

POWERGRID BHUJ TRANSMISSION LIMITED
(Formerly known as Bhuj-II Transmission Limited)

Wholly Owned Subsidiary of Power Grid Corporation of India Limited

(CIN: U40300DL2019GOI346552)

ANNUAL REPORT (2019-20)

POWERGRID BHUJ TRANSMISSION LIMITED

(Formerly known as Bhuj-II Transmission Limited)

CIN: U40300DL2019GOI346552

Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016

Tel: 011-26560121; Fax: 011-26601081

DIRECTORS' REPORT

To,
Dear Shareholders,

I am delighted to present on behalf of the Board of Directors, the First Annual Report of POWERGRID Bhuj Transmission Limited (formerly known as Bhuj-II Transmission Limited) on the working of the Company together with Audited Financial Statement and Auditors Report for the financial year ended 31st March, 2020.

State of the Company's Affairs & Project implementation

POWERGRID Bhuj Transmission Limited (PBTL) was acquired by POWERGRID on October 16, 2019 under Tariff based competitive bidding from PFC Consulting Limited (the Bid Process Coordinator) to establish transmission system for providing connectivity to RE projects at Bhuj-II (2000MW) in Gujarat. The transmission system includes establishment of new 2 x 1500 MVA (765/400 kV) , 4 x 500 MVA (400/220 kV) Bhuj - II PS and reconfiguration of Bhuj PS – Lakadia PS 765 kV D/c line so as to establish Bhuj – II – Lakadia 765 kV D/c line as well as Bhuj – Bhuj II 765 kV D/c line. The work is under progress. The Company was granted transmission license by CERC on 03.03.2020.

The Company is implementing Transmission System for providing connectivity to RE projects at Bhuj. The land for 765/400/220kV Bhuj II PS has been acquired in January'20 and civil works are under progress.

Work is under progress in 765 kV D/C Bhuj PS – Bhuj II D/c line & Bhuj II – Lakadia D/c line (Total around 103 Kms). Around 45 foundations and 10 no erection (Out of total 284 locations) have been completed in above mentioned lines.

Financial Performance

<i>Rs. in Lakhs</i>	
Particulars	2019-20
Revenue from Operations	-
Other Income	-
Total Income	-
Expenses	(0.13)
Profit before Tax	(0.13)
Profit after Tax	(0.09)
Earnings Per Equity Share (Rs.)	(0.94)

Share Capital

The Authorised and Paid up Share Capital as on 31st March, 2020 of the Company were Rs. 1 Lakhs.

Dividend and Transfer to Reserves

Your Company's Project is under implementation, hence Company has not started its commercial operations and there is no operational income/profit so your Company do not propose to carry any amount to the reserves for the Financial Year ended March 31, 2020. Your Directors have not recommended any dividend on the equity shares for the period under review.

Particulars of Loans, Guarantees or Investments made under section 186 of the Companies Act, 2013

Your Company has not given any loans, provided any guarantee or security to any other entity.

Particulars of contracts or arrangements with related parties

Particulars of contracts or arrangements with related parties referred to Section 188 of the Companies Act, 2013, in the prescribed form AOC-2, are given as **Annexure - I** to the Directors' Report.

Details of Significant & Material Orders passed by the regulators, courts, tribunals impacting the going concern status and company's operation in future

No significant / material orders passed by any authority during the Financial Year impacting the going concern status and Company's operation in future..

Deposits

Your Company has not accepted any deposit for the period under review.

Subsidiaries, Joint Ventures and Associate Companies

Your Company does not have any subsidiaries, joint ventures and associate companies.

Directors' Responsibility Statement

As required under section 134(3)(c) & 134(5) of the Companies Act, your Directors confirm that:

- a. in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the Directors had selected such accounting policies and applied them consistently and made judgements 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 of the company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the Annual Accounts on a going concern basis; and
- e. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Conservation of Energy, Technology absorption, Foreign Exchange Earning and Out Go

Since no commercial activity was carried out by the Company, furnishing of information in respect of Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 are not applicable.

Extract of Annual Return

The extract of Annual Return in Form MGT- 9 is enclosed at **Annexure – II** to this Report.

Board of Directors

As on 31st March, 2020, the Board comprised Three Directors viz. Shri R.N Singh, Shri S.D Joshi, Shri Pramod Kumar.

There were some changes in the Board of Director of the Company during the financial year 2019-20. Shri R. N. Singh, Shri Pramod Kumar, Shri D.K. Singh and Shri S.D. Joshi have been appointed as Additional Directors w.e.f. 16th October, 2019 and 24th December, 2019 respectively who holds office up to the date of ensuing Annual General Meeting.

Shri Sanjay Mehrotra, Shri V.K Jain, Shri Sanjay Nayak and Shri D.K. Singh ceased to be Directors of the Company w.e.f.16th October, 2019 and 30th November, 2019 respectively.

The Company has received a notice under section 160 of the Companies Act, 2013 from a member of the Company for appointment of Shri R. N. Singh, Shri Pramod Kumar and Shri S.D Joshi as Directors, liable to retire by rotation, in the ensuing Annual General Meeting.

The Board placed on record its appreciation for the valuable contribution, guidance & support given by Shri Sanjay Mehrotra, Shri V.K Jain, Shri Sanjay Nayak and Shri D. K. Singh during their tenure as Directors of the Company.

None of the Directors is disqualified from being appointed/re-appointed as Director.

Number of Board meetings during the year

Since incorporation i.e. from 25th February, 2019 to financial year ended on 31st March, 2020, Twelve (12) meetings of Board of Directors were held on 15.03.2019, 30.05.2019, 14.06.2019, 25.6.2019, 05.07.2019, 12.07.2019, 30.07.2019, 16.10.2019 (04:00 P.M.), 16.10.2019 (05:00 P.M.), 06.11.2019, 26.11.2019, 19.03.2019. The detail of number of meetings attended by each Director during the financial year are as under:

Name of Director	Designation	No. of Board Meetings which were entitled to attend since incorporation to financial year ended 31st March, 2020.	No. of Board Meetings attendance since incorporation to financial year ended 31st March, 2020.
Shri R.N Singh ¹	Chairman & Additional Director	4	4
Shri Pramod Kumar ²	Additional Director	4	4
Shri S.D Joshi Director ³	Additional Director	1	0
Shri D.K. Singh ⁴	Additional Director	3	2
Shri Sanjay Mehrotra ⁵	Additional Director	8	8
Shri V.K Jain ⁵	Additional Director	8	6
Shri Sanjay Nayak ⁵	Additional Director	8	7

¹Appointed as Chairman& Director w.e.f. 16.10.2019.

²Appointed as Director w.e.f. 16.10.2019

³Appointed as Director w.e.f. 24.12.2019

⁴Up to 30.11.2019.

⁵Up to 16.10.2019

Committees of the Board

Audit Committee

The provision of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 are not applicable to the Company.

Nomination & Remuneration Committee

The provision of Section 178 of the Companies Act, 2013 read with Rule 6 the Companies (Meetings of Board and its Powers) Rules, 2014 are not applicable to the Company.

Declaration by Independent Directors

Ministry of Corporate Affairs (MCA) vide notification dated 05th July 2017 had amended the Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 {said Rule 4} as per which the unlisted public companies in the nature of wholly owned subsidiaries are exempted from the requirement of appointing Independent Directors on their Board. Accordingly, PBTL, being a Wholly Owned Subsidiary of Power Grid Corporation of India Limited is exempted from the requirement of appointing Independent Directors on their Board.

Performance Evaluation

Your Company, being wholly-owned Subsidiary of POWERGRID, is a Government Company. The Whole time Directors & senior officials of POWERGRID (the holding company) are nominated as Directors of your Company. POWERGRID, being a Government Company, the Directors so nominated by it in your Company, are being evaluated under a well laid down procedure for evaluation of CMD / Functional Directors by Administrative Ministry and for evaluation of senior officials by POWERGRID (the holding company).

Statutory Auditors

M/s SNMG & Co., Chartered Accounts, was appointed by Comptroller and Auditor General of India as Statutory Auditors of the Company for the date of incorporation i.e. 25th February, 2019 to 31st March 2020.

Statutory Auditors' Report

M/s SNMG & Co., Chartered Accounts, Statutory Auditors for FY 25th February, 2019 to 31st March 2020 have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

Details in respect of frauds reported by auditors other than those which are reportable to the Central Government

The Statutory Auditors of the Company have not reported any frauds to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

Comptroller and Auditor General's (C&AG) Comments

Your Company has received 'NIL' Comments on the financial statements for the year ended March 31, 2020 by the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013. Copy of letter dated 21st August, 2020 received from C&AG is placed at **Annexure-III** to this report.

Secretarial Audit Report

The requirement of obtaining a Secretarial Audit Report from the practicing company secretary is not applicable to the Company.

Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, every Company having net worth of Rs. 500 Crore or more, or Turnover of Rs. 1000 Crore or more or a Net Profit of Rs. 5 Crore or more during immediately preceding Financial Year, is required to spend, atleast 2% of the Average Net Profits of the Company made during the three immediately preceding Financial Years, in pursuance of its Corporate Social Responsibility Policy. Since, the Company has not satisfied any of the above criteria during the FY 2019-20, the provisions of Section 135 requiring to incur expenditure on CSR were not applicable on the Company for the Financial Year 2019-20.

Development & Implementation of Risk Management Policy

Your Company being a wholly owned subsidiary of POWERGRID is covered under the Risk Management Framework as being done in the holding company.

Particulars of Employees

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 & corresponding rules of Chapter XIII are exempted for Government Companies. As your Company is a Government Company, the information has not been included as a part of Directors' report.

Prevention of Sexual Harassment Policy

There was no incidence of Sexual Harassment during the Financial Year 2019-20.

Internal Financial Control Systems and their adequacy

Your 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 31st March, 2020.

Right to Information

In compliance to 'Right to Information Act, 2005, an appropriate mechanism is in place in the Company for promoting transparency and accountability, wherein the Company has nominated Central Public Information Officer / Appellate Authorities to provide required information under the provisions of Act.

Acknowledgement

The Board extends its sincere thanks to the Ministry of Power, the Central Electricity Regulatory Commission, POWERGRID, the Comptroller & Auditor General of India, and the Auditors of the Company.

For and on behalf of
POWERGRID BHUJ TRANSMISSION LIMITED

Date: 17th September, 2020
Place: Gurgaon


(R. N. Singh)
Chairman
DIN: 08358723

POWERGRID BHUJ TRANSMISSION LIMITED**FORM No. AOC -2**

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

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 transaction under third proviso thereto.

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

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	-
b)	Nature of contracts/arrangements/transaction	-
c)	Duration of the contracts/arrangements/transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions'	-
f)	Date of approval by the Board	-
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	Power Grid Corporation of India Limited (POWERGRID)) [holding company w.e.f. 16.10.2019].
b	Nature of contracts/arrangements/transaction	Part (A) to avail all inputs and services as may be required by the Company from POWERGRID (Holding Company) @ 2% of the actual project cost (excl. IDC and Consultancy Fee) plus GST as applicable. Part (B) to take any security(ies) / guarantee(s) in connection with loan(s) / any form of debt including ECBs and/or to avail

		thereof, upto an amount of Rs 885 crore from POWERGRID.
c	Duration of the contracts/arrangements/transaction	Part (A) Commissioning of the project including associated reconciliation activities. Part (B) As mutually agreed.
d	Salient terms of the contracts or arrangements or transaction including the value, if any	Refer (b)
e	Date of approval by the Board	For Part (A) 16.10.2019 For Part (B) 06.11.2019
f	Amount paid as advances, if any	-

For and on behalf of
POWERGRID BHUJ TRANSMISSION LIMITED

Date: 17th September, 2020
Place: Gurgaon


(R.N. Singh)
Chairman
DIN: 08358723

POWERGRID BHUJ TRANSMISSION LIMITED**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:

i.	CIN	U40300DL2019GOI346552
ii.	Registration Date	25 th February, 2019
iii.	Name of the Company	POWERGRID BHUJ TRANSMISSION LIMITED [formerly Bhuj II Transmission Limited]
iv.	Category/ Sub-Category of the Company	Company Limited by Shares / Union Government Company
v.	Address of the Registered office and contact details	B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel: 011-26560121; Fax: 011-26601081
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Transmission	35107	NA

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	PFC Consulting Limited (PFCCL)*	U74140DL2008GOI175858	Holding Company	100%	2(46)
2.	Power Grid Corporation of India Limited (POWERGRID)**	L40101DL1989GOI038121	Holding company	100%	2(46)

* Holding Company up to 16.10.2019

**Holding Company w.e.f. 16.10.2019

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	-	600*	600	6	-	600**	600	6	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	9400	9400	94	-	9400	600	6	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	-	10000*	10000*	100	-	10000	10000**	100***	-
2) Foreign									
g) NRIs- Individuals	-	-	-	-	-	-	-	-	-

h) Other- Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k)Any Other....	-	-	-	-	-	-	-	-	-
Sub- total(A)(2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholdi ng	-	-	-	-	-	-	-	-	-
1.Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c)Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Compani es	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-

(i) Individual shareholders holding nominal share capital upto Rs.1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh									
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	10000	10000	100	-	10000	10000	100	-

Notes:

*600 equity shares held by nominees (Individuals) of PFCCL.

**600 equity shares held by POWERGRID's nominees (Individuals) jointly with POWERGRID.

***Power Grid Corporation of India Limited (POWERGRID) had emerged as the successful bidder under TBCB for implementing Transmission system for providing connectivity to RE projects at Bhuj. Pursuant to such selection and in accordance with provisions of Share Purchase Agreement dated 16.10.2019 executed amongst PFC Consulting Limited (PFCCL), the Company and POWERGRID, 10,000 equity shares of Rs. 10/- each held in the Company by PFCCL & its nominees were transferred to POWERGRID & POWERGRID's nominees jointly with POWERGRID.

ii.Shareholding of Promoters

Sr. 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 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.	PFC Consulting Limited	9400	94	-	-	-	-	(94)
2.	Shri Yogesh Juneja	100	1	-	-	-	-	(1)
3.	Shri Purna Chandra Hembram	100	1	-	-	-	-	(1)
4.	Shri Sanjay MehrotraManavalan	100	1	-	-	-	-	(1)
5.	Shri D. Manavalan	100	1	-	-	-	-	(1)
6.	Shri V. K. Jain	100	1	-	-	-	-	(1)
7.	Shri Sanjay Nayak	100	1	-	-	-	-	(1)
8.	Power Grid Corporation of India Limited (POWERGRID)	-	-	-	9400	94	-	94

9.	Shri K.S.R Murty, jointly with POWERGRID	-	-	-	100	1	-	1
10	M. Taj Mukarrum, jointly with POWERGRID	-	-	-	100	1	-	1
11	Shri Abhay Choudhary, jointly with POWERGRID	-	-	-	100	1	-	1
12	Shri R.N. Singh, jointly with POWERGRID	-	-	-	100	1	-	1
13	Shri A. K. Singhal, jointly with POWERGRID	-	-	-	100	1	-	1
14	Shri Pramod Kumar, jointly with POWERGRID	-	-	-	100	1	-	1
Total		10000	100	-	10000	100	-	-

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	10000	100	10000	100

Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	During the year there was 100% change in promoters as POWERGRID acquired 100% stake in the Company (along with 600 equity shares held by POWERGRID's nominees (Individuals) jointly with POWERGRID), from PFCCL Consulting Limited on 16.10.2019.			
At the End of the year	10000	100	10000	100

Share holding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of Top ten shareholders				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

iv. Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the	No. of shares	% of total shares of the
	For each of Directors and KMP				

			company		company
	For each of Directors				
1	Shri R.N Singh, Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Holds jointly with POWERGRID and transferred from Shri D. Manavalan who was Nominee of PFC Consulting Limited on 16.10.2019.			
	At the End of the year	100	1	100	- 1
2	Shri Pramod Kumar, Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Holds jointly with POWERGRID and transferred from Shri Sanjay Nayak who was Nominee of PFC Consulting Limited on 16.10.2019.			
	At the End of the year	100	1	100	1
3	Shri S.D Joshi, Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment				

/ transfer / bonus/ sweat equity etc):					
At the End of the year	-	-	-	-	-

*Jointly with POWERGRID

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment
(In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total(i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
- Addition	-	8354.45		8354.45
- Reduction				
Net Change	-	8354.45	-	8354.45
Indebtedness at the end of the financial year				
i) Principal Amount	-	8301.20	-	8301.20
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	53.25	-	53.25
Total (i+ii+iii)	-	8354.45		8354.45

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: [Not Applicable]

Sl. No.	Particulars of Remuneration	Name of MD/WTG/Manager				Total Amount
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b)Value of perquisites u/s 17(2) Income-tax Act, 1961 (c)Profits in lieu of salary Under section17(3) Income- tax Act,1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as% of profit - Others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total(A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors: [Not Applicable]

Sl. No.	Particulars of Remuneration	Name of MD/WTG/ Manager				Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others ,please specify	-	-	-	-	-
	Total(1)	-	-	-	-	-

	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others ,please specify	-	-	-	-	-
	Total(2)	-	-	-	-	-
	Total(B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Over all Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD:
[Not Applicable]

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
B. Directors					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
C. Other Officers In Default					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA

For and on behalf of
POWERGRID BHUJ TRANSMISSION LIMITED

Date: 17th September, 2020
Place: Gurgaon


(R. N. Singh)
Chairman
DIN: 08358723

गोपनीय

संख्या.:DGA(Energy)/REP/Acs/PBTL/2020-21/१८१



INDIAN AUDIT & ACCOUNTS DEPARTMENT
OFFICE OF THE
DIRECTOR GENERAL OF AUDIT (ENERGY)
DELHI

Dated: 21.08.2020

सेवा में,

अध्यक्ष

पावरग्रिड भुज ट्रांसमिशन लिमिटेड
नई दिल्ली।

विषय: 31 मार्च 2020 को समाप्त अवधि के लिए पावरग्रिड भुज ट्रांसमिशन लिमिटेड, नई दिल्ली के वार्षिक लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, पावरग्रिड भुज ट्रांसमिशन लिमिटेड, नई दिल्ली के 31 मार्च 2020 को समाप्त अवधि के लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ अंग्रेजित कर रहा हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्नक:- यथोपरि।

डी. के. शेखर

(डी. के. शेखर)

महानिदेशक

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE
FINANCIAL STATEMENTS OF POWERGRID BHUJ TRANSMISSION LIMITED
FOR THE PERIOD ENDED 31 MARCH 2020**

The preparation of financial statements of Powergrid Bhuj Transmission Limited for the period 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(7) 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 02 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Powergrid Bhuj Transmission Limited for the period ended 31 March 2020 under Section 143(6)(a) of the Act.

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



(D. K. Sekar)

**Director General of Audit (Energy),
Delhi**

**Place: New Delhi
Dated: 21 August 2020**

SNMG & CO.

Chartered Accountants

E-35 LGF, Lajpat Nagar-III, New Delhi-110024

E-mail: ngconsultants@rediffmail.com, Ph.: 011-41022495

INDEPENDENT AUDITORS' REPORT

To the Members of **M/s POWERGRID BHUJ TRANSMISSION LIMITED**
(Erstwhile Bhuj-II Transmission Limited)

Report on the Standalone IND AS Financial Statements

Opinion

We have audited the Standalone Financial Statements of **M/s POWERGRID BHUJ TRANSMISSION LIMITED** (Erstwhile Bhuj-II Transmission Limited) ["the Company"], which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information.

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 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 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, and its Profit/(Loss) (including Other Comprehensive Income), changes in equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standard on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Statements.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.



This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control 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 the 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 entity'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 entity 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 Financial Statements represent the underlying transactions and events in a manner that achieve 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 reasonable 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 an identified misstatements in the standalone Financial Statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, 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 and records.
 - c. The Balance Sheet, the Statement of Profit and Loss,(including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. Being a Subsidiary of a Government Company, Section 164(2) of the Act pertaining to disqualification of Directors are not applicable to the Company.



- 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 "C".
- g. 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, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its Financial Position;
 - The Company did not have any Long-Term Contracts including Derivative Contracts for which there were any material foreseeable losses;
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: New Delhi
Date : 02.06.2020

For SNMG & Co.
Chartered Accountants
Firm Regn.No-004921N



Neeraj Gupta
CA Neeraj Gupta
Partner
M. No. 087004

UDIN: 20087004 AAAABF 3429

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the M/s POWERGRID Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited) ['the Company'], on the Financial Statements for the period ended 31st March 2020, we report that:

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

(b) No physical verification of Fixed Assets conducted during the year.

(c) The details of title deed of the immovable property not in the name of the company is as below:

Description of Asset	Area (In Hectares)	Gross Block as on 31.03.2020 (Rs. In Lacs)	Net Block as on 31.03.2020 (Rs. In Lacs)	Remarks (If any)
Freehold Land	19.35	696.60	696.60	Advance possession is received, the company is taking appropriate steps for completion of legal formalities.

2. The Company does not hold any inventories. Accordingly, the provisions of clause (ii) of paragraph 3 of the Order are not applicable to the Company.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. According to the information and explanations given to us, the company has not given any loan, guarantee and security to and on behalf of any of its Directors as stipulated under section 185 of the Act and the Company has complied with the provisions of section 186 of the Act, with respect to the loans made.
5. The Company has not accepted any deposits from the public covered under Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. As per information and explanations given by the management, the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, for any of the activities of the company. Thus, reporting under clause (vi) of para 3 of the order is not applicable.
7. a).The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax/GST, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with appropriate authorities. According to the information and explanations given to us, there are no undisputed statutory dues outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable.

b). According to the information and explanations given to us, there are no material disputed statutory dues payable in respect of income tax, service tax/GST, duty of customs, duty of excise and value added tax which are outstanding as at 31st March, 2020.



8. According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders. Hence, clause (viii) of paragraph 3 of the Order is not applicable.
9. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the period, hence clause (ix) of paragraph 3 of the Orders not applicable. However, Loan from holding Company are applied for the purposes for which they are raised.
10. Based upon the audit procedures performed, information, and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period.
11. In our opinion and according to the information and explanations given to us, the Company has not paid/provided for any managerial remuneration during the period as stipulated to section 197 read with Schedule V to the Act, hence clause (xi) of paragraph 3 of the Order is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties have been entered into by the company in its ordinary course of business on an arm's length basis and therefore the provisions of section 177 and 188 of the Act are not applicable to the company, however the details of such transactions have been disclosed in the financial statements as required by the applicable accounting Standards.
14. According to the records of Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period. Therefore, provisions of clause (xiv) of paragraph 3 of the Order are not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, provisions of clause (xv) of paragraph 3 of the Order are not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: New Delhi
Date : 02.06.2020

For SNMG & Co.
Chartered Accountants
Firm Regn No.: 004921N

Neeraj Gupta
Partner
M. No.: 087004

UDIN: 20087004 AAAABF3429

Annexure - "B"

As referred to in our Independent Auditors' Report to the Members of the M/s POWERGRID Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited) ["the Company"], on the Financial Statements for the Year Ended 31st March 2020, we Report that:

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, then the implications of accounting transaction outside IT system on the integrity of accounts along with the financial implications, if any, may be stated.	All accounting transactions of the company are processed through the ERP (SAP System) that has been implemented by the Company. No accounting transaction is being recorded /processed otherwise than through the ERP system in place. Hence no further disclosure is required in this regard.	NIL
2	Whether there is any restructuring of any existing loan or cases of waiver/write off of debts/ loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? if yes, the financial impact may be stated.	There are no cases of restructuring of existing loan or cases of waiver /write off of debts/loans/interest etc.	NIL
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	No fund has been received from Central/State agencies.	NIL

Place: New Delhi
Date : 02.06.2020

For SNMG & Co.
Chartered Accountants
Firm Regn.No-004921N



Neeraj Gupta
CA Neeraj Gupta
Partner
M. No. 087004

UDIN: 20087004 AAAABF3429

SNMG & CO.

Chartered Accountants

E-35 LGF, Lajpat Nagar-III, New Delhi-110024

E-mail: ngconsultants@rediffmail.com, Ph.: 011-41022495

ANNEXURE - "C"

As referred to in our Independent Auditors' Report to the members of the M/s **POWERGRID Bhuj Transmission Limited** (Erstwhile Bhuj-II Transmission Limited) ["the Company"], on the Financial Statements for the period ended 31st March 2020

Report on the Internal Financial Controls 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 the company as at 31st March 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining Internal Financial Control 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 (ICAI)". 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, 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be 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 Company's internal financial controls system over financial reporting.

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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 controls 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, 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 31st March 2020, based on "the Internal Financial Controls 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."

Place: New Delhi
Date : 02.06.2020

For SNMG & Co.
Chartered Accountants
Firm Regn.No-004921N



CA Neeraj Gupta
Partner

M. No. 087004

UDIN: 20087004 AAAABF 3429

Powergrid Bhuj Transmission Limited

Notes to Financial Statements

1. Corporate and General Information

Powergrid Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited) ('the Company') is a public company domiciled and incorporated in India under the provisions of Companies Act on 25th February 2019. The company was acquired by Power Grid Corporation of India Limited on 16th October 2019 and become wholly owned subsidiary. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, 110016, India and its Corporate Office is located at Vadodara

The company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities.

The financial statements of the company for the year ended March 31, 2020 were approved for issue by the Board of Directors on 02nd June, 2020.

2. Significant Accounting Policies

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

2.1 Basis of Preparation

i) Compliance with Ind AS

The financial statements are prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 (to the extent notified), The Companies Act, 1956 and the provisions of Electricity Act, 2003, in each case, to the extent applicable and as amended thereafter.

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value (refer Note no. 2.11 for accounting policy regarding financial instruments).

iii) Functional and presentation currency

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

iv) Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis

Powergrid Bhuj Transmission Limited

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 (refer Note no. 3 on critical accounting estimates, assumptions and judgments).

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

Initial Recognition and Measurement

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

Powergrid Bhuj Transmission Limited

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 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.

Transmission system assets are considered as ready for intended use after meeting the conditions for commercial operation as stipulated in Transmission Service Agreement (TSA) and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on levelling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ₹5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

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 carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

Derecognition

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.

Powergrid Bhuj Transmission Limited

2.3 Capital Work-In-Progress (CWIP)

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.

Expenditure of office and Projects, directly attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

Interest during construction and expenditure (net) allocated to construction as per policy above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP.

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

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.

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.

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.

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

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 de-recognition 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.

2.5 Depreciation / Amortisation

Property, Plant & Equipment

Depreciation/amortisation on the items of property, plant and equipment related to transmission business is provided on straight line method following the rates and

Powergrid Bhuj Transmission Limited

methodology notified by the CERC for the purpose of recovery of tariff except for property, plant and equipment specified in the following paragraphs.

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.

Depreciation on following items of property, plant and equipment is provided based on estimated useful life as per technical assessment.

Particulars	Useful life
a. Computers & Peripherals	3 Years
b. Servers & Network Components	5 years

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

Property, plant and equipment costing ₹5,000/- or less, are fully depreciated in the year of acquisition.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations.

Depreciation 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.

The residual values, useful lives and methods of depreciation for items of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, wherever required.

Right of Use Assets:

Right of Use assets are fully depreciated from the lease commencement date on a straight line basis over the lease term.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower in accordance with the rates and methodology specified in CERC Tariff Regulation. Leasehold land acquired on perpetual lease is not amortized.

Powergrid Bhuj Transmission Limited

Intangible Assets

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with Nil residual value.

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.

Amortisation on additions to/deductions from Intangible Assets during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

The amortization period and the amortization method for an intangible asset are reviewed at each financial year-end and are accounted for as change in accounting estimates in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

2.6 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets till the assets are ready for the intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.7 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Powergrid Bhuj Transmission Limited

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, and deposits held at call with banks having a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.9 Inventories

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

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

Spares which do not meet the recognition criteria as Property, Plant and Equipment, including spare parts whose cost is less than ₹5,00,000/- are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

2.10 Leases

Lease is a contract that 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: (i) the contract involves use of an identified assets, (ii) the customer has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the customer has the right to direct the use of the asset.

i) As a Lessee

At the date of commencement of the lease, the Company recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for lease with a term of twelve months or less (i.e. short term leases) and leases for which the underlying asset is of low value. For these short-term and leases for which the underlying asset is of low value, the Company recognizes the lease payments on straight-line basis over the term of the lease.

Powergrid Bhuj Transmission Limited

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received.

Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The Company applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy 2.7 on "Impairment of non-financial assets".

The lease liability is initially measured at present value of the lease payments that are not paid at that date.

The interest cost on lease liability is expensed in the Statement of Profit and Loss, unless eligible for capitalization as per accounting policy 2.6 on "Borrowing costs".

Lease liability and ROU asset have been separately presented in the financial statements and lease payments have been classified as financing cash flows.

ii) As a Lessor

A lease is classified at the inception date as a finance lease or an operating lease.

a) Finance leases

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset is classified as a finance lease.

Net investment in leased assets is recorded at the lower of the fair value of the leased property and the present value of the minimum lease payments as Lease Receivables under current and non-current other financial assets.

The interest element of lease is accounted in the Statement of Profit and Loss over the lease period based on a pattern reflecting a constant periodic rate of return on the net investment.

b) Operating leases

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

Powergrid Bhuj Transmission Limited

2.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

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 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.

Subsequent measurement

Debt Instruments at Amortised cost: 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.

Debt Instruments at Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI).

De-recognition of financial assets

A financial asset is derecognized only when

The rights to receive cash flows from the asset have expired, or

- The company has transferred the rights to receive cash flows from the financial asset, or

Powergrid Bhuj Transmission Limited

- 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.

The difference between the carrying amount and the amount of consideration received/receivable is recognised in the statement of Profit and Loss.

Impairment of financial assets:

For trade receivables, the company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month Expected Credit Loss (ECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

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 EIR.

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.

The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of financial liability

Powergrid Bhuj Transmission Limited

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. 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 Statement of Profit and Loss as other income or finance cost.

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.

2.12 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Company's functional and presentation currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items are translated with reference to the rates of exchange ruling on the date of the Balance Sheet. Non-Monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of initial recognition of the non-monetary prepayment asset or deferred income liability, or the date that related item is recognized in the financial statements, whichever is earlier. In case the transaction is recognized in stages, then transaction date is established for each stage. Exchange differences arising from foreign currency translation are recognized in the Statement of Profit and Loss.

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 also recognised directly in equity or in other comprehensive income.

Current income tax

The Current Tax is based on taxable profit for the year under the tax laws enacted and applicable to the reporting period in the country where the company operates and generates taxable income.

Powergrid Bhuj Transmission Limited

Deferred tax

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

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

2.14 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer.

2.14.1 Revenue from Operations

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act 2003 for adoption of transmission charges. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the Transmission Service Agreement (TSA) entered between the Transmission Service Provider and long term Transmission Customers. Where certification by RPCs is not available, incentive/disincentive is accounted for on provisional basis as per estimate of availability by the company and differences, if any, is accounted on certification by RPCs.

2.14.2 Other Income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

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

Powergrid Bhuj Transmission Limited

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

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 on the basis of judgment of the management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

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 @ 0.12% p.a. on Gross Block of Property, Plant and Equipment except assets covered under insurance as at the end of the year by appropriation of current year profit to mitigate future losses from un-insured risks and for taking care of

Powergrid Bhuj Transmission Limited

contingencies in future by procurement of towers and other transmission line materials including strengthening of towers and equipment of AC substation. The Reserve created as above 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 Earnings per Share

Basic earnings per share is computed using the net profit or loss 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 or loss 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.

2.20 Statement of Cash Flows

Statement of Cash flows is prepared as per indirect method prescribed in the Ind AS 7 'Statement of Cash Flows'.

3. Critical Estimates and Judgments

The preparation of financial statements requires the use of accounting estimates which may significantly vary from the actual results. Management also needs to exercise judgment while applying the company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

The areas involving critical estimates or judgments are:

Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The Company reviews at the end of each reporting date the useful life of plant and equipment and are adjusted prospectively, if appropriate.

Provisions and contingencies

Powergrid Bhuj Transmission Limited

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets". The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

Estimates and judgments are periodically evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

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

In assessing the recoverability of assets, the company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. As the company's revenue is based on CERC tariff order 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.

POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)

CIN : U40300DL2019GO1346552

Registered Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110016

Balance Sheet as at 31st March 2020

(₹ in Lacs)

Particulars	Note	As at 31st March 2020
ASSETS		
Non-Current Assets		
(a) Property, Plant and Equipment	<u>4</u>	696.60
(b) Capital Work-in-Progress	<u>5</u>	5,396.77
(c) Intangible Assets Under Development	<u>6</u>	2.75
(d) Other Non-Current Assets	<u>7</u>	3,059.32
(e) Deferred Tax Asset (Net)	<u>8</u>	0.04
		9,155.48
Current Assets		
(a) Financial Assets		
Cash and Cash Equivalents	<u>9</u>	140.58
Other Current Financial Assets	<u>10</u>	0.93
(b) Other Current Assets	<u>11</u>	3.09
		144.60
Total Assets		9,300.08
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	<u>12</u>	1.00
(b) Other Equity	<u>13</u>	(0.09)
		0.91
Liabilities		
Non-Current Liabilities		
(a) Financial Liabilities		
Borrowings	<u>14</u>	8,301.20
		8,301.20
Current Liabilities		
(a) Financial Liabilities		
Other Current Financial Liability	<u>15</u>	935.84
(b) Other Current Liabilities	<u>16</u>	62.13
		997.97
Total Equity and Liabilities		9,300.08

The accompanying Notes (1 to 37) form an Integral Part of Financial Statements
As per our report on even date.

For SNMG & Co.,
Chartered Accountants,
Firm Regn No. 004921N
UDIN 20087000-AAAA-003429

CA Neeraj Gupta -
Partner
Mem. No. 087004



For & On Behalf of The Board Of Directors.

R N Singh
(Chairperson)
DIN: 08358723

Pramod Kumar
(Director)
DIN-08132119

Place: NEW DELHI
Date: 02/06/2020

Place: GURUGRAM
Date: 02/06/2020

**POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)**

CIN : U40300DL2019GOI346552

Registered Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110016
Statement of Profit and Loss for the period from 25th February 2019 to 31st March 2020

(₹ in Lacs)			
	Particulars	Note	for the period from 25th February 2019 to 31st March 2020
I	Revenue From Operations		-
II	Other Income	17	-
III	Total Income (I+II)		-
IV	EXPENSES		
	Finance Costs	18	-
	Depreciation and Amortization Expense		-
	Other Expenses	19	0.13
	Total Expenses (IV)		0.13
V	Profit Before Tax (III- IV)		(0.13)
VI	Tax Expense:		
	(1) Current Tax		
	(2) Deferred Tax		(0.04)
	Total Tax Expense		(0.04)
VII	Profit for the Period (V-VI)		(0.09)
VIII	Other Comprehensive Income		-
IX	Total Comprehensive Income for the period (VII+VIII)		(0.09)
	Earnings per Equity Share (Par Value ₹ 10 each)		
X	(1) Basic (Par value of ₹ 10 each)		(0.94)
	(2) Diluted (Par value of ₹ 10 each)		(0.94)

The accompanying Notes (1 to 37) form an Integral Part of Financial Statements
As per our report on even date.

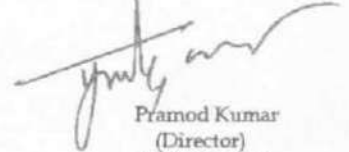
For SNMG & Co.,
Chartered Accountants,
Firm Regn No. 004921N
UDIN 20087004/AAAAAB/3429
CA Nidra Gopal
Partner
Mem. No. 087004



Place: NEW DELHI
Date: 02/06/2020

For & On Behalf of The Board Of Directors.


R N Singh
(Chairperson)
DIN: 08358723


Pramod Kumar
(Director)
DIN-08132119

Place: GURUGRAM
Date: 02/06/2020

POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)

CIN : U40300DL2019GOI346552

Registered Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110016

Statement of Cash Flows for the period from 25th February 2019 to 31st March 2020

(₹ in Lacs)

Particulars	For the Period
	25th February 2019 to 31st March 2020
	Audited
A. CASH FLOW FROM OPERATING ACTIVITIES	
Profit Before Tax	(0.13)
Profit Before Tax	(0.13)
Operating profit before Changes in Assets and Liabilities	(0.13)
Adjustment for Changes in Assets and Liabilities:	
(Increase)/Decrease in Other current financial assets	(0.93)
(Increase)/Decrease in Other Current Assets	(3.09)
Increase/(Decrease) in Other Current Liabilities	62.13
Increase/(Decrease) in Other current financial liability	882.59
Cash generated from operations	940.70
Net Cash from Operating Activities	940.57
B. CASH FLOW FROM INVESTING ACTIVITIES	
Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	(9,033.26)
Net Cash used in Investing Activities	(9,033.26)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Issue of Shares	1.00
Proceeds from Borrowings	
Non Current	8,301.20
Finance Costs paid	(68.93)
Net Cash used in Financing Activities	8,233.27
D. Net change in Cash and Cash equivalents (A+B+C)	140.58
E. Cash and Cash equivalents (Opening balance)	-
F. Cash and Cash equivalents (Closing balance) (Note No. 8)	140.58

Note 1 - Cash & Cash Equivalents consists of Balances with Banks

The accompanying Notes (1 to 37) form an Integral Part of Financial Statements
As per our report on even date.

For SNMG & Co.,
Chartered Accountants,
Firm Regn No. 004921N
UDIN 20087004
CA Neeraj Gupta
Partner
Mem. No. 087004



Place: NEW DELHI
Date: 02/06/2020

For & On Behalf of The Board Of Directors.

R N Singh
(Chairperson)
DIN: 08358723

Pramod Kumar
(Director)
DIN-08132119

Place: GURUARAM
Date: 02/06/2020

**POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)**

CIN : U40300DL2019GOI346552

Registered Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110016

Statement of Changes in Equity for the period from 25th February 2019 to 31st March 2020

A. Equity Share Capital	
Particulars	(₹ in Lacs)
As at 25th February 2019	-
Changes in equity share capital	1.00
As at 31st March 2020	1.00

B. Other Equity		(₹ in Lacs)
Particulars	Reserves and Surplus Retained Earnings	Total
As at 25th February 2019	-	-
Total Comprehensive Income for the Year	(0.09)	(0.09)
As at 31st March 2020	(0.09)	(0.09)

The accompanying Notes (1 to 37) form an Integral Part of Financial Statements
Refer to Note 13 for Nature & Movement of Other Equity.

As per our report on even date.

For SNMG & Co.,

Chartered Accountants,

Firm Regn No. 004921N

UDIN 20087004

CA Neeraj Gupta

Partner

Mem. No. 087004



Place : NEW DELHI

Date : 02/06/2020

For & On Behalf of The Board Of Directors.

R N Singh
(Chairperson)
DIN: 08358723

Pramod Kumar
(Director)
DIN-08132119

Place : GURUGRAM
Date : 02/06/2020

POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)
Note 4/Property, Plant and Equipment

Particulars	Cost					Accumulated Depreciation					(₹ in Lacs)
	As at 25th Feb 2019	Additions during the year	Sale/ Disposal	Adjustment during the year	As at 31st March 2020	As at 25th Feb 2019	Additions during the year	Sale/ Disposal	Adjustment during the year	As at 31st March 2020	Net Book Value As at 31st March 2020
Land											
Freehold	-	696.60	-	-	696.60	-	-	-	-	-	696.60
Total	-	696.60	-	-	696.60	-	-	-	-	-	696.60

Further Note - The Company owns **19.35 Hectare** of Freehold Land amounting to **₹ 696.60/- Lakhs** based on available documentation.

POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)
Note 5/Capital Work in Progress

(₹ in Lacs)					
Particulars	As at 25th Feb 2019	Additions during the year	Adjustments	Capitalised during the year	As at 31st March 2020
Plant & Equipments (including associated civil works)					
a) Transmission	-	186.71	-	-	186.71
b) Sub-Station	-	3.20	-	-	3.20
Expenditure Pending Allocation					
Expenditure During Construction Period (Net) (Note 20)	-	2,272.65	-	-	2,272.65
	-	2,462.56	-	-	2,462.56
Construction Stores		2,934.21	-	-	2,934.21
Total	-	5,396.77	-	-	5,396.77

Note 5/Capital work in progress (Details of Construction stores)
(At cost)

(₹ in Lacs)					
Particulars					As at 31st March 2020
Costruction Stores					
Towers					2,716.27
Conductors					15.86
Other Line Materials					202.08
TOTAL					2,934.21
Construction Stores include:					
i) Material with Contractors					
Towers					2,716.27
Conductors					15.86
Other Line Materials					202.08
Total					2,934.21

POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)
Note 6/Intangible assets under development

(₹ in Lacs)

Particulars	As at 25th Feb 2019	Additions during the year	Adjustments	Capitalised during the year	As at 31st March 2020
Right of Way-Afforestation expenses	-	2.75	-	-	2.75
Total	-	2.75	-	-	2.75

POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)

Note 7/Other Non-Current Assets

(Unsecured considered Good unless otherwise stated)

(₹ in Lacs)	
Particulars	As at 31st March 2020

Advances for Capital Expenditure

i) Unsecured

a) Against bank guarantee

3,059.32

Total

3,059.32

POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)
Note 8 /Deferred Tax Asset (Net)

(₹ in Lacs)

Particulars	As at 31st March 2020
Deferred Tax Asset	0.04
Total	0.04

Movements in Deferred Tax Assets

(₹ in Lacs)

	Unused Tax Losses	MAT Credit	Total
As at 25th February 2019			
Charged/(Credited) to Profit or Loss	(0.04)	-	(0.04)
As at 31st March 2020	(0.04)	-	(0.04)

Amount taken to Statement of Profit and Loss

(₹ in Lacs)

Particulars	As at 31st March 2020
Increase/(Decrease) in Deferred Tax Liabilities	-
(Increase)/Decrease in Deferred Tax Assets	(0.04)
Net Amount taken to Statement of Profit and Loss	(0.04)

POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)
Note 9/Cash and Cash Equivalents

(₹ in Lacs)	
Particulars	As at 31st March 2020
Balance with Banks	
-In Current accounts	140.58
Total	140.58

POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)

Note 10/Other Current Financial Assets

(Unsecured considered Good unless otherwise stated)

		(₹ in Lacs)
		As at 31st March 2020
Particulars		
1) Others		
Considered Good		0.93
Total		0.93

POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)
Note 11/OTHER CURRENT ASSETS
(Unsecured considered good unless otherwise stated)

(₹ in Lacs)	
Particulars	As at 31st March 2020
Advances other than for Capital Expenditure	
1)Advances recoverable in kind or for value to be receive	
Balance with Customs Port Trust and other authorities	3.09
Total	3.09

POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)
Note 12/Equity Share capital

(₹ in Lacs)

Particulars	As at 31st March 2020
Equity Share Capital	
Authorised	
10000 (Previous Year NIL) Equity Shares of ₹ 10/- each at par	1.00
Issued, subscribed and paid up	
10000 (Previous Year NIL) Equity Shares of ₹10/- each at par fully paid up	1.00
Total	1.00

Further Notes:

1) Reconciliation of Number and amount of share capital outstanding at the beginning and at the end of the reporting period

Particulars	for the period from 25th February 2019 to 31st March 2020	
	No. of Shares	Amount(₹ in Lacs)
Shares outstanding at the beginning of the year	-	-
Shares Issued during the year	10,000	1
Shares bought back during the year	-	-
Shares outstanding at the end of the year	10,000	1

2) The Company has only one class of equity shares having a par value of ₹ 10/- per share.

3) The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at meetings of the Shareholders.

4) Shareholders holding more than 5% equity shares of the Company :-

5)

Particulars	As at 31st March 2020	
	No. of Shares	% of holding
Power Grid Corporation of India Limited(Holding Company)*	10,000	100%

* Out of 10,000 equity shares 600 equity shares are held by Nominees of M/s Powergrid Corporation of India Ltd on its behalf.

POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)
Note 13/Other Equity

		(₹ in Lacs)
Particulars		As at 31st March 2020
Reserve & Surplus		
<u>(i) Retained Earnings</u>		
Balance at the Beginning of the Year		
Net Profit for the Period	-0.09	
Balance at the End of the Year		-0.09
Total		-0.09

POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)
Note 14/Borrowings

(₹ in Lacs)	
Description	As at 31st March 2020
Term Loan From Others	
Rupee Loans (Unsecured)	
Loan From M/s Power Grid Corp. of India Ltd. (Holding Co.)	8,301.20
Total	8,301.20

Further Note - 1.The Inter Corporate Loan is provided by the Holding Company on cost to cost basis at the interest rate which varies from 6.35% to 7.49% repayable over a period of 3 to 15 years after a moratorium period of 3 to 5 years.

2. There has been no default in repayment of Loan or payment of interest thereon as at the end of the year.

3. Disclosure with regard to related party is under Note no.25

POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)
Note 15/Other Current Financial Liability

(₹ in Lacs)	
Particulars	As at 31st March 2020
A) Interest accrued but not due on borrowings from	
Related Parties - M/s Power Grid Corp. of India Ltd.	53.25
B) Others	
i) Dues for Capital Expenditure	98.72
ii) Deposits/Retention money from contractors and others.	678.03
iii) Related parties-M/s Power Grid Corp. of India Ltd.	105.84
	882.59
Total	935.84

Further Note :

1. Disclosure with regard to Micro and Small Enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note 21.
2. Breakup of Related Parties is provided in Note 25.

POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)
Note 16/Other Current Liabilities

(₹ in Lacs)	
Particulars	As at 31st March 2020
Statutory Dues	62.13
Total	62.13

POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)
Note 17 /Other Income

(₹ in Lacs)

Particulars	for the period from 25th February 2019 to 31st March 2020
Miscellaneous Income	40.00
Less: Transferred to Expenditure during Construction (Net) - Note 20	40.00
Total	-

POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)
Note 18 /Finance Costs

	(₹ in Lacs)
Particulars	for the period from 25th February 2019 to 31st March 2020
A) Interest and finance charges on financial liabilities at amortised cost	
Interest on Loan From Holding Co. (M/s Power Grid Corp. of India Ltd.)	117.56
Interest on Loan From PFC Consulting Ltd.	4.62
	122.18
Less: Transferred to Expenditure during Construction (Net) - Note 20	122.18
Total	-

Further Note :

1.Breakup of Related Parties is provided in Note 25.

POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)
Note 19/Other Expenses

		(₹ in Lacs)
Particulars		for the period from 25th February 2019 to 31st March 2020
Legal Expenses		0.01
Professional Charges		287.88
Consultancy Expenses		1,750.66
Payments to Statutory Auditors		
Audit Fees	0.54	0.54
Miscellaneous expenses		151.51
		2,190.60
Less: Transferred to Expenditure during Construction (Net) - Note 20		2,190.47
Total		0.13

Further Note :

1.Breakup of Related Parties is provided in Note 25.

POWERGRID Bhuj Transmission Limited
(Erstwhile Bhuj-II Transmission Limited)
Note 20 / Expenditure during Construction (Net)

Particulars	(₹ in Lacs) for the period from 25th February 2019 to 31st March 2020	
A. Other Expenses		
Legal Expenses		0.01
Professional Charges		287.88
Consultancy Expenses		1,750.66
Payment to Auditors		0.54
Miscellaneous expenses		151.38
Total (A)		2,190.47
B. Finance Costs		
Interest on Loan From Holding Co. (M/s Power Grid Corp. of India Ltd.)	117.56	
Interest on Loan From PFC Consulting Ltd.	4.62	122.18
Total (B)		122.18
C. Less: Other Income		
Miscellaneous Income		40.00
Grand Total (A+B-C)		2,272.65

21. Based on information available with the company, there are no supplier's/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by MSMED Act, 2006 is given as under:

(₹in Lakh)		
Sr. No	Particulars	Current Year
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year: Principal Interest	Nil Nil
2	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil

22 .The Company does not have any permanent employees. The personnel working for the company are from holding company on secondment basis and are working on time share basis. The employee cost (including retirement benefits such as Gratuity, Leave encashment, post-retirement benefits etc.) in respect of personnel working for the company are paid by holding company and holding company is raising the invoice to the Subsidiary company towards Consultancy charges.

Since there are no employees in the company, the obligation as per Ind AS 19 " Employee Benefits" does not arise. Accordingly, no provision is considered necessary for any retirement benefit like gratuity, leave salary, pension etc., in the books of the company.

23. Borrowing Cost Capitalized during the year ₹122.18 lacs in the respective carrying amount of Capital work in progress (CWIP) as per Ind AS 23 "Borrowing Costs".

24. Fair Value Measurements

(₹ in Lakh)

	31 st March, 2020	
Financial Instruments by category	FVOCI	Amortised cost
Financial Assets		
Cash & cash Equivalents	-	140.58
Total Financial assets	-	140.58
Financial Liabilities		
Borrowings	-	8301.20
Other Financial Liabilities	-	935.84
Total financial liabilities	-	9237.04

(₹ in Lakh)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2020	-	-	-	-	-
Financial Assets					
Total Financial Assets	-	-	-	-	-
Borrowings	-	-	8045.71	-	8045.71
Other Non Current financial liabilities	-	-	-	-	-
Total financial liabilities	-	-	8045.71	-	8045.71

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed Equity Instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2

(iii) Fair value of financial assets and liabilities measured at amortized cost
(₹ in Lakh)

	31 March 2020	
	Carrying Amount	Fair value
Financial Assets	-	-
Total Financial Assets		
Financial Liabilities		
Borrowings	8301.20	8045.71
Other Non Current financial liabilities	-	-
Total financial liabilities	8301.20	8045.71

The carrying amounts of cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

25. Related party Transactions

(a) Holding Company

		Proportion of Ownership Interest
Name of entity	Place of business/country of incorporation	31-Mar-2020 Holding Co.
Power Grid Corporation of India Limited*	India	100%

*100% Shares were acquired by Power Grid Corporation of India Limited from PFC Consulting Limited on 16.10.2019 and therefore PFC Consulting Limited Ceased to be Holding Company w.e.f. 16.10.2019.

(b) Subsidiaries of Holding Company

		Proportion of Ownership Interest
Name of entity	Place of business/country of incorporation	31-March-2020
Powergrid Vizag Transmission Limited	India	NA
Powergrid NM Transmission Limited	India	NA
Powergrid Unchahar Transmission Limited	India	NA
Powergrid Kala Amb Transmission Limited	India	NA
Powergrid Jabalpur Transmission Limited	India	NA
Powergrid Warora Transmission Limited	India	NA
Powergrid Parli Transmission	India	NA

Limited		
Powergrid Southern Interconnector Transmission System Limited	India	NA
Powergrid Vemagiri Transmission Limited	India	NA
Powergrid Medinipur Jeerat Transmission Limited	India	NA
Powergrid Mithilanchal Transmission Limited (erstwhile ERSS XXI Transmission Limited)	India	NA
Powergrid Varanasi Transmission System Limited(erstwhile WR-NR Power Transmission Limited)	India	NA
Powergrid Jawaharpur Firozabad Transmission Limited (erstwhile Jawaharpur Firozabad Transmission Limited)	India	NA
Powergrid Khetri Transmission System Limited (Erstwhile Khetri Transco Limited)1	India	NA
Powergrid Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited)2	India	NA
Powergrid Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited)3	India	NA
Powergrid Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited)4	India	NA
Powergrid Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited)5	India	NA
Powergrid Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited)6	India	NA

1 100% equity acquired from REC Transmission Projects Limited on 29th August, 2019.

2 100% equity acquired from REC Transmission Projects Limited on 11th September, 2019.

3 100% equity acquired from REC Transmission Projects Limited on 03rd October, 2019.

4 100% equity acquired from PFC Consulting Limited on 14th October, 2019.

5 100% equity acquired from REC Transmission Projects Limited on 12th December, 2019.

6 100% equity acquired from PFC Consulting Limited on 19th December, 2019.

(c)Joint Ventures of Holding Company

		Proportion of Ownership Interest
--	--	---

Name of entity	Place of business/country of incorporation	31-March-2020
Powerlinks Transmission Limited	India	NA
Torrent Power Grid Limited	India	NA
Jaypee Powergrid Limited	India	NA
Parbati Koldam Transmission Company Limited	India	NA
Teestavalley Power Transmission Limited	India	NA
North East Transmission Company Limited	India	NA
National High Power Test Laboratory Private Limited	India	NA
Bihar Grid Company Limited	India	NA
Kalinga Bidyut Prasaran Nigam Private Limited#	India	NA
Cross Border Power Transmission Company Limited	India	NA
RINL Powergrid TLT Private Limited##	India	NA
Power Transmission Company Nepal Limited	Nepal	NA

Shareholders of M/s Kalinga Bidyut Prasaran Nigam Pvt Ltd (KBPNL), JV between M/s POWERGRID & M/s OPTCL in their Extra Ordinary General Meeting held on 02.01.2020 approve to striking off the name of the company pursuant to section 248 (2) of the Companies Act,2013. Accordingly, e-form STK-2 vide SRN NO- R30789564 has been filed in Registrar of Companies (ROC), Odisha on Dated 21.01.2020 for removal of name of the Company. The present status of striking off of the Company (M/s KBPNL) as per MCA website is "Under Process of Striking Off".

POWERGRID's Board of Directors in its meeting held on 1st May 2018 accorded in principle approval to close RINL Powergrid TLT Private Limited and seek consent of other JV Partner Rashtriya Ispat Nigam Limited.

(d) Key Management Personnel

Name	Designation	Begin date	End date
Shri Ram Naresh Singh	Chairman & Additional Director	16.10.2019	continue
Shri Pramod Kumar	Additional Director	16.10.2019	continue
Shri Shankar Datt Joshi	Additional Director	24.12.2019	continue
Shri D. K. Singh	Additional Director	16.10.2019	30.11.2019
Shri Sanjay Mehrotra	Chairman	25.02.2019	16.10.2019
Shri Sanjay Kumar Nayak	Director	25.02.2019	16.10.2019
Shri Virendra Kumar Jain	Director	25.02.2019	18.10.2019

(e) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

(₹ in Lakh)

Particulars	31 March, 2020
Payables	
<u>Holding Company</u>	
Power Grid Corporation of India Ltd.	105.84
Total	105.84

(f) Investments Received during the year (Equity)

(₹ in Lakh)

Particulars	31 March, 2020
Payables	
<u>Holding Company</u>	
Power Grid Corporation of India Ltd.	1.00
Total	1.00

(g) Loans outstanding from related parties

(₹ in Lakh)

<u>Loans from Holding Company</u>	31 March, 2020
Power Grid Corporation of India Ltd.	8301.20
Total	8301.20

(h) Loans received from related parties

(₹ in Lakh)

<u>Loans from Holding Company</u>	31 March, 2020
Power Grid Corporation of India Ltd.	8301.20
PFC Consulting Ltd.	1562.65
Total	9863.85

(i) Loans repaid to related parties

(₹ in Lakh)

<u>Loans from Holding Company</u>	31 March, 2020
PFC Consulting Ltd.	1562.65
Total	1562.65

(j) Interest accrued on Loan

(₹ in Lakh)

Particulars	31 March, 2020
-------------	----------------

Holding	
Power Grid Corporation of India Ltd.	53.25
Total	53.35

(k) Transactions with related parties

The following transactions occurred with related parties:

(₹ in Lakh)

Particulars	31 March, 2020
Services received by the Company	
<u>Holding Company</u>	
Power Grid Corporation of India Ltd.	
Consultancy Charges (Excluding GST)	329.50
Reimbursement of BG Charges	11.06
PFC Consulting Ltd.	
Manpower Charges	7.95
Consultancy Charges	1359.34
Reimbursement of Expenses	45.13
Total	1752.98

(l) Interest on Loan

(₹ in Lakh)

Particulars	31 March, 2020
Holding	
Power Grid Corporation of India Ltd.	117.56
PFC Consulting Ltd.	4.62
Total	122.18

26. Segment Information

a) Business Segment

The Board of Directors is the company's Chief operating decision maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. One reportable segment have been identified on the basis of product/services i.e. Transmission Network.

b) The operations of the company are mainly carried out within the country and therefore there is no reportable geographical segment.

27.Capital and other Commitments

(₹ in Lakh)

Particulars	As at March 31,2020
Estimated amount of contracts remaining to be	87732.90

executed on capital account and not provided for (net of advances)	
--	--

28. Contingent Liabilities and contingent assets

Contingent Liabilities

There is no Contingent Liabilities as at 31st March 2020

29. Capital management

a) Risk Management

The company's objectives when managing capital are to

- maximize the shareholder value;
- safeguard its ability to continue as a going concern;
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the company's capital management, equity capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020.

30. Earnings per share

a) Basic and diluted earnings per share attributable to the equity holders of the company	31 March, 2020
From Continuing Operations	(0.94)
Total basic diluted earnings per share attributable to the equity holders of the company	(0.94)

(₹ in Lakh)

b) Reconciliation of earnings used as numerator in calculating earnings per share	31 March, 2020
Earnings attributable to the equity holders of the company	(0.09)
Total Earnings attributable to the equity holders of the company	(0.09)

c) Weighted average number of shares used as the denominator	31 March, 2020 No. of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	10000
Adjustments for calculation of diluted earnings per share	-
Total weighted average number of equity shares used as the denominator in calculating basic earnings per share	10000

31. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings denominated in Indian rupees, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's capital investments and operations.

The Company's activities expose it to the following financial risks, namely,

- a) Credit risk,
- b) Liquidity risk,
- c) Market risk.

This note presents information regarding the company's exposure, objectives, policies and processes for measuring and managing these risks.

The management of financial risks by the Company is summarized below: -

A) Credit Risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities on account of trade receivables and loans and advances and from its financing activities due to deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

A default on a financial asset is when the counterparty fails to make contractual payments within 3 years of when they fall due. This definition of default is determined considering the business environment in which the Company operates and other macro-economic factors.

Assets are written-off when there is no reasonable expectation of recovery, such as debtor declaring bankruptcy or failing to engage in a repayment plan with the company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the statement of profit and loss.

The Company primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments. CERC tariff regulations allows payment against monthly bills towards transmission charges within a period of 45 days from the date of the bill and levy of charge on delayed payment beyond 45 days. A graded rebate is provided by the company for payment made within 45 days.

Other Financial Assets

- **Cash and cash equivalents**

The Company held cash and cash equivalents as on 31st March 2020 of ₹ 140.58 lakh. The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

○ **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(₹ In Lakhs)

Particulars	31 st March, 2020
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	
Cash and cash equivalents	140.58
Other current financial assets	0.93
Total	141.51

○ **Provision for expected credit losses**

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. At initial recognition, financial assets are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore, expected credit loss provision is not required.

B) Liquidity risk

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company monitors its risk of a shortage of funds using a liquidity planning tool.

Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

The Company depends on both internal and external sources of liquidity to provide working capital and to fund capital expenditure.

Maturities of financial liabilities

The tables below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amount disclosed in the table is the contractual undiscounted cash flows

(₹In Lakhs)

Contractual maturities of financial liabilities	Within a year	Between 1 & 2 years	Between 2 & 5 years	Beyond 5 years	Total
31 March 2020					
Borrowings (including interest outflows)	413.97	594.04	4965.80	7288.02	13261.83
Other financial liabilities	935.84	-	-	-	935.84
Total	1349.81	594.04	4965.80	7288.02	14197.67

C) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises following types of risk:

- i. Currency risk
- ii. Interest rate risk

i) **Currency risk**

As on Reporting date the Company does not have any exposure to currency risk in respect of foreign currency denominated loans and borrowings. The company is exposed to currency risk mainly due to procurement of goods and services.

ii) **Interest rate risk**

The Company is not exposed to any interest rate risk arising from long term borrowings since all the borrowings are with fixed interest rates.

32. Auditors Remuneration

(₹ in Lakhs)

S. No.	Particulars	FY 2019-20
1	Statutory Audit Fees	0.29
2	Tax Audit	-
3	Other Matters	0.25
	Total	0.54

33. Other Disclosures

a. Taxation

Current tax is reckoned based on current year's income and tax payable thereon in accordance with applicable tax rate as per the prevailing tax laws.

b. Leases

The company does not have any lease arrangements either as a lessor or lessee therefore Ind AS 116 "leases" is not applicable to the company.

34. Exceptional & Extraordinary Items

There is no exceptional & extraordinary items as at the Balance Sheet date.

35. Party Balances & Confirmations

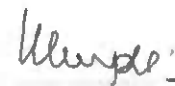
Balances of recoverable shown under Assets and other payables shown under Liabilities include balances subject to confirmation/reconciliation and consequential adjustments if any. However reconciliation are carried out on ongoing basis.

36. Disclosure as per Ind AS 115 - "Revenue from Contracts with Customer"

The company's accounting policies for its revenue streams are disclosed in Note 2.14. The company is under construction and yet to commence its operation, therefore IndAS 115 is not applicable.

37. Figures have been rounded off to nearest rupees in lakhs upto two decimal.



For SNMG & Co.
Chartered Accountants
ICAI Firm Registration No: 004921N


CA Neeraj Gupta
Partner



Membership No : 087004
UDIN 20087004 AAAABF3429
Place : NEW DELHI
Date : 02/06/2020

For and on behalf of the Board of Directors
POWERGRID Bhuj Transmission Limited

 
R N Singh Pramod Kumar

(Chairperson) (Director)
DIN-08358723 DIN-08132119

Place: GURUGRAM
Date: