.26
<b>Total</b>		8,711.27		7,145.26

No other single customers contributed 10% or more to the company's revenue for both 2017-18 and 2018-19.

#### 32.3 Related Party Disclosures

##### 32.3.1 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. S N. Sunkari ( Managing Director) upto 21.08.2018
- 3 Mr. Ashwani Jain ( Director Project) upto 26.11.2018
- 4 Mr. R.K Sarkar ( Director Project) from 26.11.2018
- 5 Mr. Rajesh Kumar (Director) (Project) Retired
- 6 Mr. Bimal Ram Nagar ( Chief Financial Officer )
- 7 Mr. Mukesh Kumar ( Company Secretary)

**Notes to the Standalone financial statement for the year ended March 31, 2019**

(All Amounts are in Rs. Lacs)

**32.3.2 Details of Transactions:****32.3.3 Transactions with Enterprises having significant influence over the Company**

Name of related party	Nature of transaction	Outstanding as on 31.03.2019	Outstanding as on 31.03.2018	Transaction during 18-19	Transaction during 17-18
<b>Services received from:</b>					
a) Power Grid Corporation of India Limited	Project Consultancy Services	-	-	30.98	468.42
b) Power Grid Corporation of India Limited	Operation & Maintenance Service	4.35	12.45	439.21	422.34
c) Power Grid Corporation of India Limited	Project work	356.70	241.04	235.35	1,512.68
d) Power Grid Corporation of India Limited	Staff Training Expenses	0.53	-	0.53	-
e) Power Grid Corporation of India Limited	Dividend	-	-	534.82	427.86
f) Power Grid Corporation of India Limited	Payment for Refinance Effect	3,831.81	-	3,831.81	-
g) ONGC Tripura Power Company Limited	Dividend	-	-	534.82	427.86
h) ONGC Tripura Power Company Limited	Staff Training Expenses	-	-	2.12	-
				5,609.64	3,259.16
Note: + represents Dr. and - represents Cr.					

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

Name of related party		Outstanding as on 31.03.2019	Outstanding as on 31.03.2018	Transaction during 18-19	Transaction during 17-18
Sri Satyajit Ganguly (Managing Director) from 09.10.2018		-	-	-	-
Mr. S N. Sunkari (Managing Director) upto 21.08.2018	Remuneration	-	-	23.72	62.23
Mr. Ashwani Jain (Director Project) upto 26.11.2018	PRP & Remuneration	-	-	65.02	28.31
Mr. R.K Sarkar (Director Project) from 26.11.2018	PRP & Remuneration	-0.45	-	23.86	11.32
Mr. Rajesh Kumar (Director) (Project) Retired	PRP	-	-	-	1.69
Mr. Bimal Ram Nagar (Chief Financial Officer)	Remuneration	-	-	23.00	23.09
Mr. Mukesh Kumar (Company Secretary)	Remuneration	-	-	16.04	16.90
<b>Total</b>		<b>-0.45</b>	<b>-</b>	<b>151.64</b>	<b>143.54</b>

**Notes to the Standalone financial statement for the year ended March 31, 2019**

(All Amounts are in Rs. Lacs)

**32.5 Employee benefit plans**

Leave Encashment	6.56	6.36
Gratuity	8.18	7.98

**32.5.1 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, 2019	As at March 31, 2018
i) Discounting Rate	0.08	0.08
ii) Future salary Increase	0.06	0.06
iii) Expected rate of return on plan assets	-	-

**(II) Actuarial Method**

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

**Change in present value of Obligation**

Particulars	As at March 31, 2019	As at March 31, 2018
i) Present value of obligation as at the beginning of the period	7.98	14.63
ii) Interest cost	0.62	1.10
iii) Current service cost	1.99	-5.37
iv) Benefits paid	-	-1.61
v) Actuarial (gain)/loss on obligation	-2.41	-0.78
vi) Present value of obligation as at the end of period	8.18	7.98

**Expense recognized in the statement of profit and loss**

Particulars	As at March 31, 2019	As at March 31, 2018
i) Current service cost	1.99	-5.37
ii) Interest cost	0.62	1.10
iii) Net actuarial (gain) / loss recognized in the period	-2.41	-0.78
iv) Expenses recognized in the statement of profit & losses	0.19	-5.04

**Movement in the liability recognized in the balance sheet**

Particulars	As at March 31, 2019	As at March 31, 2018
i) Opening net liability	7.98	14.63
ii) Expenses as above	0.19	-5.04
iii) Benefits paid	-	-1.61
iv) Closing net Liability	8.18	7.98

**Notes to the Standalone financial statement for the year ended March 31, 2019**

(All Amounts are in Rs. Lacs)

**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	8.18
a) Impact due to increase of 0.50%	-0.55
b) Impact due to decrease of 0.50 %	0.60
<b>b) Impact of the change in salary increase</b>	
Present Value of Obligation at the end of the period	8.18
a) Impact due to increase of 0.50%	0.61
b) Impact due to decrease of 0.50 %	-0.56

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, 2019	As at March 31, 2018
i) Discounting Rate	0.08	0.08
ii) Future salary Increase	0.06	0.06
iii) Expected Rate of return on plan assets	-	-

**(II) Actuarial Method**

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

**Change in present value of Obligation**

Particulars	As at March 31, 2019	As at March 31, 2018
i) Present value of obligation as at the beginning of the period	6.36	12.58
ii) Interest cost	0.49	0.95
iii) Current service cost	1.81	2.36
iv) Benefits paid	-0.44	-1.47
v) Actuarial (gain)/loss on obligation	-1.66	-8.06
vi) Present value of obligation as at the end of period	6.56	6.36

**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	6.56
a) Impact due to increase of 0.50 %	-0.42
b) Impact due to decrease of 0.50 %	0.45
<b>b) Impact of the change in salary increase</b>	
Present Value of Obligation at the end of the period	6.56
a) Impact due to increase of 0.50 %	0.46
b) Impact due to decrease of 0.50 %	-0.43

**Notes to the Standalone financial statement for the year ended March 31, 2019**

(All Amounts are in Rs. Lacs)

**Expense recognized in the statement of profit and loss**

Particulars	As at March 31, 2019	As at March 31, 2018
i) Current service cost	1.81	2.36
ii) Interest cost	0.49	0.95
iii) Net actuarial (gain) / loss recognized in the period	-1.66	-8.06
iv) Expenses recognized in the statement of profit & losses	0.64	-4.75

**Movement in the liability recognized in the balance sheet**

Particulars	As at March 31, 2019	As at March 31, 2018
i) Opening net liability	6.36	12.58
ii) Expenses as above	0.64	-4.75
iii) Benefits paid	-0.44	-1.47
iv) Closing net Liability	6.56	6.36

**Assumptions as at March 31, 2019**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Gratuity</b>		
1 Discount rate	7.66	7.71
2 Expected return on plan assets	-	NA
3 Annual increase in costs	NA	NA
4 Annual increase in salary	0.06	0.06
<b>Leave Encashment</b>	7.66	7.71
1 Discount rate	NA	NA
2 Expected return on plan assets	NA	NA
3 Annual increase in costs	0.06	0.06
4 Annual increase in salary		

**32.5.2** 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.

**32.5.3. Earned Leave (EL) Benefit**

Accrual – 20 days per year

Encashment while in service – 100% of Earned Leave balance subject to a maximum of 90 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.

**32.5.4. 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.

**Notes to the Standalone financial statement for the year ended March 31, 2019**

(All Amounts are in Rs. Lacs)

**32.5.5. Sensitivity Analysis as on March 31, 2019**

Particulars		As at March 31, 2019	As at March 31, 2018
Impact on Interest on Loan	0.05	5,939.04	6,504.66
Impact on Income from Mutual Fund	0.05	381.13	457.31

**32.5.6** The company requires funds both for short-term operational needs as well as for long-term investment programme mainly in for repayment of loans. The company generates sufficient cash flows from the current operation with 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

**32.6 Contingent liabilities and commitments**

Contingent Liabilities:

**32.6.1** Claims against the Company/ disputed demands not acknowledged as debt:-

Particulars	As at March 31, 2019	As at March 31, 2018
Bank Guarantee in respect Sales Tax/VAT	25.00	25.00
Bank Guarantee to DMRC	24.49	24.49
Income Tax Demand u/s 156 of The Income Tax Act, 1961	0.99	0.05
Higher compensations claimed by individuals / institutions (Claims against the Company not acknowledged as debts in respect of compensation cases relating to right of way.)	10,111.00	6,056.78
<b>Total</b>	<b>10,161.49</b>	<b>6,106.32</b>

**32.6.2** 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.

**32.6.3. Capital Commitments: ( If any )**

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account:-	1,860.45	1,203.91
a) The total of future minimum lease payments under non-cancel lable operating leases is as follows:		
(i) not later than one year;	31.25	42.37
(ii) later than one year and not later than five years;	142.52	212.38
(iii) later than five years.	182.68	233.62

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

**Notes to the Standalone financial statement for the year ended March 31, 2019**

(All Amounts are in Rs. Lacs)

**32.6.4 Movement of Provisions :**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Truing up provision movement</b>		
Opening	2,597.08	-
Additional Provision	2,774.40	2,597.08
Unused amount reversed	-	-
Unwinding of discount and discount rate	-	-
Closing balance	<b>5,371.48</b>	<b>2,597.08</b>

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

**32.8. Financial instruments**
**32.8.1 Interest rate risk management**

The Company has exposed to interest rate risk because company has borrowed funds at fixed interest rates and current rate of interest is 8.79% (net of rebate) and next reset is due in December 2020.

**32.8. 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.

a. 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.

**Notes to the Standalone financial statement for the year ended March 31, 2019**

(All Amounts are in Rs. Lacs)

**32.9 Categories of financial instruments**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Financial Assets</b>		
<b>Measured at FVTPL</b>		
<b>Mandatory measured:</b>		
a) Investment in Mutual Fund	7,622.68	9,146.20
<b>Measured at Amortised Cost</b>		
a) Trade receivables	8,711.27	7,145.26
b) Cash & Cash Equivalents	28.61	554.13
c) Other Bank balances	8,433.90	7,648.90
d) Loans & Advances	775.79	821.60
e) Other Financial Assets	145.31	189.84
<b>Financial Liabilities</b>		
<b>Measured at Amortised Cost</b>		
a) Borrowings (including current maturities of long term borrowings)	11,312.46	11,312.46
b) Trade Payables	862.92	1,088.09
c) Other Financial Liabilities	2,503.27	6,532.28

**32.10 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.

**32.11 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.

**32.12 Foreign currency risk management**

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

**32.13 Interest rate risk management:** The Company is exposed to interest rate risk because the Company has borrowed funds at 3 years 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, 2019 would decrease/increase by Rs 67.39 Lakhs (For the year ended March 31, 2018: decrease/increase by Rs.88.66 Lakhs. This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

**32.14 Price risks:** The company is exposed to price risk arising from investments in mutual funds measured at FVTPL

**32.14.1. 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, 2019 would increase/decrease by Rs. 381.13 Lakhs (For the year ended March 31, 2018 would increase/decrease by Rs 457.31 Lakhs) as a result of the changes in net asset value of investment in mutual funds.

**Notes to the Standalone financial statement for the year ended March 31, 2019**

**32.15. 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 32.15. 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.

**32.16. 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.

Particulars	Less Than 1 Year	1 Year to 3 Years	More than 3 Years
As at March 31, 2019			
- Borrowings (including current maturities of Long Term Borrowings)	11,312.46	33,937.38	73,531.00
- Trade Payables	862.92	-	-
- Other Financial Liabilities (Excluding current maturities of Long Term Borrowings)	2,503.27	-	-

Particulars	Less Than 1 Year	1 Year to 3 Years	More than 3 Years
As at March 31, 2018			
- Borrowings (including current maturities of Long Term Borrowings)	11,312.46	33,937.38	84,843.46
- Trade Payables	1,088.09	-	-
- Other Financial Liabilities (Excluding current maturities of Long Term Borrowings)	6,532.28	-	-

**Notes to the Standalone financial statement for the year ended March 31, 2019**

(All Amounts are in Rs. Lacs)

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

Particulars	As at March 31, 2019	As at March 31, 2018
Property, plant and equipment	156,268.37	166,283.82
Capital work in progress	314.62	916.75
Intangible assets	4,167.97	4,484.05
Financial assets -	-	-
Other	11.17	12.11
Financial assets	-	-
Investments	7,622.68	9,146.20
Trade receivables	-	-
considered good - unsecured	8,711.27	7,145.26
Cash and cash equivalents	8,433.90	7,648.90
Other bank balances	28.61	554.13
Other financial assets	260.93	197.52
Others Current Assets	921.10	1,011.43
Current tax Assets	-	992.24
<b>Total assets</b>	<b>186,740.62</b>	<b>198,392.41</b>

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

**32.19 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.

**32.20 Revenue From Operation Ind-AS 115:**The Company derives revenues primarily from business of Services of Power Transmission through its own towers. Effective April 1, 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative Effect transition method. In accordance with the cumulative effect transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Under IND AS 115 “Revenue from contracts with customers”, revenue is recognized when a customer obtains control of a good or service, while under current standard Revenue is booked when there is a transfer of risk and rewards. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 also requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The company has applied IND AS 115 using the cumulative effect method.

Impact on Financial Statement: - Application of Ind AS 115, did not have any impact on Balance Sheet as at April 01, 2017 and March 31, 2018. Further it had no impact in the Statement of profit and Loss and earning per share for year ended March 31, 2019, for basic and diluted earnings per share

**32.21 Discloser with respect to Accounting policy with respect to Scrap:** During the year the company has changed its accounting policy in respect of Scrap. In previous year company opt “Scrap are accounted for as and when sold”. Now from financial year 2018-19, the company opt “Scrap other than steel scrap & conductor scrap are accounted for as and when sold”.

## Notes to the Standalone financial statement for the year ended March 31, 2019

(All Amounts are in Rs. Lacs)

The company believes the new policy is preferable as it more closely aligns the accounting for these transactions. Due to this change the profit of the company has been increased by an amount of Rs. 46.54 Lacs and Assets is recognized to this extent. Due to this Earning per share of the company has been increased by an amount of Rs. 0.01 for year ended March 31, 2019, for basic and diluted earnings per share.

There is no impact in the Financial Statements of the company in earlier periods.

**32.22 Discloser with respect to Accounting policy with respect Depreciation on Mobile:** Accounting policy of Depreciation on Mobile has been changed from "Rates provided in CERC" to "Mobile phones are charged off in the year of purchase". It has the impact of Rs. 2.30 lacs, which has been adjusted in Depreciation of current FY 2018-19.

During the year the company has changed its accounting policy in respect of Mobile phones. In previous year company opt the depreciation method as per "Rates provided in CERC". Now from financial year 2018-19, the company opt "Mobile phones are charged off in the year of purchase".

The company believes the new policy is preferable as it more closely aligns the accounting for these transactions. Due to this change the profit of the company has been decreased by an amount of Rs.2.30 lacs and Assets is decreased to this extent. Due to this Earning per share of the company has been decreased with a negligible amount for year ended March 31, 2019, for basic and diluted earnings per share.

As amount is insignificant, so company has not calculate any financial impact for earlier years.

### 32.23 Recent Accounting Pronouncements:

**1. IND AS 116 Leases** – On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as
  - Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
  - An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

**Notes to the Standalone financial statement for the year ended March 31, 2019**

(All Amounts are in Rs. Lacs)

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019).

Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company is currently evaluating the effect of this Ind AS on the standalone financial statements.

- 2. Ind AS 12 Appendix C- Uncertainty over Income Tax Treatments:** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

- 3. Amendment to Ind AS 12 – Income taxes:** On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The effect on adoption of Ind AS 12 would be insignificant in the financial statements.

- 4. Amendment to Ind AS 19 – Plan amendment, curtailment or settlement-** On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any material impact on account of this amendment.

**FOR GUPTA NAYAR & CO.****Chartered Accountants**

FRN 008376N

Sd/-

Sanjay Kumar Gupta

**Partner**

(M No. 086004)

Place : Gurugram

Date : 30<sup>th</sup> April, 2019**For and on behalf of the Board of Directors  
of North East Transmission Company Limited**

Sd/-

(Satyajit Ganguly )

**Managing Director**

DIN : 06961418

Sd/-

(Bimal Ram Nagar)

**Chief Financial Officer**

Sd/-

(R K Sarkar)

**Director Projects)**

DIN : 07634505

Sd/-

(Mukesh Kumar)

**Company Secretary**

# ATTENDANCE SLIP

## NORTH EAST TRANSMISSION COMPANY LIMITED

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

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

I, hereby certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the **11<sup>th</sup> Annual General Meeting** of the Company in Hotel Taj Vivanta, 613, Mahapurush Sriamanta Sankradeva Road, Khanapara, Guwahati, Assam 781022, on Friday, 20<sup>th</sup> Day of September 2019 at 1:00 p.m.

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

Folio No.: .....

Signature of member: .....

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

Signature of Proxy : .....

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## PROXY FORM - MGT-11

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

## NORTH EAST TRANSMISSION COMPANY LIMITED

CIN : U40101TR2008PLC008249, Name of the Company: North East Transmission Company Limited  
Registered Off.: House No. 051358, Road No. 3, Dhaleswar, P.O. Dhaleswar, Agartala, West Tripura-799007

Name of the member(s): Registered address:		E-mail Id: Folio No.	
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I / We, being the member(s) of North East Transmission Company Limited holding Equity Shares, hereby appoint

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

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

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

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

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

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

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **11th Annual General Meeting** of the Company, to be held in Hotel Taj Vivanta, 613, Mahapurush Sriamanta Sankradeva Road, Khanapara, Guwahati, Assam 781022, on Friday, 20<sup>th</sup> Day of September 2019 at 1:00 p.m. and at any adjournment thereof, in respect of such resolutions as are indicated below.

1.	To consider and adopt the financial statements of the Company for the year ended March 31, 2019, and the reports of Board of Directors and Auditors thereon along with the comments of the Comptroller and Auditor General of India.	Affix Revenue Stamp of ₹ 1
2.	To note the payment of interim dividend of Re. 0.50 per equity share and declare a final dividend of Re. 0.50 per equity share, for the financial year ended March 31, 2019	
3.	To appoint a Director in place of Shri S. N. Kalita (DIN 07876114), who retires by rotation and, being eligible, seeks reappointment.	
4.	To fix the remuneration of the Auditors of the company, appointed by the Comptroller and Auditor-General of India, for the financial year 2019-2020.	
5.	Ratification of remuneration of the Cost Auditors of the company for the financial year 2019-2020.	

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6.	Appointment of Shri K. Sreekant as a Director of the Company
7.	Appointment of Shri Navin Chandra Pandey as a Director of the Company
8.	Appointment of Shri Yash Malik as an Independent Director of the Company
9.	Appointment of Dr. Murhari Sopanrao Kele as a Director of the Company
10.	Appointment Shri T. C. Sarmah as a Director of the Company
11.	Appointment of Shri Shri Vanlalrema as a Director of the Company
12.	Appointment of Shri Ashwani Kumar Srivastava as a Director of the Company
13.	Approval of appointment of Shri Ashwani Kumar Srivastava as a Whole-time Director of the Company and approval of his remuneration
14.	Approval of the payment of managerial remuneration to Shri Robin Kumar Sarkar as a Whole-time Director of the Company from 27.11.2018 to 24.06.2019
15.	Adoption of Memorandum of Association as per the provisions of the Companies Act, 2013
16.	Adoption of Articles of Association as per the provisions of the Companies Act, 2013

Signed this.....day of.....2019

.....  
Signature of shareholder

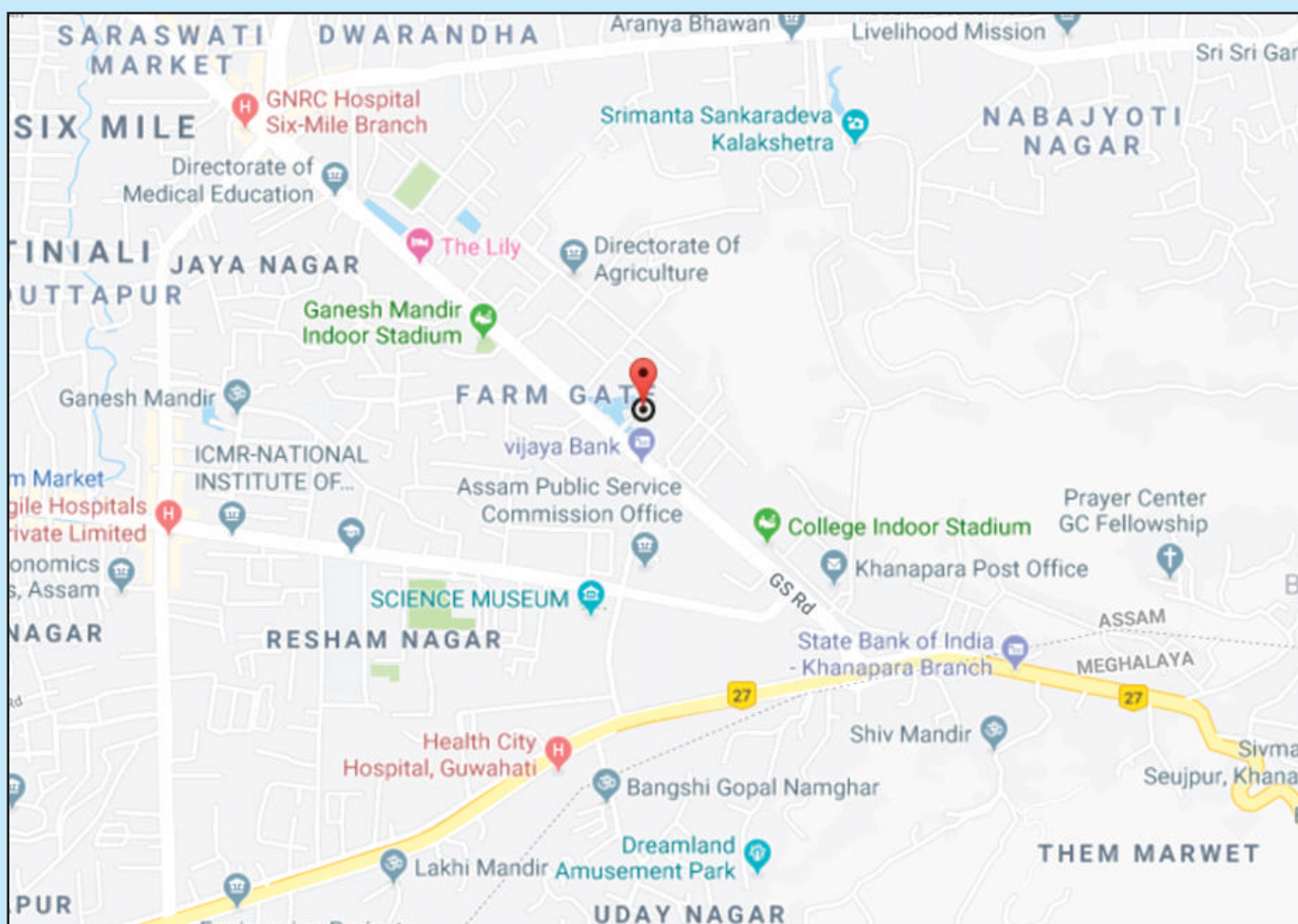
.....  
Signature of first proxy holder

.....  
Signature of second proxy holder

.....  
Signature of third proxy holder

**Notes: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office or Delhi office of the Company not less than 48 hours before the commencement of the meeting.**

## GUIDE MAP OF TAJ VIVANTA, GUWAHATI (VENUE ON 11<sup>TH</sup> AGM)



## CSR INITIATIVES



Skill development training for women at Dhalai, Tripura



Tailoring training programme for women at Khowai, Tripura



Construction of School building at Sepahajala, Tripura



Vermi compost production training at Khowai, Tripura



Donation of ambulance for children with special needs at Jowai, Meghalaya



Construction of bridge at Ribhoi, Meghalaya

## CSR INITIATIVES



Mashroom Growing Training programme at Khowai, Tripur



Distribution of benches in various Schools at Khowai, Tripura



Skill development training for women at Dhalai, Tripura



Honeybee Keeping training at Khowai, Tripura



Skill Development Training for Women at Khowai, Tripura



Inauguration of Bridge at Ribhoi, Meghalaya

## Events AT NETC



NETC officers in Gridtech 2019



Farewell of Chairman Mr. I. S. Jha



Employees at Corporate Office inauguration



Training programme in IIM, Indore for employee development



Ex Chairman addressing the NETC employees



Yoga day celebration in Corporate Office



Enlightening the lives thought CSR Initiative



# NETC

**North East Transmission Company Limited**

Vill- East Champaura, Khayerpur Bypass Road,  
Near Asian Paint Godown.

P/O- Old Agartala , West Tripura, Agartala-799008

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

CIN-U40101TR2008PLC008249