



NETC

NORTH EAST TRANSMISSION COMPANY LIMITED

**ANNUAL REPORT
2019-20**

INTERNATIONAL AWARD



The Institute of Economic Studies (IES) has on 20th August 2019, conferred 'Gold Medal' to NETC and 'International Icon Award' to Mr. Satyajit Ganguly, MD of NETC

BOARD OF DIRECTORS



MR. K. SREEKANT
CHAIRMAN



MR. SATYAJIT GANGULY
MANAGING DIRECTOR



MR. A. K. SRIVASTAVA
DIRECTOR (PROJECTS)



MRS. CHAITALI DUTTA



MR. D. J. HAZARIKA



DR. M. S. KELE



MR. O. P. SINGH



MR. P. UMA SHANKAR



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
Email id: netc@netcindia.in

Corporate Office:

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

Chief Financial Officer:

Mr. Bimal Ram Nagar
bimalnagar@netcindia.in

Company Secretary:

Mr. Mukesh Kumar
mukeshkumar@netcindia.in

Statutory Auditor:

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

Cost Auditor:

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

Registrar and Transfer Agent:

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

Bankers:

Axis Bank Limited
State Bank of India
HDFC Bank Limited

INDEX

Particulars	Page No.
1. Notice of AGM	1 - 8
2. Board's Report	9 - 32
3. Auditor's Report	33 - 43
4. Balance Sheet	44 - 44
5. Statement of Profit & Loss	45 - 45
6. Statement of Cash Flow	46 - 47
7. Notes forming part of the Financial Statements	48 - 91

NOTICE OF TWELFTH (12TH) ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twelfth (12th) Annual General Meeting of the members of North East Transmission Company Limited will be held on Thursday, the 24th September, 2020 at 03:00 p.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

Item No. 1- Adoption of Financial Statements

To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020, and the reports of Board of Directors and Auditor thereon along with the comments of the Comptroller and Auditor General of India.

Item No. 2- Declaration of Dividend

To note the payment of interim dividend of Re. 0.70 per equity share and declare a final dividend of Re. 0.30 per equity share, for the financial year ended March 31, 2020.

Item No. 3- Re-appointment of Shri Satyajit Ganguly as a Director liable to retire by rotation

To appoint a Director in place of Shri Satyajit Ganguly (DIN 06961418), 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, if any, of the Companies Act, 2013, the approval of the members of the Company be, and is hereby accorded to reappoint Shri Satyajit Ganguly (DIN 06961418) as a Director, liable to retire by rotation.”

Item No. 4- Re-appointment of Shri Ashwani Kumar Srivastava as a Director liable to retire by rotation

To appoint a Director in place of Shri Ashwani Kumar Srivastava (DIN 08496885), 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 if any of the Companies Act, 2013, the approval of the members of the Company be, and is hereby accorded to reappoint Shri Ashwani Kumar Srivastava (DIN 08496885) as a Director, liable to retire by rotation.”

Item No. 5- Fixation of the remuneration of the Auditors of the Company, appointed by the Comptroller and Auditor General of India, for the financial year 2020-2021

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

“RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013, Shiv Associates, (DE 1228), the Auditor of the Company appointed by the Comptroller and Auditor General of India for the Financial Year 2020-21, shall be entitled to such remuneration for the financial year 2020-21 as may be approved by the Board of Directors of the Company.”

SPECIAL BUSINESS

Item No. 6- Ratification of remuneration of the Cost Auditor of the Company for the financial year 2020-21

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 Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021, amounting to Rs. 35,000/- (Rupees Thirty-Five Thousand only) plus GST and re-imbursement of out of pocket expenses if any, incurred in connection with the aforesaid audit, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Item No. 7- Appointment of Shri Om Prakash Singh 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 Om Prakash Singh (DIN 08704968) a nominee of ONGC Tripura Power Company Limited, who was appointed as an Additional Director of the Company with effect from 29th May 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”) and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Nominee Director of the Company, liable to retire by rotation.”

Item No. 8- Appointment of Mrs. Chaitali Dutta 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 Mrs. Chaitali Dutta (DIN 08681238) a nominee of ONGC Tripura Power Company Limited, who was appointed as an Additional Director of the Company with effect from 28th January 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”) and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing her candidature for the office of Director of the Company, be and is hereby appointed as Nominee Director of the Company, liable to retire by rotation.”

Item No. 9- Appointment of Shri Dhrubajyoti Hazarika 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 Dhrubajyoti Hazarika (DIN 08660226) a nominee of Assam Electricity Grid Corporation Limited, who was appointed as an Additional Director of the Company with effect from 28th January 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”) and in

respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Nominee Director of the Company, liable to retire by rotation.”

Item No. 10- Approval of the payment of managerial remuneration to Shri Satyajit Ganguly, Managing Director of the Company

To consider and if deemed fit, to pass with or without modification (s) 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 remuneration of Shri Satyajit Ganguly, Managing Director, approved by the Board of Directors of the Company in its meeting held on May 29, 2020 and as set out in the Explanatory Statement annexed to this notice.”

By Order of the Board of Directors

Place: Delhi
Dated: 31.08.2020

Sd/-
(Mukesh Kumar)
Company Secretary

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) in respect of the business under Item No. 6-10 of the Notice, is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
6. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:
 - a. Members will be able to attend the AGM through VC / OAVM by using their login credentials (provided to the members separately by email id provided by them).
 - b. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM.

- c. Members who need assistance before or during the AGM, can contact to Mr. Mukesh Kumar, Company Secretary at mukeshkumar@netcindia.in / +91 9818858867 or Mr. Yashwant Kumar, Executive (IT) at yashwant@netcindia.in / +91 9873624604.
7. 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.
8. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013, will be available for inspection at the Annual General Meeting.
9. Record date and Dividend:
 - A. September 24, 2020 has been fixed as the record date for the payment of the dividend. If dividend on equity shares, as recommended by the Board, is approved at the meeting, the payment of such dividend will be made to all members whose names are on the Company's Register of Members on September 24, 2020.
 - B. Members are requested to provide details of their bank account in which the amount of the dividend can be credited.
10. 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.
11. Members desiring any information relating to the accounts are requested to write to the Company well in advance to enable the Management to keep such information ready.
12. The Resolutions, if passed by the requisite majority, shall be deemed to have been passed on the date of the 12th Annual General Meeting i.e. September 24, 2020.

By Order of the Board of Directors

Place: Delhi
Dated: 31.08.2020

Sd/-
(Mukesh Kumar)
Company Secretary
Email: mukeshkumar@netcindia.in

EXPLANATORY STATEMENT

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

Item No. 6

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s K. G. Goyal & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021. 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. 6 for the approval of Members.

Item No. 7

The Board of Directors proposes the appointment of Shri Om Prakash Singh in the Annual General Meeting as a Director of the Company liable to retire by rotation. The Board, in its meeting held on 29th May 2020, has appointed Shri Om Prakash Singh (DIN: 08704968) as an Additional Director of the Company with effect from 29th May 2020. He is nominated by ONGC Tripura Power Company Limited pursuant to the Shareholders' Agreement dated February 3, 2009 executed between the Company, ONGC Tripura Power Company Ltd., Power Grid Corporation of India Limited, Government of Tripura and subsequent deed of adherence signed with Assam Electricity Grid Corporation Limited, Government of Meghalaya, Government of Mizoram, Government of Manipur and Government of Nagaland.

As per the provisions of Section 161 of the Act, 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.

Mr. Om Prakash Singh (56 years) joined as Director(T&FS), ONGC on 1st April 2020. Mr. Singh, a Mechanical Engineer, having more than 32 years of experience, has built a deep industry understanding and proven management experience across the technical and commercial roles which he has undertaken during his career.

Mr. Singh has a distinguished track record as a successful drilling engineer and has demonstrated dynamic leadership and vision in different capacities as he progressed through various roles. He is well versed with national & international E & P business and carries an extensive experience of offshore and onshore operations. He has a vast industry knowledge and global business experience as he has handled the challenging deep-water drilling projects in India & other countries like Vietnam, Iran, Qatar and Brazil, where he played a major role on behalf of ONGC Videsh Ltd.

Prior to taking over the charge of Director (T&FS), Sri Singh was the Asset Manager of Tripura Asset. With a focus on performance metrics and a continual drive for excellence, Mr. Singh spearheaded the Tripura Asset to a new benchmark of performance. During his tenure, the Asset made significant improvements as he was instrumental in a number of initiatives and enhanced the overall performance of the Asset through fast tracking projects and synergizing resource mobilisation and its utilization. He has an open-minded and forward-looking approach & believes in team work.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested in this Resolution financially otherwise except to the extent that he or she is a Director of the Company.

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

Item No. 8

The Board of Directors proposes the appointment of Smt. Chaitali Dutta in the Annual General Meeting as a nominee Director of the Company liable to retire by rotation. Smt. Chaitali Dutta (DIN 08681238) has been appointed as an Additional Director of the Company w.e.f. 28th January 2020. She is nominated by ONGC Tripura Power Company Limited (OTPC) pursuant to the Shareholders Agreement dated February 3, 2009 executed between the Company, OTPC, 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, she holds the office of Additional Director only up to the date of the forthcoming this Annual General Meeting of the Company, and is eligible for appointment as Director.

Mrs. Chaitali Dutta (61 years) is a Graduate in Chemical Engineering, a University Topper from BIT Sindri (1984) and an MBA in Finance from IGNOU (1997). She has more than 34 years of experience in Onshore & Offshore operations, Corporate office and International business in ONGC. She is a Former Group General Manager of ONGC. She is the first lady in the history of ONGC to have headed a very High-tech and male dominated Sub-sea as well as Well Services Department of the Highest producing Offshore Assets of ONGC. Mrs. Dutta was Vice President in ONGC Videsh Limited for more than 9 years and has experience of International Business. She was one of the key members in closing the prestigious deal of Sakhalin Project for OVL in Russia. Her expertise lies in the area of Economic Modelling, Project Management and Sub Sea Completion. In recognition to her innumerable contribution, she was awarded “Manager of the Year” Award, the highest honor of ONGC. She has presented Technical papers in International and domestic conferences. She has also been Panel speaker and Session Chair in various conferences. She is an active member of Society of Petroleum Engineers and is Section Director of Mumbai Chapter since 2010 till date as well as In-charge of “Women in Energy”.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested in this Resolution financially otherwise except to the extent that he or she is a Director of the Company.

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

Item No. 9:

The Board of Directors proposes the appointment of Shri. Dhrubajyoti Hazarika as a Director of the Company in this Annual General Meeting. Shri. Dhrubajyoti Hazarika (DIN: 08660226) has been appointed as an Additional Director of the Company w.e.f. 28th January 2020. He is nominated by Assam Electricity Grid Corporation Limited pursuant to the Shareholders Agreement dated February 3, 2009, executed between the Company, OTPC, 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. Dhruvajyoti Hazarika (59 years) is a B. Tech (Electrical) of 1983 batch from REC, Calicut. He has more than 35 years of rich experience in Power Sector. He has worked in Thermal Power Station, Operation, documentation & Material management, O&M, Revenue collection, Customer relation management, project management (APDRP, RAPDRP, Rural Electrification) etc.

He worked as GM in Rural Electrification Department, wherein he was entrusted with Saubhagya implementation for electrification of balance un-electrified households. During his tenure as CGM(RE) and Nodal Officer Rural Electrification around 18.00 Lakh un-electrified households were connected by electricity under Saubhagya and DDUGJY scheme within a span of 12 months from April 2018 to March 2019. Presently, he is in Charge of MD, Assam Electricity grid Corporation Limited since December 2020.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested in this Resolution financially otherwise except to the extent that he or she is a Director of the Company.

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 & Remuneration Committee, the Board of Directors proposes to approve the remuneration of Shri Satyajit Ganguly, Managing Director in the Annual General Meeting. Shri Satyajit Ganguly has been Director of the Company with effect from 22nd January 2015. In the Board meeting held on 09.10.2018, Mr. Satyajit Ganguly, MD- OTPC was appointed as Managing Director of the Company to fill up the vacant position of Managing Director caused by the resignation of the Managing Director, Mr. S. N. Sunkari. The appointment of Mr. Satyajit Ganguly was as per the nomination letter received from OTPC. His appointment was for a period of 5 years with effect from 09.10.2018.

The terms of employment of Mr. Satyajit Ganguly, MD OTPC ended on 3rd June, 2020. Accordingly, OTPC had approved the continuation of Mr. Satyajit Ganguly as MD, NETC for rest of his term as one of the nominee directors of OTPC post relinquishment of his services in OTPC.

The Board has, in its meeting held on 29th May 2020, resolved to pay him managerial remuneration with effect from 4th June, 2020 as Managing Director of the Company. His appointment as a Managing Director of the Company is accordance with the covenant of the Shareholders Agreement dated February 3, 2009 executed between the Company, OTPC, 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. Satyajit Ganguly is a graduate in Electrical Engineering and has Post Graduate Diploma in Management. He is also a Law Graduate from Meerut University. He is a Chartered Engineer and Fellow of Institution of Engineers (FIE). He has around 35 years of rich experience with various renowned power sector companies/authorities such as NTPC, CEA, POWERGRID, Power Exchange, Lanco Power and Vedanta Group in various responsible positions. A professional with excellent exposure in Grid Management, Power plant operations, Power Trading, Policy & Regulatory Advocacy, Compliances, Business Development, as well as Business Expansion, Mr. Ganguly has also been a speaker in various national and international forums/conferences. The Institution of Engineers has felicitated him as an Eminent Engineering Personality for the Year 2018. In addition to that, recently the Institute of Economic Studies (IES) has in a seminar on "Indo-Thai Economic Co-operation" on 20th August 2019 confirmed the "International Icon Award" to Mr. Satyajit Ganguly.

Mr. Satyajit Ganguly has been a Nominee Director of the Company with effect from 22.01.2015.

Mr. Satyajit Ganguly has made considerable achievement during his tenure in NETC. He was instrumental in implementation of SOPs and SMPs of NETC thereby optimizing O&M practices culminating in cent percent availability of the transmission line of the Company.

He played instrumental role in negotiating with Power Finance Corporation in reducing the interest rate thereby increasing the profitability of the Company. He is also heading the regulatory interventions with CERC in ensuring favorable order on revision of norms thereby ensuring additional revenue under the O&M head.

Under his leadership the HR Policy of NETC is implemented leading to employee's satisfaction and consequently employee turnover reduced to nil in Financial Years 2018-19 and 2019-20. Under his leadership PBT increased from Rs. 59 crore in FY 2017-18 to Rs. 83 crore in FY 2018-19 and dividend payout increased from 4% in FY 2017-18 to 10% in FY 2018-19.

The Board has approved the following remuneration payable to him with effect from 4th June 2020 for his remaining term as Managing Director of the Company:

Components	Monthly (Rs.)		Yearly (Rs.)
Basic Pay	2,04,167		24,50,000
House Rent Allowance	81,667		9,80,000
Special Allowance	2,75,185		33,02,225
LTA	17,014		2,04,167
Meal Voucher	2,200		26,400
Uniform Allowance or washing Allowance	2,000		24,000
Children education/ Hostel Fees	100		1,200
Newspaper/ Magazine Reimbursement	1,000		2,000
Gross salary	5,83,333		70,00,000
Gross salary without site allowances	5,83,333		70,00,000
Site allowances	-		-
Performance Linked Incentive ceiling (in addition to gross salary)	-		20,00,000
CTC (including incentive)	-		90,00,000

In addition to the above CTC, following benefits/policy shall be extended:

- Perquisites- as per the HR Policy of the Company (i.e. Mobile reimbursement, Tour entitlements, Medical insurance, Leave etc.); and
- A chauffeur driven vehicle.

None of the Directors or Key Managerial Personnel their relatives are concerned or interested in this Resolution financially otherwise except to the extent that he or she is a Director of the Company.

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

By Order of the Board of Directors

Place: Delhi
Dated: 31.08.2020

Sd/-
(Mukesh Kumar)
Company Secretary
Email: mukeshkumar@netcindia.in

BOARD'S REPORT

Dear Shareholders

I am delighted to present on behalf of the Board of Directors, the 12th Annual Report on performance of your Company during the financial year which ended on March 31, 2020 together with audited Financial Statements for the Financial Year 2019-20.

Your Company is steadily marching towards new milestones. Keeping in line with past trend, financial year 2019-20 has proved to be yet another year of excellence and achievements.

400 kV D/C Palatana-Bongaigaon Transmission corridor comprising five elements/assets having line length of 662.8 KMs has been under excellent state of commercial operation during the Financial Year 2019-20 by adhering to rigorous operation & maintenance practice in line with the best industrial standard.

The major milestones achieved during the financial year 2019-20 are as follows:

- Transmission system availability was 99.86%. The Company has received full incentive in line with the CERC Regulations, as the availability exceeded 99.75%.
- Total income of Rs. 325.82 crore and profit after tax (PAT) of Rs. 59.10 crore.
- Interim dividend at the rate of 7% paid and in addition, recommendation made for 3 % as final dividend for the FY 2019-20, subject to approval of shareholders.
- The Institute of Economic Studies (IES) has in a seminar on “Indo-Thai Economic Co-operation” in Bangkok, Thailand on 20th August 2019 conferred the “Gold Medal” to the Company.

1 FINANCIAL PERFORMANCE

(All Amounts are in Rs. Crore)

Particulars	Financial Year Ended	
	March 31, 2020	March 31, 2019
Paid- up Capital	411.40	411.40
Reserve & Surplus	54.37	54.81
Non-Current Liabilities:		
(a) Secured Loans	1047.69	1187.81
(b) Other Non-Current Liabilities	53.44	38.65
Current Liabilities	221.00	174.74
Total Equity and Liabilities	1787.90	1867.41
Non-current Assets	1543.65	1621.98
Current Assets	226.91	245.43
Regulatory Deferral Account Debit Balance	17.34	--
Total Assets	1787.90	1867.41
Total Income	325.82	341.07
Total Expenditure excluding depreciation and tax	132.77	144.79
Profit/(Loss) before Depreciation and Tax	193.05	196.28
Depreciation on Fixed Assets	117.53	113.24
Profit/(Loss) before Tax	75.52	83.04
Tax Expense	16.42	17.48
Profit / (Loss) after Taxation	59.10	65.56
Other Comprehensive Income	(0.02)	0.04

Total Profit	59.08	65.60
Dividend & Dividend Distribution Tax	59.52	24.80
Balance of Profit/(Loss) Brought Forward	54.81	14.01
Balance of Profit/(Loss) Carried Forward	54.37	54.81

2. DIVIDEND

The Board of Directors of the Company, in its 58th meeting held on 28.01.2020, has declared an Interim Dividend for the Financial Year 2019-20 at the rate of 7% (Re. 0.70/-per share) amounting to Rs. 34.72 crore, including dividend tax, on the equity share capital of the Company.

Based on the Company's performance, the Board of Directors of your Company is pleased to recommend a final dividend at the rate of 3 % i.e. Re.0.30 per equity share for Financial Year 2019-20 taking the total dividend to 10% i.e. Re. 1.00 per share. The total dividend paid for FY 2018-19 was also at the rate of 10%. The final dividend on equity shares, if approved by the members, would involve a cash outflow of Rs. 12.34 crore. No dividend tax is payable for the Financial Year 2020-21. The total cash outflow on account of dividend including dividend tax for Financial Year 2019-20 would aggregate Rs. 47.07crore, resulting in a pay-out of 79.66%of the total profit after tax (PAT) of 2019-20.

3. RESERVES

The closing balance of the retained earnings of the Company for Financial Year 2019-20, after appropriations and adjustments was Rs.54.37 crore. During the year, your Company has transferred Rs. 5.52 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 2019-20, the Company maintained availability of the transmission system at 99.86%. To maintain such high availability, preventive maintenance activities are planned well in advance. During Financial Year 2019-20, 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:

- Replacement of porcelain disc insulator with polymer insulators in the polluted area;
- 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.
- Chemical Earthing of towers: Earthing of towers by application of sodium bentonite as a soil resistivity

reducing agent to reduce tower footing resistance in lightning prone area which in turn resulted into improved line availability.

- d) Patrolling of line: Additional patrolling of line sections from Palatana to Silchar and Silchar to Byrnihat was carried out, as a proactive action, for the purpose of minimising line tripping due to infringement of trees and plants along the line corridor.
- e) Diversion work of 400 kV Silchar-Byrnihat line section for facilitating construction of Tetalia-Byrnihat Railway line has been completed during the reporting period.

6. MISSION, VISION AND VALUES OF THE COMPANY

During the year under review your Board has approved following Mission, Vision and values of the Company:

Mission: To operate and maintain transmission and allied services efficiently in energy sector on sound commercial principles;

To be a performance focused organization that generates long term maximum value for all stake holders;

To continually improve management system and practice in conformity with legal and regulatory provisions; To commit towards improved standard in the area of safety, health and environment thereby increasing quality of life in a sustainable manner; and To facilitate a learning and empowering culture whereby employees can achieve and unleash their full potential by adopting and innovating state of the art technologies.

Vision : To be an admired energy transfer utility company in North Eastern region and neighboring strategic geographies.

Values : Agility, Honesty & Integrity, Caring and Respect & Trust.

7. 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 NETC will continue to benefit from cost-plus tariff and its ability to maintain healthy transmission line availability.

8. 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.

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. AUDITOR

The Auditor of your Company is appointed by the Comptroller & Auditor General of India. The office of the Comptroller and Auditor General of India (CAG) has appointed M/s. Gupta Nayar & Company, Chartered Accountants, as the Statutory Auditors of the Company for the Financial Year 2019-20.

12. COST AUDITOR

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

Your company has re-appointed the Cost Auditors M/s K. G. Goyal & Associates, Cost Accountants, as cost auditor of the Company for the financial year 2019-20. The Cost Auditor's report for the Financial Year 2019-20 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 2019-20. The report of the Secretarial Audit is enclosed to this report as Annexure I. The Secretarial Auditor's report for the Financial Year 2019-20 does not contain any qualifications, reservations or adverse remarks.

14. AUDITOR'S REPORT

The auditor's report for the Financial Year 2019-20 does not contain any qualification, reservation or adverse remark. No fraud is reported by auditors under sub-section (12) of section 143 of the Companies Act, 2013.

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 31st March, 2020. The copy of the report received from CAG is attached at Annexure-II to this Report. The CAG report does not contain any qualification, reservation or adverse remark.

16. RELATED PARTY TRANSACTION

None of the transactions with related parties, during the period under review, falls under the scope of section 188(1) of the Act. Information in this regard pursuant to section 134(3)(h) of the Act in form AOC-2 is attached at Annexure-III of the report. The CAG report does not contain any qualification, reservation or adverse remark.

17. 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 by the company. Therefore the provisions of section 134(m) of the Companies Act, 2013 do not apply to your Company. No specific expenditure was incurred on Research and Development. There was no foreign exchange inflow or outflow during the year under review.

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

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_2019-20.pdf.

20. RISK MANAGEMENT POLICY

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

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 60th meeting held on 18.08.2020 has evaluated the Board, its committees and individual Directors in accordance with the Board Evaluation Policy of the Company.

22. BOARD OF DIRECTORS

During the Financial Year 2019-20 some changes took place in the constitution of the Board of Directors of the Company. Following Directors were inducted in the Board of the Company:

S. No.	Name	Date of induction
1.	Mr. Ashwani Kumar Srivastava	03.07.2019
2.	Mr. Yash Malik	05.08.2019
3.	Mr. K. Sreekant	22.08.2019
4.	Dr. M. S. Kele	22.08.2019
5.	Mr. T. C. Sarmah	22.08.2019
6.	Mr. Vanlalrema	22.08.2019
7.	Mr. Dhrubajyoti Hazarika	28.01.2020
8.	Mrs. Chaitali Dutta	28.01.2020
9.	Mr. Om Prakash Singh	29.05.2020

During the Financial Year 2019-20 following Directors have vacated the office of Directorship of the Company:

S. No.	Name	Date of vacation
1.	Mr. R. K. Sarkar	24.06.2019
2.	Mr. D. S. Yadav	05.08.2019
3.	Mr. Ravi P. Singh	06.08.2019
4.	Mr. Mahananda Debbarma	13.08.2019
5.	Ms. Kaadambari	27.09.2019
6.	Mr. S. N. Kalita	30.11.2019
7.	Mr. N. C. Pandey	29.05.2020

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. Satyajit Ganguly and Mr. Ashwani Kumar Srivastava 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:

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

Mr. Ashwani Kumar Srivastava has been appointed as Whole-time Director/Director (Projects) w.e.f. 24.07.2019. Mr. R. K. Sarkar has been appointed as Whole-time Director/(Director Projects) 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 2019-20, four meetings of the Board of Directors were held on 30.04.2019, 24.07.2019, 29.10.2019 and 28.01.2020.

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. T. C. Sarmah	:	Member
iv)	Mr. Dhruvajyoti Hazarika	:	Member
v)	Mrs. Chaitali Dutta	:	Member

Mr. Mahananda Debbarma and Mr. D. S. Yadav, who were members of the Committee have vacated office of Directorship/membership of the Committee w.e.f. 05.08.2019 and 13.08.2019 respectively. Mr. T. C. Sarmah, Mr. Dhruvajyoti Hazarika and Mrs. Chaitali Dutta have been inducted as members of the Committee w.e.f. 29.10.2019, 28.01.2020 and 18.08.2020 respectively.

During the financial year 2019-20 four meetings of the CSR Committee were held on 30.04.2019, 24.07.2019, 29.10.2019 and 28.01.2020.

B. Audit Committee:*Composition*

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

Ms. Kaadambari, who was a member of the Committee has vacated office of Directorship/membership of the Committee w.e.f. 27.09.2019 and Mr. Yash Malik has been inducted as a member of the Committee with effect from 29.10.2019. During the financial year 2019-20, four meetings of the Audit Committee were held on 30.04.2019, 24.07.2019, 25.10.2019 and 20.01.2020.

C. Nomination and Remuneration Committee:*Composition*

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

Mr. Ravi P. Singh, Ms. Kaadambari and Mr. N. C. Pandey, who were members of the Committee has vacated office of Directorship/membership of the Committee w.e.f. 06.08.2019, 27.09.2019 and 29.05.2020 respectively. Mr. K. Sreekant and Mr. Yash Malik have been inducted as members of the Committee w.e.f. 29.10.2019, whereas Mr. Om Prakash Singh has been inducted w.e.f. 29.05.2020.

During the financial year 2019-20 three meetings of the Nomination & Remuneration Committee was held on 30.04.2019, 24.07.2019 and 28.01.2020.

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

27. CAPITAL STRUCTURE

There has not been any change in share capital and shareholding pattern of the Company during the Financial Year 2019-20. The shareholding pattern of the company as on date is as follows:

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

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 confirms 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. In the opinion of the Board the Independent Director appointed during the year under review has integrity, expertise and experience including the proficiency.

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

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

31. MARKET AND FUTURE OUTLOOK

India has been the third largest producer and third largest consumer of electricity in the world with installed power capacity reaching 370.49 gigawatts (GW) as of May 2020. Electricity production reached 1,252.61 billion units (BU) in FY20. India was ranked fourth in wind power, fifth in solar power and fifth in renewable power installed capacity in 2018. India's rank jumped to 22 in 2019 from 137 in 2014 on World Bank's Ease of Doing Business - "Getting Electricity" rankings. All the states and union territories were on board to fulfil the Government's vision of ensuring 24x7 affordable and quality power for all by March 2019. India achieved 100 per cent household electrification by March 31, 2019. More than 26.2 million households have been electrified under Saubhagya scheme. Under Union Budget 2019-20, the Government allocated Rs 5 crore (US\$ 0.73 million) to increase capacity of Green Energy Corridor Project along with Rs 920 crore (US\$ 130 million) for wind and Rs 3,005 crore (US\$ 440 million) for solar power projects.

In the Union Budget 2020-21, Rs 15,875 crore (US\$ 2.27 billion) has been allocated to the Ministry of Power, while Rs 5,500 crore (US\$ 786.95 million) has been allocated towards Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY).

Total FDI inflow in the power sector reached US\$ 14.98 billion between April 2000 to March 2020, accounting for three per cent of the total FDI inflow in India. India will see the huge energy investment of around US\$ 100 billion by 2024.

Growing population along with increasing electrification and per capita uses will provide further impetus to the power sector. Hence, the power sector in India is bound to flourish and there is huge business potential in the sector which also include power transmission business. Your Company is performing above the CERC norm of 98.5% of transmission line availability. By attaining 99.86% of transmission line availability your Company is getting 100% of incentive under CERC Regulations.

Impact of COVID-19 : The COVID-19 outbreak has spread rapidly in 2020, with a significant number of infections in the country. Measures taken by the central government and various state governments to contain the virus have affected economic activities. We also have taken a number of measures to monitor and prevent the effects of the COVID-19 virus, such safety and health measures for our people (like social distancing, frequent sanitization of our work place, distribution of safety equipment and working from home) and thereby securing the seamless progress of our economic activities including O&M work. At this stage, the impact on our business and results is limited. We will continue to follow the policies/guidelines/advice of concerned authorities and government, and in parallel will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.

In view of the threat caused by the COVID-19 pandemic outbreak, as explained in note 3 of 'Notes to Standalone Financial Statements' in the financial statements the Company is seems to be not significantly impacted by the pandemic and your Board believes that the impact of the COVID-19 virus would not have a material adverse effect on our financial condition or liquidity.

32. CORPORATE SOCIAL RESPONSIBILITY POLICY

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

www.netcindia.in.

The objective of the CSR Policy is to consistently pursue the concept of integrated development of the society in an economically, socially and environmentally sustainable manner. To attain its CSR objectives in a professional and integrated manner, the Company is undertaking the CSR activities as specified under the Act. During the year under review the Company has expended Rs. 122.67 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 31st March 2020.

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.

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 and various other departments of Government Governments of Tripura, Assam, Manipur, Mizoram, Meghalaya, Nagaland, Assam Electricity Grid Corporation Limited, PowerGrid Corporation of India Limited, ONGC Tripura Power Company Limited, ONGC Limited, Power Finance Corporation Limited, Bankers and Contracting Agencies for their continued co-operation and support.

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

For and on behalf of the Board of Directors

Place : Gurugram
Date : 01.09.2020

Sd/-
(K. Sreekant)
Chairman

FORM MR-3
Secretarial Audit Report
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

To,

The Members,

NORTH EAST TRANSMISSION COMPANY LIMITED

Vill- East Champamura, Bypass Road, Near Asian Paint Godown,

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2020** 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, 2020** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (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; (Not Applicable during the period under review, as the Company is not Listed)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable during the period under review, as the Company is not Listed)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable during the period under review, as the Company is not Listed) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable during the period under review, as the Company is not Listed)
- (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 company has generally been regular in depositing statutory dues including Provident fund except delay in deposit by one month during the period under review.

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

We have also examined compliance with the applicable clauses/Regulations of the following:

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

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

Regulations, Guidelines, Standards, etc. mentioned above.

We further report that :

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

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

- The Company has altered its Memorandum of Association (MOA) and Articles of Association (AOA) with a view to align the existing MOA and AOA of the Company in accordance with the provisions of the Companies Act, 2013.
- The Board of the Company has approved the statement of Mission, Vision and Values of the Company.

Date: 18.07.2020

Place: Noida

For, Kumar Naresh Sinha & Associates
Company Secretaries

Sd/-
Naresh Kumar Sinha
(Proprietor)
FCS No.: 1807
CP No.: 14984
PR No.: 610/2019
UDIN: F001807B000472959

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 2020

The preparation of financial statements of North East Transmission Company Limited for the year ended 31 March 2020 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 29 May 2020.

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 2020 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 enquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143 (6) (b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Place: New Delhi
Dated: 01 September 2020

Sd/-
(D. K. Sekar)
Director General of Audit (Energy)
(Delhi)

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, 2020, 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 2019-20

(a)	Name of related party	Power Grid Corporation of India Limited		
(b)	Nature of relationship	Investing Company		
(c)	Nature of contract/ arrangement/ transactions	Project consultancy services	Operation & Maintenance service	Project/civil work
(d)	Duration of contract/ arrangement/transactions	Running contract	Running contract	up to the date 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.101.82 Lakh	Rs.461.50 Lakh	Rs. 1846.53 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. 0.83 Lakh were paid to ONGC Tripura Power Company Limited, the investing Companies.				

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

Place: Gurgaon
Date: 01.09.2020

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

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[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:

(1)	CIN:	U40101TR2008PLC008249
(2)	Registration Date:	26/08/2008
(3)	Name of the Company:	North East Transmission Company Limited
(4)	Category / Sub-Category of the Company:	Company Limited by Shares/Indian Non-Government Company
(5)	Address of the Registered office and Village-contact details :	East Champamura, Khayerpur By-pass Road, Post Office- Old Agartala, West Tripura, Agartala- 799008 (Tripura)
(6)	Whether listed company:	No
(7)	Name, Address and Contact details of registrar and Transfer agent, if any	Link Intime India Pvt. Ltd. Noble Heights, 1st floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi – 110058 Tel: 011-4141 0592/93/94, Telefax : 011 - 4141 0591, Email : delhi@linkintime.co.in

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 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				% charges during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
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	21,39,28,000	5,34,82,000	26,74,10,000	65	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any other	--	--	--	--	--	--	--	--	--
Sub-total (A) (1)	--	41,14,00,000	41,14,00,000	100	21,39,28,000	19,74,72,000	41,14,00,000	100	--
(2) Foreign									
NRIs-Individuals	--	--	--	--	--	--	--	--	--
Other -Individuals	--	--	--	--	--	--	--	--	--
Bodies Corp.	--	--	--	--	--	--	--	--	--
Banks/FI	--	--	--	--	--	--	--	--	--
Any Other	--	--	--	--	--	--	--	--	--
Sub-total (A) (2)	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	--	41,14,00,000	41,14,00,000	100	21,39,28,000	5,34,82,000	41,14,00,00	100	--
(B)Public Shareholding									
(1) Institutions									
Mutual Funds	--	--	--	--	--	--	--	--	--
Bank/FI	--	--	--	--	--	--	--	--	--
Central Govt.	--	--	--	--	--	--	--	--	--
State Govt.(s)	--	--	--	--	--	--	--	--	--
Venture Capital Funds	--	--	--	--	--	--	--	--	--
Insurance Companies	--	--	--	--	--	--	--	--	--
FIs	--	--	--	--	--	--	--	--	--
Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
Other (Specify)	--	--	--	--	--	--	--	--	--
Sub-total (B) (1)	--	--	--	--	--	--	--	--	--
(2) Non Institutions:									
Bodies Corp.									
Indian	--	--	--	--	--	--	--	--	--
ii. Overseas	--	--	--	--	--	--	--	--	--
Individuals									
Individual shareholders holding nominal share capital upto Rs. 1 lakh	--	--	--	--	--	--	--	--	--

Other (Specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(2)	—	—	—	—	—	—	—	—	—
Total Public	—	—	—	—	—	—	—	—	—
Shareholding (B)= (B)(1)+(B)(2)	—	—	—	—	—	—	—	—	—
Share held by Custodians for GDRs and ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	—	41,14,00,000	41,14,00,000	100	21,39,28,000	5,34,82,000	41,14,00,000	100	—

(II) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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 10,69,64,00 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	--	--
	Total	41,14,00,000	100	—	41,14,00,000	100	—	—

- (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

(All Amounts are in Rupees)

Particulars	Secured Loans excluding Deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	130093329912	Nil	Nil	130093329912
ii. Interest due but not paid	Nil	Nil	Nil	Nil
iii. Interest accrued but not due	2448754796	Nil	Nil	2448754796
Total (i+ii+iii)	13254204708	Nil	Nil	13254204708
Change in Indebtedness during the financial year				
Addition	Nil	Nil	Nil	Nil
Reduction	(1424702386)	Nil	Nil	(1424702386)
Net Change	(1424702386)	Nil	Nil	(1424702386)
Indebtedness at the end of the financial year				
I. Principal Amount	11608127382	Nil	Nil	11608127382
ii. Interest due but not paid	Nil	Nil	Nil	Nil
iii. Interest accrued but not due	221374940	Nil	Nil	221374940
Total (i+ii+iii)	11829502322	Nil	Nil	11829502322

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:****(All Amounts in Rs Lakh)**

Sl No.	Particulars of Remuneration	Name of MD/WTM/Manager			Total Amount
		Satyajit Ganguly (MD)	A. K. Srivastava(WTD)	R. K. Sarkar (WTD)	
1	Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 Value of perquisites u/s 17(2) Income-tax Act, 1961 Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	64.17	16.04	80.21
		Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission -As % of Profit -Other, specify	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
5	Others, please specify	Nil	Nil	Nil	Nil
6	Total (A)	Nil	64.17	16.04	80.21
7	Ceiling as per the Act	As per part II of Schedule of the Companies Act, 2013			

B. Remuneration to other directors:**(All Amounts in Rs Lakh)**

Sl No.	Particulars of Remuneration	Name of Directors				Total Amount
		P. Uma Shankar	Kaadambri	Yash Malik	Chaitali Dutta	
1	Independent Directors Fee for attending board/ committee meetings, Commission, Others, please specify	3.20	1.40	1.20	0.20	6.00
2	Total (1)	3.20	1.40	1.20	0.20	6.00
3	Other Non-Executive Directors Fee for attending board / committee meetings Commission Others, please specify	Nil	Nil	Nil	Nil	Nil
4	Total (2)	Nil	Nil	Nil	Nil	Nil
5	Total (B)=(1+2)	3.20	1.40	1.20	0.20	6.00
6	Total Managerial Remuneration	3.20	1.40	1.20	0.20	6.00
7	Overall Ceiling as per the Act	Rs. 1,00,000 per meeting				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**(All Amounts in Rs Lakh)**

Sl No.	Particulars of Remuneration	Key Managerial Personnel			TOTAL
		CEO	Company Secretary	CFO	
1	Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 Value of perquisites u/s 17(2) Income-tax Act, 1961 Profits in lieu of salary under section 17(3) Income-tax Act, 1961	— -- --	20.02 Nil Nil	35.12 Nil Nil	55.14 Nil Nil
2	Stock Option	--	Nil	Nil	Nil
3	Sweat Equity	--	Nil	Nil	Nil
4	Commission -as % of profit - others, specify...	— --	Nil Nil	Nil Nil	Nil Nil
5	Others, please specify	—	Nil	Nil	Nil
	Total		20.02	35.12	55.14

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**Date : 01.09.2020****Place : Gurugram**

Sd/-
(K. Sreekant)
Chairman

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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

Financial Year 2019-20

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 31.03.2020):

- | | | |
|------|-------------------------------------------|------------|
| i) | Mr. P. Uma Shankar (Independent Director) | : Chairman |
| ii) | Mr. Satyajit Ganguly (Director) | : Member |
| iii) | Mr. T. C. Sarmah (Director) | : Member |
| iv) | Mr. Dhrubajyoti Hazarika (Director) | : Member |

3. Average net profit of the Company during the last three financial years i.e. Financial Years 2016-17, 2017-18 and 2018-19: Rs. 60.15 Crore.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 1.20 Crore

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

- Total amount to be spent for the financial year 2019-20: Rs.1.20 Crore.
- Amount unspent, if any: Nil
- Manner in which the amount spent during the financial year is detailed below:

(All Amounts in Rs. Lakh)

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1) Local area or other 2) specify the state & district where project or programs was undertaken	Amount outlay	Amount spent on the projects or programs Sub-heads 1) Direct expenditure on projects or program 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency (IA)
1	Construction/ installation of 4 Numbers Water storage tank	Health	Local Area Khowai, Tripura	14.00	14.00	14.00	IA: DC Khowai
2	Drinking Water Facilities for 33 Nos. Govt. Schools under Goalpara.	Edu.	Goalpara, Assam	28.69	17.21	17.21	IA: BDO Goalpara.
3	Distribution of Desks & Benches for 3 Nos Govt Schools under Mungiakami.	Edu.	Khowai, Tripura	10.50	10.50	10.50	IA: DC Khowai.
4	Supply of 2 Nos Ambulances at Lala Primary Health Centre (PHC) & S.K. Roy Civil Hospital Hailkandi.	Health	Hailakandi, Assam	13.51	13.46	13.46	IA: DC Hailakandi.
5	Two Nos Training Program for Women Empowerment Institute of Fashion Technology (SIFT).	Skill Development.	Kamrup (Rural), Assam	23.01	11.51	11.51	IA: DC Kamrup & SIFT Institute.
6	Construction of Inclusive Education Resource Centre for the Children with Special Needs.	Edu.	West Jaintia Hills, Meghalaya	46.60	20.00	20.00	IA: DC west Jaintia hills.
7	Toilets for Girls in 10 Nos Govt School, Goalpara.	Edu.	Goalpara, Assam	24.05	12.02	12.02	IA: DC Goalpara
8	Supply of Books, Bags & Stationaries to ST/SC students above 7th Class.	Edu.	Khowai, Tripura	2.60	2.60	2.60	IA: DC Khowai
9	Distribution of Solar Lantern to Mungaibari High School Students.	Edu.	Khowai, Tripura	2.50	2.50	2.50	IA: TREDA
10	Skill Development Training (10 Nos) for women Empowerment proposed by Krishi Vigyan Kendra, West Tripura	Skill Development	Dhalai, Tripura	18.95	18.95	18.95	IA: Krishi Vigyan Kendra, West Tripura
-	-	-	-	184.41	122.67	122.67	-

6. Reason for not expending

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

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 : 18.08.2020****Sd/-****(P. Uma Shankar)****Chairman, CSR Committee****DIN: 00130363****Date: 18.08.2020**

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, 2020, 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, 2020, 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 18 to the financial statements: Company has not taken income effect on refinance done on 7th Dec 2017 and accordingly, has not accrued any income on 1/3 savings saved through refinance done from 7th Dec, 2017 for a tariff period 2014-19 & ½ savings saved through refinance done from 7th Dec, 2017 for year 2019-2020. This is subject to plead by company to treat this as refinance.

We draw attention to Note 18 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.	Key Audit Matter	Auditor Response
1	<p>Capitalization and de-capitalization of Assets during the year in case of replacement of Regulated Fixed Assets.</p> <p>Refer Notes 3 & 29 to the Standalone Financial Statements</p>	<p>Principal Audit Procedures</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"> 1) Obtained details of Regulated fixed assets replaced during the year. 2) Evaluated the design of internal controls relating to recording transaction in respect of replaced Fixed Assets. 3) Review of contracts in respect to addition in fixed assets. 4) Evaluate the method adopted by the company to determine the carrying value of replaced part of the regulated assets in view of related Ind-AS & accounting policy of the company. 5) Performed analytical procedures and test of details for reasonableness of carrying value of the replaced part.
2	<p>Provision of Truing up as per CERC Regulation 2014-19 and for 2019-2024.</p> <p>In case of refinance of term loan facility, the benefit of reduction of rate of interest will be shared in ratio of 2:1 i.e. 2/3 will go to beneficiaries and 1/3 will go to company as per CERC Regulation 2014-19 and ½ from the year 2019-2024.</p> <p>2.Refer Notes 18 to the Standalone Financial Statements</p>	<p>Principal Audit Procedures</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. Our audit approach was a combination of test of internal controls and substantive procedures as under:</p> <ol style="list-style-type: none"> 1) Obtained details of addition of Regulated fixed assets and details of decapitalization during the year. 2) Evaluated the design of internal controls relating to recording transaction in respect of Fixed Assets. 3) Review of contracts in respect to addition in fixed assets & Power Finance Corporation contract in relation to term loan and reduction of rate of interest. 4) Evaluate the method adopted by the company to determine the carrying value of replaced part of the regulated assets in view of related Ind-AS & accounting policy of the company. 5) Performed analytical procedures and test of details for reasonableness of carrying value of the replaced part and interest cost.

Sr.	Key Audit Matter	Auditor Response
3	Performance of audit under COVID-19 situation	<p>Independent Auditor's Report without physical visit to the company Scope Limitation due to COVID 19</p> <p>The opinion expressed in the present report is based on the limited information, facts and inputs made available to us through electronic means by the company. We wish to highlight that due to the COVID 19 induced restrictions on physical movement and strict timelines, the entire audit team could not visit the company for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing, including but not limited to:</p> <ul style="list-style-type: none"> ➤ Inspection, observation, examination and verification of the original documents/ files. Verified the scanned documents provided by the company on Email. ➤ Physical Verification of Inventory. ➤ Examination of the FA register, physical verification process / addition of Fixed Assets documents, if any ➤ Verification of Minute book i.e AGM, Board minutes and AGM.

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 are expected to be made available to us after the date of this auditor's report.

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the

accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be

influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has explained that pending litigation would not have impact on its financial position.
 - ii. There is no such case for which the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. Based on the verification of books of account of the Company and according to information and explanations given to us, we give in the "Annexure-C", a report on the directions and sub-directions, issued by the Comptroller and Auditors General of India in terms of section 143 (5) of the Act

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

Sd/-
SATYABHAMA GUPTA
PARTNER
Membership No. 073295
Place: Delhi
Date: 29.05.2020

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, 2020 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, 2020, 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/-
SATYABHAMA GUPTA
PARTNER
Membership No. 073295
Place: Delhi
Date: 29.05.2020

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 to 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, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. Company is required to maintain the cost records under subsection 1 of the section 148(1) of the Companies Act, 2013 in respect of transmission operations. The company has integrated financial and cost records. We have, however not made detailed examination of Cost Records with a view to determine whether they are accurate or complete as the cost records of the company are subject to the audit 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 except provident fund delay deposit by one month.

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, 2020 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, 2020 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/-
SATYABHAMA GUPTA
PARTNER
Membership No. 073295
Place: Delhi
Date: 29.05.2020

Annexure C to the Independent Auditor's Report**Directions under section 143(5) of the Companies Act 2013 for the year 2019-20.**

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/-
SATYABHAMA GUPTA
PARTNER
Membership No. 073295
Place: Delhi
Date: 29.05.2020

Balance Sheet as at March 31, 2020

(All Amounts are in Rs. Lakh)

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 31, 2018
1	ASSETS				
	Non-current asset				
	(a) Property, plant and equipment	3	145,537.60	156,268.37	166,283.82
	(b) Capital work in progress	4	226.40	314.62	916.75
	(c) Intangible assets	5	3,851.89	4,167.97	4,484.05
	(d) Right to use assets	4A	222.87	-	-
	(e) Financial assets				
	(i) Investments		-	-	-
	(ii) Loans		-	-	-
	(iii) Other	6	2,461.31	721.13	12.11
	(f) Other non-current assets	7	2,064.59	725.79	824.22
	Total non-current assets		154,364.66	162,197.87	172,520.94
2	Current assets			-	
	(a) Inventories				
	(b) Financial assets				
	(i) Investments	8	10,471.97	7,622.68	9,146.20
	(ii) Trade receivables	9			-
	considered good - secured				-
	considered good - unsecured		9,557.40	8,711.27	7,145.26
	having significant increase in credit risk				-
	credit impaired				-
	(iii) Cash and cash equivalents	10	40.05	28.61	7,648.90
	(iv) Other bank balances	10A	2,391.00	7,984.41	554.13
	(v) Other financial assets	6	55.66	0.46	197.52
	(c) Others Current Assets	11	174.55	195.31	187.22
	(d) Current tax Assets	12	-	-	992.24
	Total current assets		22,690.64	24,542.74	25,871.47
3	Regulatory Deferral Account Debit Balance	13	1,734.55	-	-34.35
	Total assets		178,789.84	186,740.61	198,358.06
4	EQUITY AND LIABILITIES				
	EQUITY				
	(a) Equity share capital	14	41,140.00	41,140.00	41,140.00
	(b) Other equity	15	5,437.49	5,481.12	1,401.12
	Total equity		46,577.49	46,621.12	42,541.12
	LIABILITIES				
	Non-current liabilities				
	(a) Financial liabilities				
	(i) Borrowings	16	104,768.81	118,780.84	130,093.30
	(ii) Other financial liabilities	17	104.91	578.50	-
	(b) Provisions	18	23.95	14.26	13.84
	(c) Deferred tax liabilities (net)	19	5,006.49	3,062.51	3,237.59
	(d) Other non-current liabilities	20	208.59	-	-
	Total non-current liabilities		110,112.75	122,436.12	133,344.72
5	Regulatory Deferral Account Credit Balance	23	-	209.43	-
	Current liabilities				
	(a) Financial liabilities				
	(i) Trade payables -	21			
	Total outstanding dues of Micro Enterprises and Small Enterprises		440.98	284.42	1,088.09
	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		13,554.15	13,768.50	17,441.53
	(ii) Other financial liabilities	17	53.54	47.23	403.21
	(b) Other current liabilities	20	-	-	-
	(c) Current tax liabilities	22	-	-	-
	(d) Provisions	18	8,050.93	3,373.81	3,539.38
	Total current liabilities		22,099.60	17,473.95	22,472.21
	Total liabilities		132,212.35	139,910.07	155,816.93
	Total equity and liabilities		178,789.84	186,740.61	198,358.06
Significant accounting policies and note to financial statements 1-34 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/-
Satyabhama Gupta
Partner
(M No. 073295)
Place : Delhi
Date : 29.05.2020

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)
CFO

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

Sd/-
(Mukesh Kumar)
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2020

(All Amounts are in Rs. Lacs)

Sr. No.	Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I	Revenue from operations	24	31,414.95	32,659.08
II	Other income	25	1,167.33	1,448.37
III	Total income (I+II)		32,582.28	34,107.45
IV	EXPENSES			
	Employee benefit expenses	26	459.38	337.94
	Finance Costs	27	11,326.01	12,487.17
	Transmission, Administration Expenses	28	985.14	632.85
	Depreciation on Right to use Assets	3	39.35	-
	Depreciation and amortisation	29	11,713.98	11,323.66
	Loss on Assets Discarded	31	42.28	613.23
	Corporate Social Responsibility Expenses		122.67	63.71
	Other Expenses	30	341.17	344.38
	Total expenses (IV)		25,029.98	25,802.94
V	Profit before tax and Rate Regulated Activities (III-IV)		7,552.30	8,304.51
VI	Tax expense:	32		
	(a) Current tax :			
	Current Year		1,299.77	1,748.76
	Earlier Year		2.97	-
	(b) Deferred tax Liability/ (Assets)	19	1,943.98	-175.07
	Total Tax Expenses		3,246.71	1,573.69
VII	Profit for the year before Rate Regulated Activities (V-VI)		4,305.59	6,730.82
	Net Movement in Deferral Regulatory Account balance (Debit)/Credit (Net of Tax)	19 A	-1,604.32	175.07
VIII	Profit for the year (VI-VII)		5,909.92	6,555.75
	Other comprehensive income			
	(a) Items that will not be reclassified to profit or loss (net of taxes)		-1.97	4.07
	Other Comprehensive Income - Earlier Years			
	Income Tax Relating To Items That Will Not Be Reclassified To Profit Or Loss			
	(b) Items that will be reclassified to profit or loss		-	-
	Total Other Comprehensive Income		-1.97	4.07
IX	Total Comprehensive income for the year (VII+VIII)		5,907.95	6,559.81
X	Earnings per equity share:	33		
	Basic (in Rs.)		1.44	1.59
	Diluted (in Rs.)		1.44	1.59

See accompanying notes to the standalone financial statements 1-34

FOR GUPTA NAYAR & CO.
Chartered Accountants
FRN 008376N

Sd/-
Satyabhama Gupta
Partner
(M No. 073295)
Place : Delhi
Date : 29.05.2020

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

Sd/-
(Bimal Ram Nagar)
CFO

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

Sd/-
(Mukesh Kumar)
Company Secretary

Cash flow statement for the year ended March 31, 2020

(All amounts are in Rs. Lacs)

Particulars	As at March 31, 2020		As at March 31, 2019	
A. CASH FROM OPERATING ACTIVITIES :				
Profit for the Year		7,552.30		8,304.51
Adjustments For:				
Depreciation & Amortisation expenses	11,713.98		11,323.66	
Truing up	4,223.51		2,774.40	
Truing up Interest	579.74		638.01	
Loss on Assets Discarded & Impairment of Assets	51.82		566.68	
MTM on Investment	-63.21		-59.84	
Balances written back	-		-2.21	
Interest Income	-570.47		-656.90	
Interest Expense	10,724.56		11,848.61	
Other Non operating Income	-533.64		-410.71	
Other Comprehensive Income Adjustment	-1.97	26,124.32	4.07	26,025.78
Operating Profit before Working Capital Changes		33,676.62		34,330.29
Movement in working capital:				
(Increase)/decrease in Trade and other receivables	-846.13		-1,566.01	
(Increase)/decrease in current and Non-current assets	-3,092.68		-1,398.37	
Increase/(decrease) in other current liabilities	3,038.88		-4,631.83	
		-899.93	-	-7,596.21
Net cash from operating activities		32,776.69		26,734.08
Direct taxes paid (net of refunds)		-1,765.87		-1,494.91
Net cash Provided/(used)from operating activities(A)		31,010.82		25,239.16
B. CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase for Property, Plant & Equipment's	-817.06		-2,079.29	
Capital Advances given	-1,338.80		139.72	
Purchase of Mutual Funds	-36,611.00		25,883.83	
Sale proceeds of Mutual Funds	33,824.93		-24,348.50	
Investment in FDR	-1,882.07		-176.19	
Interest received	666.57		593.90	
Disposal of Fixed Assets	0.19		0.47	
Other non operating income	533.64		410.71	
		-5,623.62		424.65
Net cash (used in)/generated by Investing Activities "B"		-5,623.62		424.65
C. CASH FLOWS FROM FINANCING ACTIVITIES:				
Loan accepted/(Repaid) during the year -Long Term	-14,012.03		-11,312.46	
Payment of Principal of Lease Liability and Interest	-46.02		-	
Dividend	-4,936.80		-2,057.00	
Tax on Dividend	-1,014.77		-422.82	
Payment of Interest on borrowings	-10,959.56	-30,969.18	-12,061.55	-25,853.83
Net Cash Used in Financing Activities "C"		-30,969.18		-25,853.83
Net increase in cash and cash equivalents (A+B+C)		-5,581.97		-190.01
Cash and cash equivalents at the beginning of the year		28.61		554.13
Opening balance FD with having Maturity More than 3 months		7,984.41		7,648.90
Closing balance FD with having Maturity More than 3 months		2,391.00		7,984.41
				-
Cash and Cash Equivalents at the end of the Year		40.05		28.61

Note:

1. Cash flow has been prepared as per Indirect method prescribed in IND AS 7
2. Cash and cash equivalents consist of Balance with Bank and deposits with original maturity of upto three months
3. Reconciliation of Cash and cash equivalents as per Note -10
4. Reconciliation of liabilities from financing activities:

(All Amounts in Rupees)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Opening balance at the beginning of the year	13,009,329,912.00	14,140,575,992.00
Interest on Loan during the year	1,124,707,336.00	1,239,853,761.00
Repayment during the year	2,525,909,866.00	2,371,099,841.00
Closing balance at the end of the year	11,608,127,382.00	13,009,329,912.00

5. Management believes that it has taken into account all the known impacts arising from COVID 19 pandemic in the preparation of the financial statements and concluded that there is no implication on its current business. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.
6. Cash and cash equivalents as at March 31, 2020 and March 31, 2019 include restricted cash and bank balances of Rs. 48.07 lacs and Rs. 42.41 Lakhs, respectively. The restriction is primarily on account of FDR held as margin money deposits against guarantee. The deposits maintained by the Company with banks comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

FOR GUPTA NAYAR & CO.
Chartered Accountants
FRN 008376N

Sd/-
Satyabhama Gupta
Partner
(M No. 073295)

Place : Delhi
Date : 29.05.2020

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

Sd/-	Sd/-
(Satyajit Ganguly)	(Ashwani Kumar Srivastava)
Managing Director	Director (Projects)
DIN : 06961418	DIN : 08496885

Sd/-	Sd/-
(Bimal Ram Nagar)	(Mukesh Kumar)
CFO	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 Indian Rupees (Rupees or fi), which is the Company's functional and presentation currency and all values are rounded to the nearest two decimal Lakhs except otherwise stated.

iv) Use of estimates

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

v) Current and non-current classification

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

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;

- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

The Company recognizes twelve months period as its operating cycle.

2.2 Property, Plant and Equipment

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

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

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

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

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

Expenditure on major inspection and overhauls of transmission unit is capitalized when it meets the asset recognition criteria.

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. Other spare parts are carried as inventory and recognized in the statement of profit

and loss on consumption.

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

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

Subsequent costs

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

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

2.3 Capital Work-In-Progress (CWIP)

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

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

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

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

2.4 Intangible Assets and Intangible Assets under development

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

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

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

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

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

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

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

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

2.5 Depreciation / Amortisation

Regulatory Assets:

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

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

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

Non-Regulatory Assets:

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

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

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

Mobile phones are charged off in the year of purchase.

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

Freehold land is not depreciated.

2.6 Impairment of PPE and intangible assets

The Company reviews the carrying amounts of its PPE (including capital work-in-progress) and intangible assets of a

cash generating unit to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

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

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

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

2.7 Borrowing Costs

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

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

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

2.8 Cash and cash equivalents

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

2.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Effective 1 April 2019, the Company adopted Ind AS 116 'Leases' and applied to all lease contracts existing on 1 April 2019 using the modified retrospective transition method. Consequently, the lease liability is measured at the present value of remaining lease payments discounted at incremental borrowing rate applicable at the date of initial application and the right-of-use asset has been recognized at an amount equal to lease liability. Comparatives as at and for the year ended 31

March 2019 have not been adjusted and therefore will continue to be reported as per Ind AS 17. The details of accounting policies as per Ind AS 17 are disclosed separately if they are different from those under Ind AS 116.

As lessee

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

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

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

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

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

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

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

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

Accounting for finance leases

In the comparative period, leases of property, plant and equipment where the Company, as lessee has substantially

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

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

Accounting for operating leases

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

As a lessor

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

Company as a lessee

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

2.10 Foreign Exchange Transactions

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

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

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

2.11 Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

(I) Defined Contribution Plan:

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

Defined Benefit Plans

Payments 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 present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(ii) Employee benefits

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

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

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

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

2.12 Financial instruments

Financial Assets

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

Classification

The Company classifies its financial assets in the following categories:

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

The classification depends on the following:

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

Initial recognition and measurement

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

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

Subsequent measurement

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

Equity investments

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

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

De-recognition of financial assets

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

Financial Liabilities

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

Classification, initial recognition and measurement

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

Subsequent measurement

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

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

Offsetting of financial instruments

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

De-recognition of financial liability

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

2.13 Income Tax:

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

Current Tax

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

Deferred Tax

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

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

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

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

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

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

Current and deferred tax for the year

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

2.14 Revenue Recognition and Other Income

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

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

Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for as per tariff norms and other amendments notified by the CERC in similar cases.

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.

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

2.15 Dividends

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

2.16 Provisions and Contingencies

a) Provisions

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

b) Contingencies

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

Contingent assets are not recognised.

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

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

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

2.18 Prior Period Items

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

2.19 Segment Reporting

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

2.20 Earnings per Share

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

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

2.21 Cash Flow Statement

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

2.22 Regulatory Deferral Account

Expenses/income recognized in the Statement of Profit & Loss to the extent recoverable from or payable to the

beneficiaries in subsequent period as per CERC tariff Regulations are recognized as "Regulatory Deferral Account Balances"

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

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

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

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

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

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

3.1 Critical Accounting Judgments and Key Sources of Estimation Uncertainty-

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

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

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

3.2 Critical judgements in applying accounting policies

Revenue

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

Recognition of deferred tax assets

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

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

3 Property, Plant and Equipment

(All Amounts are in Rs. Lacs)

Carrying Amount of	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Freehold land	679.37	679.37	679.37
Building	589.15	588.57	-
Transmission Lines	143,842.85	154,716.21	165,531.24
Assets Discarded ready for reuse	36.92	46.54	-
Computers	11.41	8.35	1.76
Office equipment	57.75	33.60	6.32
Furniture and fixtures	106.62	107.29	16.33
Plant and equipment	213.53	88.44	48.80
Total	145,537.60	156,268.37	166,283.82

Cost or deemed cost	Freehold Land	Building	Transmission Lines	Assets Discarded ready for reuse	Computers	Office Equipment	Furniture & Fixtures	Plant & Equipment	Total
Balance at March 31, 2018	679.37	-	212,300.38	-	25.49	9.89	20.47	60.88	213,096.49
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
Balance at March 31, 2019	679.37	590.24	212,216.18	46.54	33.53	40.97	114.05	105.28	213,826.17
Additions	-	20.53	521.93	-	7.81	28.80	6.89	133.26	719.22
Disposals/ adjustments	-	-	57.29	9.62	0.98	-	-	-	67.89
Balance at March 31, 2020	679.37	610.77	212,680.82	36.92	40.37	69.77	120.94	238.54	214,477.50

Notes to the Standalone financial statement for the year ended March 31, 2020

(All Amounts are in Rs. Lacs)

Accumulated depreciation and impairment	Freehold Land	Building	Transmission Lines	Assets Discarded ready for reuse	Computers	Office Equipment	Furniture & Fixtures	Plant & Equipment	Total
Balance at March 31, 2018	-	-	46,769.14	-	23.73	3.57	4.14	12.07	46,812.67
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
Balance at March 31, 2019	-	1.67	57,499.97	-	25.18	7.37	6.76	16.85	57,557.80
Depreciation expense	-	19.95	11,352.92	-	4.64	4.65	7.57	8.17	11,397.90
Impairment loss recognised in profit or loss	-	-	-	-	-	-	-	-	-
Eliminated on disposal / adjustments / transfer of assets	-	-	14.94	-	0.87	-	-	-	15.80
Balance at March 31, 2020	-	21.62	68,837.96	-	28.96	12.02	14.33	25.01	68,939.90

4. Capital work in progress

Particulars	Railways Diversion	Agartala Building	Dwarka Office WIP	Forest Afforestation-Maghalaya-RIST	Jowai Land	Rist	Furniture and Fixtures	Plant and Equipment	Total
Balance at March 31, 2018	806.00	110.74	-	-	-	-	-	-	916.75
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
Balance at March 31, 2019	-	-	-	155.13	0.47	159.01	-	-	314.62
Additions during the year	-	-	-	-	-	70.79	-	-	70.79
Less: Transfer to Advance	-	-	-	-	-	-159.01	-	-	-159.01
Less: Transferred to property plant and equipment	-	-	-	-	-	-	-	-	-
Balance at March 31, 2020	-	-	-	155.13	0.47	70.79	-	-	226.40

Note - These all assets are mortgaged with Power Finance Corporation Limited against Loan availed, Refer Note- 16

4A Right to use Assets

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2020		As at March 31, 2019
Fair value of Leasehold office in Delhi			
Fair value on 31.03.20	230.74		
Less: Depreciation	26.90	203.85	-
Fair value of Vehicle at Jowai			
Fair value on 31.03.20	12.61		
Less: Depreciation	5.26	7.36	-
Fair value of Photocopy Machine in Delhi			
Fair value on 31.03.20	0.99		
Less: Depreciation	0.49	0.49	-
Fair value of Vehicle at Agartala Tripura			
Fair value on 31.03.20	9.32		
Less: Depreciation	3.50	5.83	-
Fair value of Vehicle at Silchar Guwahati			
Fair value on 31.03.20	8.55		
Less: Depreciation	3.21	5.35	-
		222.87	-

5 Intangible assets

Carrying Amount of	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Forest & Afforestation	3,851.24	4,167.28	4,483.32
Web Site Designing Expenses	0.64	0.69	0.73
Total	3,851.89	4,167.97	4,484.05

Cost or deemed cost	Forest & Afforestation	Web Site Designing Expenses	Total
Balance at March 31, 2018	5,985.54	0.82	5,986.36
Additions	-	-	-
Disposals/ adjustments	-	-	-
Balance at March 31, 2019	5,985.54	0.82	5,986.36
Additions	-	-	-
Disposals/ adjustments	-	-	-
Balance at March 31, 2020	5,985.54	0.82	5,986.36
Balance at March 31, 2018	1,502.23	0.09	1,502.32
Amortisation expense	316.04	0.04	316.08
Impairment loss recognised in profit or loss	-	-	-
Disposals/ adjustments	-	-	-
Balance at March 31, 2019	1,818.26	0.13	1,818.40
Amortisation expense	316.04	0.04	316.08
Impairment loss recognised in profit or loss	-	-	-
Disposals/ adjustments	-	-	-
Balance at March 31, 2020	2,134.30	0.18	2,134.48

Note - These all assets are mortgaged with Power Finance Corporation Limited against Loan availed, Refer Note- 16

6 Others

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current	Non-current	Current
Security deposits	16.12		11.17	
Interest Accrued on deposits on FDR with Maturity (It includes accrued interest of Rs. 5,66,298 (Previous year Rs. 4,82,199/-) FDR issued against Bank Guarantee and is Lien marked)	113.62	50.75	260.46	-
Advance to Employees	-	4.91	-	0.46
Others Fixed deposits with more than 12 months maturity (It includes Rs. 42,41,043 FDR issued against Bank Guarantee and is Lien marked) (The deposits maintained by the Company with banks comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal)	2,331.57	-	449.49	
Total	2,461.31	55.66	721.13	0.46

7 Other Non-current assests

Particulars	As at March 31, 2020	As at March 31, 2019
Advance for Capital Expenditure		
Realted Parties:		
Powergrid Corporation of India Limited	2,064.59	725.79
Others		
Total	2,064.59	725.79

8 Other Investments

Particulars	As at March 31, 2020		As at March 31, 2019	
	Qty. in unit	Amount	Qty. in unit	Amount
Financial assets carried at fair value through profit or loss				
Quoted Investments				
Investments in Mutual funds				
SBI Magnum Insta Cash Mutual Fund	30,367,577.40	9,829.07	75,366.61	2,207.16
UTI Liquid cash Plan Institutional Growth option	19,772.57	642.89	176,934.89	5,415.52
Total investments carrying value	30,387,349.97	10,471.97	252,301.50	7,622.68

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. 97,10,00,000/- in SBI Mutual Fund and Rs. 6,38,91,131/- in UTI Liquid Cash Plan.

9 Trade receivables

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current (secured, considered good unless otherwise stated)		
considered good - secured		-
considered good - unsecured	9,557.40	8,711.27
having significant increase in credit risk		-
credit impaired		-
Total	9,557.40	8,711.27

- 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.
- 9.2 Management believes that it has taken into account all the known impacts arising from Covid-19, pandemic in the preparation of financial statements and concluded that there is no implication on its current business. However, the impact assessment of Covid-19 is a concluded process given its uncertainties associated with its nature and duration.

The Company will continue to monitor any material changes to future economic conditions.

10 Cash and cash equivalents

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and Cash Equivalents		
Balances with Banks	40.05	27.02
Cheques in Hand		1.59
Cash on Hand		
Other Bank Balances		
Term Deposit Accounts having maturity upto 3 months		
Total	40.05	28.61

10.A Bank Balances other than Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Term Deposit Accounts having maturity more than 3 months upto 12 months	2,391.00	7,984.41
(The deposits maintained by the Company with banks comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal)		
Total	2,391.00	7,984.41

11 Other current assets

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Advances recoverable in cash or kind or value to be received		
(ii) Advance To Related Parties for purchase of Tools & Plant		
(iii) Others		
Prepaid Expenses	9.97	13.62
Prepaid Expenses IND AS	2.87	1.68
Advance to others	3.89	50.00
Other Receivable	60.74	67.26
Advance for CSR Projects	97.08	62.74
Total	174.55	195.31

- 11.1 Other receivables represents rebate of 0.25% accrued but not due on PFC loan interest provided for the year ended 31.03.2020.

12 Current Tax Assests

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Income tax (including TDS)	-	-
Total	-	-

13 Regulatory Deferral Account Debit Balance

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Reconciliation of Regulatory Asset/(Liability) as per Rate Regulated Activities		
Opening Balance	-209.43	-
Addition/(Adjustment) during the year	1,943.98	-
Closing Balance	1,734.55	-

13.1 The Company is engaged in the business of Transmission of Power. The tariff for transmission of power is determined by the CERC through Tariff Regulations. The tariff is based on Capital cost admitted by CERC and provides for transmission charges recovery of annual fixed cost consisting of return on equity, interest on loan capital, depreciation, interest on working capital and operation and maintenance expenses.

14 Share Capital

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Share Capital		
Authorised Share Capital:	60,000.00	60,000.00
600,000,000 Equity Shares of Rs. 10 each		
Issued and Subscribed Share Capital:	41,140.00	41,140.00
411,400,000 (Previous Year 411,400,000) Equity Shares of Rs.10/- each fully paid up		
(as at March 31, 2019: 411,400,000 Equity Shares of Rs, 10 each)		
Fully paid equity shares:	41,140.00	41,140.00
411,400,000 (Previous Year 411,400,000) Equity Shares of Rs.10/- each fully paid up		
(as at March 31, 2019: 411,400,000 Equity Shares of Rs. 10 each)		
Total	41,140.00	41,140.00

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

Particulars	Number of shares	Share Capital (Rs. In Lacs)
Balance at April 1, 2019	4,114.00	41,140.00
Shares issued during the year		
Balance at March 31, 2020	4,114.00	41,140.00
Shares issued during the period		
Outstanding as at March 31, 2020	4,114.00	41,140.00

14.2. Terms/rights attached to equity shares

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

The distribution will be in proportion to the number of equity shares held by the shareholders.

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

(All Amounts are in Rs. Lacs)

Name of equity share holders	As at March 31, 2020		As at March 31, 2019	
	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%

15 Equity

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

a. Equity share capital

(All Amount are in Rs Lacs)

Name of equity share holders	Amount
Balance at April 1, 2019	41,140.00
Changes in equity share capital during the year	-
Balance at March 31, 2020	41,140.00

b. Other equity

(All Amounts are in Rs. Lacs)

Particulars	Reserve and Surplus			Other Comprehensive Income		Total
	Self Insurance Reserve	Corporate Social Responsibility Reserve	Retained earnings	Equity instrument through other income	Other items of other comprehensive income (specify nature)	
Balance at March 31, 2018	1,964.71	202.99	971.99	-	-8.70	3,130.98
Add: Movement in Deferred Regulatory Account Movement upto 31.03.18	-	-	-1,729.86	-	-	-1,729.86
Balance at April 01, 2018	1,964.71	202.99	-757.87	-	-8.70	1,401.12
Profit for the year	-	-	6,555.75	-	-	6,555.75
Other comprehensive income for the year, net of income tax	-	-	-	-	4.07	4.07
"Total comprehensive income for the year"	1,964.71	202.99	5,797.87	-	-4.63	7,960.94
Transferred to Self Insurance Reserve	549.53	-	-549.53	-	-	-
Transferred to Corporate Social Responsibility Reserve	-	-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	-	-	-	-	-	-
Balance at April 1, 2019	2,514.24	139.28	2,832.23	-	-	-
Adjustment for Regulatory deferral Account Balance	-	-	-	-	-4.63	5,481.12
Profit for the year	-	-	5,909.92	-	-	5,909.92
Other comprehensive income for the year, net of income tax	-	-	-	-	-1.97	-1.97
"Total comprehensive income for the year"	-	-	5,909.92	-	-1.97	5,907.95

(All Amounts are in Rs. Lacs)

Particulars	Reserve and Surplus			Other Comprehensive Income		
	Self Insurance Reserve	Corporate Social Responsibility Reserve	Retained earnings	Equity instrument through other income	Other items of other comprehensive income (specify nature)	Total
Transferred to Self Insurance Reserve	551.16	-	-551.16	-	1.97	-
Transferred to Corporate Social Responsibility Reserve	-	-122.67	122.67	-	-	-
Deduction during the year	-	-	-	-	-	-
Dividend	-	-	-4,936.80	-	-	-4,936.80
Dividend Distribution Tax	-	-	-1,014.77	-	-	-1,014.77
Prior Period Adjustments	-	-	-	-	-	-
Add: Reversal of Proposed Dividend Tax	-	-	-	-	-	-
Balance at March 31, 2020	3,065.40	16.61	2,362.08	-	-6.60	5,437.49

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

	Year 2019-2020		Year 2018-19		Year 2017-18	
	Divident (in %)	Amount (Rs. Lacs)	Divident (in %)	Amount (Rs. Lacs)	Divident (in %)	Amount (Rs. Lacs)
Interim Dividend*	7.0	3471.75	5.0	2,480.00	4.0	1648.95
Final Dividend*	-	-	5.0	2,480.00	Nil	-

During the year ended March 31, 2020 on account of the final dividend for fiscal 2019, and interim dividend for fiscal 2020 the Company has incurred a net cash outflow of Rs 59.52 crore inclusive of Dividend Distribution Tax.

The Board of Directors in their meeting held on May, 29, 2020 recommended a final dividend of Rs 0.30/- per equity share for the financial year ended March 31, 2020. This payment is subject to the approval of shareholders in the Annual General Meeting date which will be announced by the company in due course. The Final dividend, if approved by shareholders would result in net cash outflow of Rs. 1234 Lacs.

* It includes Dividend distribution tax.

16 Borrowings

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured – at amortised cost Rupee Term Loan (RTL) from Banks Rupee Term Loan (RTL) from Others ; Power Finance Corporation of India Ltd.	104,768.81	118,780.84
Total	104,768.81	118,780.84

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

- 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.

3. Net Rate of Interest is @ 8.79% p.a with effect from 07.12.2017 after adjusting rebate of @0.25%.
4. Current portion of borrowings transferred to Note no. 16 as Current maturity of long term debt.
5. In line with refinance agreement signed on 07.12.2017, Company has prepaid one principle instalment without any prepayment penalty amounting to Rs 28,28,11,520/- on 09.08.2019.

Repayment Schedule of Rupee Term Loan

(All Amounts are in Rs. Lacs)

Year of Repayment	As at March 31, 2020	As at March 31, 2019
2018-19	-	-
2019-20	-	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	2,956.67	5,656.23
Total	104,768.81	118,780.84

17 Other financial liabilities

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current	Non current	Current
Current maturity of long-term debt (Loan from PFC)		11,312.46		11,312.46
Interest accrued		2,213.75		2,448.75
Other Current Liability		3.00		3.00
Creditors for Capital Expenditure	104.91	-	578.50	-
Payable to Employees		21.70		1.59
Audit Fee Payable		3.24		2.70
Total	104.91	13,554.15	578.50	13,768.50

18 Provisions

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current	Non current	Current
Provision for Truing Up (Refer Note [18.1])		9,594.99		5,371.48
Less: Amount Paid to CTU		-3,831.81		-3,831.81
Provision for Interest on Truing up (Refer Note [18.1])		2,159.56		1,579.82
Provision for Income Tax		127.40		253.85
Provision for Employee benefits:				
For Leave encashment (Refer Note [18.2])	11.00	0.58	6.23	0.33
For Gratuity (Refer Note [18.3])	12.95	0.22	8.03	0.14
Total	23.95	8,050.93	14.26	3,373.81

18.1. Company has already filled trueing up petition for tariff period 2014-19 on 24.01.2020, however keeping in view provisions as mentioned in regulation 8, any excess (deficit) in tariff is recoverable/payable and such excess/deficit is also subject to additional interest on excess amount recoverable/payable at bank rate as applicable for that respective year. Accordingly, to save interest cost, company has paid back excess tariff to the tune of Rs. 38.32 crore to Powergrid Corporation of India Ltd. (CTU). The Company has recognized Rs. 53.71 crores as truing up provision and corresponding interest provision of 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. In CERC order dated 16.08.16 related with fixation of Tariff for the period 2014-2019 ,CERC directed NETC to provide details of all additional capital expenditure of all the assets at the time of truing up. Till 31.03.2014 Company has done cumulative assets addition of Rs 2086.06 Crores (revised to Rs 2103.87 Crores due to additional IDC) and has done further capitalisation of Rs 92.28 Crores. In trueing petition Company has submitted complete details of all additional capital expenditure with all technical justifications and also made submission to allow additional tariff excess of operation & maintenance incurred over norms .

The Company has also made submission to CERC to treat above mentioned rate reduction as refinance and to admit 1/3 savings achieved through this reduction as additional Tariff.

- 18.2.** Company has also filled Multi Year Tariff for Tariff Period 2019 -24. Current Year is the first Year of the Tariff period 2019-24. For this year Company has projected a turnover of Rs 336.45 Crores. The year wise break up is given below :-

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

* The projected Tariff includes submission for additional O&M and ½ of the interest reduction as additional Tariff.

The Company in line with prudent practices company has not considered additional operation & maintenance expenses and 1/2 savings as refinance benefits as additional tariff, Accordingly tariff considered is Rs 309.29 Crs instead of Rs 336.45 crores projected in Tariff.

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

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

Accordingly truing up provision of Rs. 42.24 Crores is made to reflect the gap between approved tariff Rs. 351.77 Crores and actual tariff Rs. 309.29 Crores.

19. Deferred Tax Liabilities (net)

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

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	3,062.51	3,062.51
Addition during the period	1,943.98	-
Total	5,006.49	3,062.51

19.A Movement in Deferral Regulatory Account Debit balance

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

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	-	-
Addition during the period	1,943.98	-
Tax on Movement in Deferral Regulatory Account balance	-339.65	-
Total	1,604.32	-

Further Note :

The Company has reported in its Financial Statements, the cumulative Deferred Assets against Deferred Tax Liability as Rs. 33591.82 lacs and Deferred Tax Liability of Rs. 33591.82 lacs in the Statement of Profit & Loss from 2014-15 to 17-18. Deferred Tax Liability of Rs. 1542.08 lacs were reflected in Balance Sheet. An error has been noticed during the period June 2019 quarter related to the previous year 2014-15 to 2018-19. The correct cumulative net movement in Deferred Assets against Deferred Tax Liability worked out to credit balance of Rs. 34.35 lacs and Deferral Regulatory Account Balance of Rs 34.35 lacs in Statement of Profit & Loss from 2014-15 to 2017-18. Deferred Tax Liability of Rs. 3237.58 lacs were worked out in Balance Sheet.

The comparative figures in Financial Statements for 31 March 2019 and 01 April 2018 have been restated by giving effect to each of the affected financial statement line item.

Net effect of restatement of Deferred Regulatory Account Rs. 33626.17 and Deferred Tax Liability 31896.32 is reflected in the restated Retained earnings as at 1st April 2018. Due to this the net retained earnings as at 1st April, 2018 is Rs. 757.87 lacs debit balance instead of Rs. 971.99 lacs credit balance.

Due to above reclassification company has recognized in its Balance Sheet, Deferred Tax Liability of Rs. 3237.58 lacs as on April 1, 2018, Rs. 3062.51 Lac as on March 31, 2019 and correspondingly recognized the Deferred Assets against Deferred Tax Liability Rs. 34.35 Lacs (credit Balance) as on April1, 2018 and Rs. 209.43 Lacs (credit Balance) as on March 31, 2019. (Enclosed Restated Balance Sheet).

20 Other liabilities

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non current	Current	Non current	Current
Statutory Dues Payables	-	24.22	-	47.23
Lease Liability - Delhi Office	204.58	13.65	-	-
Lease Liability - Jowai Vehicle	1.14	6.49	-	-
Lease Liability - Delhi Xerox Machine	0.04	0.47	-	-
Lease Liability - Agartala Vehicle	1.67	4.35	-	-
Lease Liability - Silchar Vehicle	1.15	4.37	-	-
Total	208.59	53.54	-	47.23

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

20.2 The Statutory Auditors Remuneration is as under:

(All Amounts are in Rs. Lacs)

Payment to Auditors (including GST)	As at March 31, 2020	As at March 31, 2019
Audit Fees	3.54	2.95
Tax Audit Fees	1.42	1.42
Certification and Other Services	4.53	1.77
Travelling and Out of Pocket Expenses	0.43	0.15
	9.92	6.29

21 Trade payables

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Creditors for Goods, expenses & Services to MSME		-
Creditors for Goods & Services	201.67	4.83
Trade Creditors	-	16.89
Retention Money & Others	239.31	262.70
Total	440.98	284.42

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

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

22 Current Tax Liabilities (Net)

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Income Tax	3,681.18	1,932.42
Income tax on Deferred Regulatory Account balance	339.65	-
Reversal of Provision of earlier Years	-1,228.08	-
MAT Credit Entitlement	-	-
Provision for Income Tax Current Year	1,299.77	1,748.76
Less: Advance Tax Paid	-3,855.29	-3,342.05
Less: TDS Recoverable	-109.83	-85.28
Excess Tax paid/provision transferred to Note 12/ 17	-127.40	-253.85
Total	-	-

23 Regulatory Deferral Account Credit Balance

(All Amounts are in Rs. Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Reconciliation of Regulatory Asset/(Liability) as per Rate Regulated Activities		
Opening Balance	209.43	34.35
Addition/(Adjustment) during the year	-	175.07
Less: Transferred to Regulatory Deferred Debit Balance	-209.43	-
Closing Balance	-	209.43

24 Revenue From Operations

(All Amount are in Rs. Lacs)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
A. Transmission Charges	35,013.31		34,845.29	
Incentive	432.17		445.74	
RLDC Fees	192.97		142.46	
Less: Provision for Truing Up	-4,223.51		-2,774.40	
B. Income to be recovered in future tariff determination [net]		31,414.95		32,659.08
Total		31,414.95		32,659.08

24.1 The company has recognised the transmission income for year ended 31th March, 2020, as per the final order dated 16.08.2016.

25 Other Income

(All Amounts are in Rs. Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest on:		
Fixed Deposits with Banks	570.47	534.29
	570.47	534.29
Dividend Income from:		
Investment in Mutual fund investment	269.06	408.42
MTM on Mutual Fund	63.21	59.84
	332.27	468.27
Other Non-Operating Income		
Interest on Security Deposit	0.91	0.05
Surcharge	263.07	320.92
Interest on Income Tax Refund	-	122.55
Other Non-operating Income	0.59	2.29
	264.58	445.81
Total	1,167.33	1,448.37

26 Employee benefit expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and other allowances	392.96	311.68
Contribution to Provident fund and other funds	11.18	7.61
Staff Welfare Expenses	55.23	18.66
Total	459.38	337.94

27 Finance Cost

(All Amounts are in Rs. Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Interest cost:		
Interest on PFC Loan	10,724.56	11,848.61
(b) Other interest expense		
Others Finance charges	-	0.03
Interest on Truing Up & Rebate	579.74	638.01
Interest on Self Assessment Tax AY 18-19	-	0.43
Interest on Leasehold Assets	21.70	-
Bank charges	0.01	0.09
Total	11,326.01	12,487.17

28 Transmission, Administration Expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
CERC Tariff Fee	84.16	41.39
Operation & Maintenance Expenses	900.98	591.46
Total	985.14	632.85

29 Depreciation, Depletion, Amortization and Impairment

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
Depreciation of property, plant and equipment	11,397.90		11,007.58	
Amortisation of intangible assets	316.08	11,713.98	316.08	11,323.66
Total		11,713.98		11,323.66

30 Other Expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Electricity Expenses	7.59	2.89
Office Expenses	35.12	36.16
Repair & Maintenance		
- Machinery	2.19	3.23
- Building	-	-
Rent Expenses	14.81	84.31
Rates & Taxes	0.03	1.29
Recruitment Expenses	2.11	2.10
Penalty - Provident Fund	0.00	2.21
Travelling & Conveyance	74.19	70.30
Communication Expenses	9.84	6.56
Printing & Stationery	7.33	3.83
Auditors' remuneration	9.49	6.14
Legal & professional	117.15	103.20
Audit Expenses (Internal)	1.70	1.17
Advertisement & exhibition expenses	12.51	2.09
Meeting Expenses	28.16	12.61
AGM Expenses	8.93	5.88
Cost Audit Expenses	0.41	0.41
Impairment of Assets	9.62	-
Total	341.17	344.38

31 Loss on Assets Discarded

(All Amounts are in Rs. Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Pile Work		
Cost of Assets Discarded	-	193.00
Less : Residual value Taken to Fixed Assets	-	-11.43
Less: Depreciation upto 09.06.2018	-	-33.56
Furniture at Dwarka Old Office	-	-
Cost of Assets Discarded	-	1.70
Less: Depreciation upto 31.12.2018	-	-0.15
Railway Diversion	-	-
Cost of Assets Discarded	57.29	726.52
Less : Residual value Taken to Fixed Assets	-14.94	-35.11
Less: Accumulated Depreciation	-	-227.75
Laptop	-	-
Sale value	-0.08	-
Less: Cost/Depreciated value	-	-
Total	42.28	613.23

32 Income Taxes**32.1 Income Tax recognised in profit or loss**

Particulars	As at March 31, 2020	As at March 31, 2019
Current tax		
- In respect of the current year	1,299.77	1,573.69
- In respect of prior years	2.97	-
	1,302.73	1,573.69

33 Earnings per share

Particulars	As at March 31, 2020	As at March 31, 2019
Profit for the year attributable to equity shareholders (in Rs. Lacs)	5,907.95	6,559.82
Weighted average number of equity shares (Nos. in Lacs)	4,114.00	4,114.00
Basic & Diluted earnings per equity share (in Rs. In Lacs)	1.44	1.59
Face Value per equity share (Rs.)	10	10

“Previous year's figures have been regrouped / reclassified wherever necessary”

FOR GUPTA NAYAR & CO.
Chartered Accountants
FRN 008376N

Sd/-
Satyabhama Gupta
Partner
(M No. 073295)
Place : Delhi
Date : 29.05.2020

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

Sd/-
(Bimal Ram Nagar)
CFO

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

Sd/-
(Mukesh Kumar)
Company Secretary

34 Other Notes

34.1 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.

34.2 Information about major customers

All collection are routed through PGCIL

(All Amounts are in Rs. Lacs)

Customer	As at March 31, 2020		As at March 31, 2019	
	Percentage	Amount	Percentage	Amount
Collection through Powergrid Corporation of India Limited as per CTU Agreement	100.00	9,557.40	100.00	8,711.27
Total		9,557.40		8,711.27

No other single customers contributed 10% or more to the company's revenue for both 2018-19 and 2019-20.

34.3 Related Party Disclosures

34.3.1 Name of related parties and description of relationship:

A. Enterprises having significant influence over the Company

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

B. Key Management Personnel

- 1 Sri Satyajit Ganguly (Managing Director) from 09.10.2018
- 2 Mr. S N. Sunkari (Managing Director) upto 21.08.2018
- 3 Mr. Ashwani Jain (Director Projects) upto 26.11.2018
- 4 Mr A K Srivastava (Director Projects) From 24.06.2019
- 5 Mr. R.K Sarkar (Director Projects) upto 24.06.19
- 6 Mr. Rajesh Kumar (Director) (Projects) Retired
- 7 Mr. Bimal Ram Nagar (Chief Financial Officer)
- 8 Mr. Mukesh Kumar (Company Secretary)

34.3.2 Details of Transactions:

34.3.3 Transactions with Enterprises having significant influence over the Company

(All Amounts are in Rs. Lacs)

Name of related party	Nature of transaction	Outstanding as on 31.03.2020	Outstanding as on 31.03.2019	Transaction during 19-20	Transaction during 18-19
Service received from :					
a) Power Grid Corporation of India Limited	Project Consultancy Services	-	-	101.82	30.98
b) Power Grid Corporation of India Limited	Operation & Maintenance Service	101.44	4.35	461.50	439.21
c) Power Grid Corporation of India Limited	Project work	-	356.70	1,846.53	235.35
d) Power Grid Corporation of India Limited	Staff Training Expenses	-	0.53	-	0.53
e) Power Grid Corporation of India Limited	Dividend	-	-	1,283.57	534.82
f) Power Grid Corporation of India Limited	Payment for Refinance Effect	3,831.81	3,831.81	-	3,831.81
g) ONGC Tripura Power Company Limited	Dividend	-	-	1,283.57	534.82
h) ONGC Tripura Power Company Limited	Staff Training Expenses	-	-	0.83	2.12
Total		3,933.25	4,193.39	4,977.81	5,609.64

Note: + represents Dr. and - represents Cr.

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

Name of related party	Nature of transactions	Outstanding as on 31.03.2020	Outstanding as on 31.03.2019	Transaction during 19-20	Transaction during 18-19
Sri Satyajit Ganguly (Managing Director) from 09.10.2018		-	-	-	-
Mr. S N. Sunkari (Managing Director) upto 21.08.2018	Remuneration	-	-	-	23.72
Mr. Ashwani Jain (Director Project) upto 26.11.2018	PRP & Remuneration	-	-	8.84	65.02
Mr A K Srivastava (Director Projects) From 24.06.2019	PRP & Remuneration	-	-	64.17	-
Mr. R.K Sarkar (Director Project) upto 24.06.19	PRP & Remuneration	-	-0.45	16.04	23.86
Mr. Rajesh Kumar (Director) (Project) Retired	PRP	-	-	-	-
Mr. Bimal Ram Nagar (Chief Financial Officer)	Remuneration	-	-	35.12	23.00
Mr. Mukesh Kumar (Company Secretary)	Remuneration	-	-	20.02	16.04
Total		-	-0.45	144.20	151.64

34.4 Employee benefit plans

Particulars	As at March 31, 2020	As at March 31, 2019
Leave Encashment	11.58	6.56
Gratuity	13.17	8.18

34.4.1 Employee Retirement Benefits

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

The disclosure required as per IND AS are provided below:

Actuarial Assumptions

(I) Economic Assumptions

Particular	As at March 31, 2020	As at March 31, 2019
i) Discounting Rate	6.79%	7.66%
ii) Future salary Increase	5.00%	6.00%
iii) Expected Rate of return on plan assets	0.00%	0.00%

(II) Actuarial Method

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

Change in present value of Obligation

(All Amounts are in Rs. Lacs)

Particular	As at March 31, 2020	As at March 31, 2019
i) Present value of obligation as at the beginning of the period	8.18	7.98
ii) Interest cost	0.63	0.62
iii) Current service cost	3.12	1.99
iv) Benefits paid	-	-
v) Actuarial (gain)/loss on obligation	1.24	-2.41
vi) Present value of obligation as at the end of period	13.17	8.18

Expense recognized in the statement of profit and loss

Particular	As at March 31, 2020	As at March 31, 2019
i) Current service cost	3.12	1.99
ii) Interest cost	0.63	0.62
iii) Net actuarial (gain) / loss recognized in the period	1.24	-2.41
iv) Expenses recognized in the statement of profit & losses	4.99	0.19

Movement in the liability recognized in the balance sheet

Particular	As at March 31, 2020	As at March 31, 2019
i) Opening net liability	8.18	7.98
ii) Expenses as above	4.99	0.19
iii) Benefits paid	-	-
iv) Closing net Liability	13.17	8.18

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	13.17	8.18
a)	Impact due to increase of 0.50%	-0.84	-0.55
b)	Impact due to decrease of 0.50 %	0.91	0.60
b)	Impact of the change in salary increase		
	Present Value of Obligation at the end of the period	13.17	8.18
a)	Impact due to increase of 0.50%	0.93	0.61
b)	Impact due to decrease of 0.50 %	-0.85	-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

Particular	As at March 31, 2020	As at March 31, 2019
i) Discounting Rate	6.79%	7.66%
ii) Future salary Increase	5.00%	6.00%
iii) Expected Rate of return on plan assets	0.00%	0.00%

(II) Actuarial Method

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

Change in present value of Obligation

(All Amounts are in Rs. Lacs)

Particular	As at March 31, 2020	As at March 31, 2019
i) Present value of obligation as at the beginning of the period	6.56	6.36
ii) Interest cost	0.50	0.49
iii) Current service cost	3.38	1.81
iv) Benefits paid	-	-0.44
v) Actuarial (gain)/loss on obligation	1.14	-1.66
vi) Present value of obligation as at the end of period	11.58	6.56
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	11.58	6.56
a) Impact due to increase of 0.50 %	-0.71	-0.42
b) Impact due to decrease of 0.50 %	0.76	0.45
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	11.58	6.56
a) Impact due to increase of 0.50 %	0.77	0.46
b) Impact due to decrease of 0.50 %	-0.72	-0.43

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

Particular	As at March 31, 2020	As at March 31, 2019
i) Current service cost	3.38	1.81
ii) Interest cost	0.50	0.49
iii) Net actuarial (gain) / loss recognized in the period	1.14	-1.66
iv) Expenses recognized in the statement of profit & losses	5.02	0.64

Movement in the liability recognized in the balance sheet

Particular	As at March 31, 2020	As at March 31, 2019
i) Opening net liability	6.56	6.36
ii) Expenses as above	5.02	0.64
iii) Benefits paid	-	-0.44
iv) Closing net Liability	11.58	6.56

Assumptions as at March 31, 2020

Particular	As at March 31, 2020	As at March 31, 2019
Gratuity		
1 Discount rate	6.79	7.66
2 Expected return on plan assets	0	0
3 Annual increase in costs	NA	NA
4 Annual increase in salary	5%	6%
Leave Encashment		
1 Discount rate	7.66	7.66
2 Expected return on plan assets	NA	NA
3 Annual increase in costs	NA	NA
4 Annual increase in salary	5.00%	6.00%

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

34.4.3. Earned Leave (EL) Benefit

Accrual – 20 days per year

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

34.4.4. Gratuity

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

The gratuity fund is managed by self monitor of fund.

34.5 Sensitivity Analysis as on March 31, 2020**(All Amounts are in Rs. Lacs)**

Particulars		As at March 31, 2020	As at March 31, 2019
Impact on Interest on Loan	5%	5,238.44	5,939.04
Impact on Income from Mutual Fund	5%	523.60	381.13

34.5.1 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

34.6 Contingent liabilities and commitments

Contingent Liabilities:

34.6.1 Claims against the Company/ disputed demands not acknowledged as debt:-**(All Amounts are in Rs Lacs)**

Particular	As at March 31, 2020	As at March 31, 2019
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	0.99
Higher compensations claimed by individuals / institutions	5,448.00	10,111.00
(Claims against the Company not acknowledged as debts in respect of compensation cases relating to right of way)	-	-
Total	5,498.49	10,161.49

34.6.2 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.

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

Particular	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account:-	372.50	1,860.45
a) The total of future minimum lease payments under non-cancellable operating leases is as follows:		
(i) not later than one year;	29.32	31.25
(ii) later than one year and not later than five years;	140.41	142.52
(iii) later than five years.	67.72	182.68

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

34.6.4. Movement of Provisions :**(All Amounts are in Rs. Lacs)**

Particular	As at March 31, 2020	As at March 31, 2019
Truing up provision movement		
Opening	5,371.48	2,597.08
Additional Provision	4,223.51	2,774.40
Unused amount reversed	-	-
Unwinding of discount and discount rate	-	-
Closing balance	9,594.99	5,371.48

34.8. Financial instruments**34.8.1 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.

34.8.2 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.

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."

34.9 Categories of financial instruments

(All Amounts are in Rs. Lacs)

Particular	As at March 31, 2020	As at March 31, 2019
Financial Assets		
Measured at FVTPL		
Mandatory measured :		
a) Investment in Mutual Fund	10,471.97	7,622.68
Measured at Amortised Cost		
a) Trade receivables	9,557.40	8,711.27
b) Cash & Cash Equivalents	40.05	28.61
c) Other Bank balances	7,113.57	7,984.41
d) Loans & Advances	174.55	195.31
e) Other Financial Assets	-	145.31
Financial Liabilities		
Measured at Amortised Cost		
a) Borrowings (including current maturities of long term borrowings)	116,081.27	130,093.30
b) Trade Payables	440.98	862.92
c) Other Financial Liabilities	2,295.23	2,503.27

34.10 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.

34.11 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.

34.12 Foreign currency risk management

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

34.13 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, 2020 would decrease/increase by Rs 6.10 crore (For the year ended March 31, 2019: decrease/increase by Rs. 6.74 crore.) This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

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

34.14.1. 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, 2020 would increase/decrease by Rs. 523.59 Lakhs (For the year ended March 31, 2019 would increase/decrease by Rs 381.13 Lakhs) as a result of the changes in net asset value of investment in mutual funds.

34.15. 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.

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

Credit risk management: -

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

Other credit enhancements: -

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

Impact of Covid-19 Pandemic

The spread of COVID-19 disease has severely impacted economies, businesses and social set ups across the globe. India is no exception; the spread of COVID-19 and the consequent lock-downs, disruptions in transportation and supply chains, travel bans, quarantines, social distancing and other such emergency measures have caused widespread disruptions in the economy and businesses. The resultant situation is both complex and continuously evolving, with no clear visibility of the near to medium term future outlook. In the above backdrop, the Company has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of COVID-19 pandemic in the financial statements for the year ended March 31, 2020.

The Company is mainly engaged in the business of transmission of electricity, through its own network of transmission lines. Since transmission of electricity has been categorised as an essential service and due to set up of transmission line, the company is in a position to transmit electricity to its customers.

The disruption has not caused any reduction in revenue of transmission income since the same is based on tariff approved by Central Electricity Regulatory Commission (CERC) in accordance with CERC Terms and Conditions of Tariff Regulations. Further, no adverse impact is anticipated regarding transmission line availability.

The Company has made a detailed assessment of the liquidity position for the next one year and of the recoverability and carrying value of its assets comprising of Property Plant and equipment, trade receivables, inventory and investments as at Balance sheet date and has concluded that there are no material adjustments required in the financial statements.

Management believes that it has taken into account all the known impacts arising from COVID 19 pandemic in the preparation of the financial statements and concluded that there is no implication on its current business. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

34.16. 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.

(All Amounts are in Rs. Lacs)

Particular	Less Than 1 Year	1 Year to 3 Year	More than 3 Year
As at March 31,2020			
- Borrowings (including current maturities of Long Term Borrowings)	11,312.46	33,937.38	59,518.97
- Trade Payables	440.98	-	-
- Other Financial Liabilities (Excluding current maturities of Long Term Borrowings)	2,295.23	-	-

Particular	Less Than 1 Year	1 Year to 3 Year	More than 3 Year
As at March 31,2019			
- Borrowings (including current maturities of Long Term Borrowings)	11,312.46	33,937.38	73,530.99
- Trade Payables	284.42	-	-
- Other Financial Liabilities (Excluding current maturities of Long Term Borrowings)	2,503.27	-	-

(All Amounts are in Rs. Lacs)

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

Particular	Less Than 1 Year	1 Year to 3 Year	More than 3 Year
As at March 31,2019			
- Investments in Mutual fund	7,622.68	-	
- Investments in FDR	7,984.41	709.96	
- Trade Receivables	8,711.27	-	
- Other Current Assets	224.38		

34.17. Transaction in Foreign exchange :

Foreign Tour Expenses (\$825)	Rs. 59672
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34.18. All the following Current & Non current assets hypothecated/mortgaged as security against Term Loan to the lender

(All Amounts are in Rs. Lacs)

Particular	As at March 31, 2020	As at March 31, 2019
Property, plant and equipment	145,537.60	156,268.37
Capital work in progress	226.40	314.62
Intangible assets	3,851.89	4,167.97
Right to use assets	222.87	
Financial assets		
Other	4,525.90	1,186.46
Financial assets		
Investments	10,471.97	7,622.68
Trade receivables		
Considered good - unsecured	9,557.40	8,711.27
Cash and cash equivalents	40.05	268.61
Other bank balances	2,391.00	7,744.41
Other financial assets	55.66	260.93
Others Current Assets	174.55	195.31
Current tax Assets	-	-
Total assets	177,055.29	186,740.61

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

34.20 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, except a provision of Rs. 9.62 lacs on value of scrap.

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

(All Amounts are in Rs. Lacs)

	Year ended March 31, 2020	Year ended March 31, 2019
Amount required to be spent during the year	120.30	Nil
Amount spent on CSR	122.67	63.71

34.22 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.

b) During the quarter one, FY 2019-20, the Company has reclassified certain items in its financial statement for the quarter and nine months ended 31st, December 2019 with retrospective effect in compliance with Ind AS – 8 "Accounting Policies, changes in accounting estimates & Errors".

In its regulated operations, the Company is entitled to a fixed return on its investment on transmission business, net of tax. Consequently, tax is a pass-through cost. Till FY 2018- 19, Company followed a practice of recognizing the amount recoverable against deferred tax liability as "deferred asset against deferred tax liability" and same was deducted from deferred tax liability under the head tax expense. The net balance of Deferred Tax was shown in corresponding Balance Sheet.

Now, Company has reviewed the above accounting treatment based on the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India issued on this matter, as per which such deferred asset for deferred tax liability is in the nature of regulatory deferral account balance and is to be disclosed as separate line item in Balance Sheet and Statement of Profit and Loss Account as per IND AS 114.

During the quarter one, FY 2019-20, the Company has reclassified certain items in its financial statement for the year ended March 31st, 2019 & April 01, 2018 retrospectively in compliance to Ind AS – 8 "Accounting Policies, changes in accounting estimates & Errors".

Accordingly, the Company has presented a third balance sheet as at the beginning of the preceding period (i.e. as on April 01, 2018) in compliance to IND AS 1 for comparative information due to above referred retrospective reclassification in addition to balance sheet, statements of profit and loss, cash flows and statements of changes in equity as well.

Due to above reclassification, in the statement of profit & loss account for the year ended March 31st, 2019, the figure of tax expense. has now decreased by Rs 175.07 lacs and correspondingly net movement in regulatory deferral account balance has been recognized for by Rs. 175.07 lacs as a separate line item and a corresponding decrease in Deferred tax liability of Rs. 175.07 lacs.

Due to above reclassification company has recognized in its Balance Sheet, Deferred Tax Liability of Rs. 3237.58 lacs as on April 1, 2018, Rs. 3062.51 Lac as on March 31, 2019 and correspondingly recognized the Deferred Assets against Deferred Tax Liability Rs. 34.35 Lacs (credit Balance) as on April1, 2018 and Rs. 209.43 Lacs (credit Balance) as on March 31,2019.

Reclassified Financial Statements as at March 31, 2019

(All Amounts are in Rs. Lacs)

Particular	As per Reported Figures	Effect of reclassification	As per reclassification Balance Sheet
ASSETS			
Non-current asset			
(a) Property, plant and equipment	156,268.37	-	156,268.37
(b) Capital work in progress	314.62	-	314.62
(c) Intangible assets	4,167.97	-	4,167.97
(d) Right to use assets	-	-	-
(e) Financial assets	-	-	-
(i) Investments	-	-	-
(ii) Loans	-	-	-
(iii) Other	11.17	-709.96	721.13
(f) Other non-current assets	-	-725.79	725.79
(g) Deferred tax assets	-	-	-
Total non-current assets	160,762.12	-1,435.75	162,197.87
Current assets			
(a) Inventories	-	-	-
(b) Financial assets	-	-	-
(i) Investments	7,622.68	-	7,622.68
(ii) Trade receivables	-	-	-
considered good - secured	-	-	-
considered good - unsecured	8,711.27	-	8,711.27
having significant increase in credit risk	-	-	-
credit impaired	-	-	-
(iii) Cash and cash equivalents	8,433.90	8,405.29	28.61
(iv) Other bank balances	28.61	-7,955.80	7,984.41
(v) Other financial assets	260.93	260.46	0.46
(c) Others Current Assets	921.10	725.79	195.31
(d) Current tax Assets	-	-	-
Total current assets	25,978.49	1,435.75	24,542.74
Regulatory Deferral Account Debit Balance	-	-	-
Total assets	186,740.61	-	186,740.61
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	41,140.00	-	41,140.00
(b) Other equity	7,210.97	1,729.86	5,481.12
Total equity	48,350.97	1,729.86	46,621.12
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	118,780.84	-	118,780.84
(ii) Other financial liabilities	-	-578.50	578.50
(b) Provisions	14.26	-	14.26
(c) Deferred tax liabilities (net)	1,542.08	-1,520.43	3,062.51
(d) Other non-current liabilities	-	-	-
(e) Lease Liabilities	-	-	-
Total non-current liabilities	120,337.18	-2,098.94	122,436.12
Regulatory Deferral Account Credit Balance	-	-209.43	209.43
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	-	-	-
(ii) Trade payables -	-	-	-
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	862.92	578.50	284.42
(ii) Other financial liabilities	13,768.50	-	13,768.50
(b) Other current liabilities	47.23	-	47.23
(c) Current tax liabilities	-	-	-
(d) Provisions	3,373.81	-	3,373.81
Total current liabilities	18,052.46	578.50	17,473.95
Total liabilities	138,389.64	-1,520.43	139,910.07
Total equity and liabilities	186,740.61	-	186,740.61

Reclassified Financial Statements as at April 1, 2018

(All Amounts are in Rs. Lacs)

Particular	As per Reported Figures	Effect of reclassification	As per reclassification Balance Sheet
ASSETS			
Non-current asset			
(a) Property, plant and equipment	166,283.82	-	166,283.82
(b) Capital work in progress	916.75	-	916.75
(c) Intangible assets	4,484.05	-	4,484.05
(d) Right to use assets	-	-	-
(e) Financial assets	-	-	-
(f) Investments	-	-	-
(g) Loans	-	-	-
(h) Other	12.11	-	12.11
(i) Other non-current assets	824.22	-	824.22
(j) Deferred tax assets	-	-	-
Total non-current assets	172,520.94	-	172,520.94
Current assets			
(a) Inventories	-	-	-
(b) Financial assets	-	-	-
(i) Investments	9,146.20	-	9,146.20
(ii) Trade receivables	-	-	-
considered good - secured	-	-	-
considered good - unsecured	7,145.26	-	7,145.26
having significant increase in credit risk	-	-	-
credit impaired	-	-	-
(iii) Cash and cash equivalents	7,648.90	-	7,648.90
(iv) Other bank balances	554.13	-	554.13
(v) Other financial assets	197.52	-	197.52
(c) Others Current Assets	187.22	-	187.22
(d) Current tax Assets	992.24	-	992.24
Total current assets	25,871.47	-	25,871.47
Regulatory Deferral Account Debit Balance	-	-33,591.82	33,591.82
* The figure arrived due to change in Accounting policy IND AS -114			
Less: Rectification of Error from 2014-15 to 17-18	-	33,626.18	-33,626.18
Net Regulatory Deferral Account Debit Balance	-	34.35	-34.35
Total assets	198,392.41	34.35	198,358.06
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	41,140.00	-	41,140.00
(b) Other equity	3,130.98	1,729.86	1,401.12
Total equity	44,270.98	1,729.86	42,541.12
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities	-	-	-
(i) Borrowings	130,093.30	-	130,093.30
(ii) Other financial liabilities	-	-	-
(b) Provisions	13.84	-	13.84
(c) Deferred tax liabilities (net)	1,542.08	-33,591.82	35,133.90
* The figure arrived due to change in Accounting policy IND AS -114	-	-	-
Less: Rectification of Error from 2014-15 to 17-18	-	31,896.32	-31,896.32
Net Deferred tax liabilities	1,542.08	-1,695.50	3,237.59
(d) Other non-current liabilities	-	-	-
(e) Lease Liabilities	-	-	-
Total non-current liabilities	131,649.22	-1,695.50	133,344.72
Regulatory Deferral Account Credit Balance	-	-	-
Current liabilities			
(a) Financial liabilities	-	-	-
(i) Borrowings	-	-	-
(ii) Trade payables -	-	-	-
Total outstanding dues of Micro Enterprises and Small Enterprises	1,088.09	1,088.09	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	-	-	-
(ii) Other financial liabilities	17,441.53	-1,088.09	1,088.09
(b) Other current liabilities	403.21	-	403.21
(c) Current tax liabilities	-	-	-
(d) Provisions	3,539.38	-	3,539.38
Total current liabilities	22,472.21	-	22,472.21
Total liabilities	154,121.43	-1,695.50	155,816.93
Total equity and liabilities	198,392.41	34.35	198,358.06

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

(All Amounts are in Rs. Lacs)

Particular	As per Reported Figures	Effect of reclassification	As per reclassification Statement of Profit & Loss
I. Revenue from operations	32,980.00	320.92	32,659.08
II Other income	1,127.45	-320.92	1,448.37
III Total income (I+II)	34,107.45	-	34,107.45
IV EXPENSES			
Employee benefit expenses	337.94	-	337.94
Finance Costs	12,487.17	-	12,487.17
Transmission, Administration Expenses	632.85	-	632.85
Depreciation on Right to use Assets	-	-	-
Depreciation and amortisation	11,323.66	-	11,323.66
Loss on Assets Discarded	613.23	-	613.23
Corporate Social Responsibility Expenses	63.71	-	63.71
Other Expenses	344.38	-	344.38
Total expenses (IV)	25,802.94	-	25,802.94
V Profit before tax and Rate Regulated Activities (III-IV)	8,304.51	-	8,304.51
VI Tax expense:	-	-	-
(a) Current tax	1,748.76	-	1,748.76
(b) Deferred tax Liability/ (Assets)	1,513.14	1,688.21	-175.07
Less: Reversal of Deferred Tax Liability	-1,513.14	-1,513.14	-
	-	-	-
Total Tax Expenses	1,748.76	175.07	1,573.69
VII Profit for the year before Rate Regulated Activities (V-VI)	6,555.75	-175.07	6,730.82
Net Movement in Deferral Regulatory Account balance (Debit)/Credit (Net of Tax)	-	175.07	175.07
Profit for the year (VI-VII)	6,555.75	-	6,555.75
VIII Other comprehensive income			
(a) Items that will not be reclassified to profit or loss	4.07	-	4.07
Income Tax Relating To Items That Will Not Be Reclassified To Profit Or Loss			
(b) Items that will be reclassified to profit or loss		-	
Total Other Comprehensive Income	4.07	-	4.07
IX Total comprehensive income for the year (VII+VIII)	6,559.81	-	6,559.81

FOR GUPTA NAYAR & CO.
Chartered Accountants
FRN 008376N

Sd/-
Satyabhama Gupta
Partner
(M No. 073295)
Place : Delhi
Date : 29.05.2020

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

Sd/-
(Bimal Ram Nagar)
CFO

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

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

Sd/-
(Mukesh Kumar)
Company Secretary

NOTICE

BOARD'S REPORT

STANDALONE FINANCIAL STATEMENT

CSR EVENTS



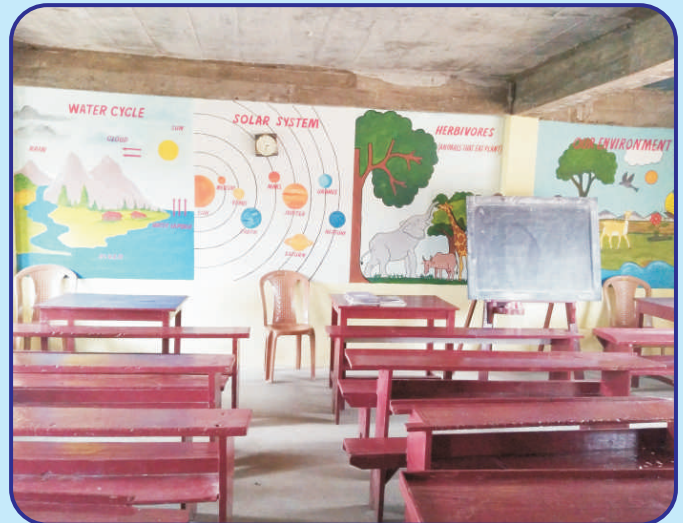
Certification of the Participants of the Skill Development Programme



Participants at Skill Development Programme



Donation of Ambulance at Hailakandi, Assam



Renovation & Modernization of Schools



Construction of Toilets for Girls in Ten Number of Schools



Renovation & Modernization of school

TRAINING & DEVELOPMENT



NETC Employees Training at NPTI



CBIP Paper Presentation by NETC Employee



NETC Employees Participating in ELECRAMA Conference



MS Office Training at Corporate Office of NETC



Safety Awareness Programme on Site



Training at Corporate Office on Winning Global Leadership

EVENTS AT NETC



**Welcome of the NETC Chairman by
the Managing Director**



AGM 2019



**Workshop on Mission, Vision and
Values framing of NETC**



Company Website Inauguration



Holi Celebration in NETC



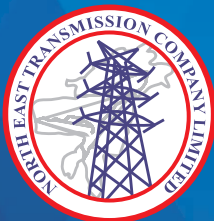
**An Employee Awarded by the MD for
Completion of 10 Years in NETC**



Mr. Satyajit Ganguly, Managing Director of NETC, addressing the 20th meeting of TCC / NERPC co-hosted by NETC



Mr. A. K. Srivastava, Director (Projects) of NETC, receiving from Institute of Economic Studies (IES) 'Gold Medal Award' conferred to NETC and 'International Icon Award' conferred to Mr. Satyajit Ganguly, Managing Director of NETC



NETC

NORTH EAST TRANSMISSION COMPANY LIMITED

CORPORATE OFFICE

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DMRC Building, Sector-21, Dwarka, New Delhi-110077
www.netcindia.in

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