

**POWERGRID MEERUT SIMBHAVALI TRANSMISSION  
LIMITED**

{Formerly known as Meerut-Simbhawali Transmission Limited}

**Wholly Owned Subsidiary of Power Grid Corporation of India Limited  
(CIN: U40106DL2019GOI351476)**

# **POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED**

{Formerly known as Meerut-Simbhavali Transmission Limited}

CIN: U40106DL2019GOI351476

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

Tel: 011-26560121; Fax: 011-26601081

## **DIRECTORS' REPORT**

To,

Dear Members,

It gives me immense pleasure to present on behalf of the Board of Directors, the First Annual Report of POWERGRID Meerut Simbhavali Transmission Limited (PMSTL) {formerly Meerut-Simbhavali Transmission Limited} on the working of the Company together with Audited Financial Statements and Auditors' Report for the financial year ended 31<sup>st</sup> March, 2020.

### **State of the Company's Affairs & Project Implementation**

POWERGRID Meerut Simbhavali Transmission Limited (PMSTL) formerly Meerut-Simbhavali Transmission Limited} was acquired by Power Grid Corporation of India Limited (POWERGRID) on 19<sup>th</sup> December, 2019 under Tariff Based Competitive bidding from PFC Consulting Limited (the Bid Process Co-ordinator) for establishment of transmission system for Construction of 765/400/220 kV GIS Substation, Meerut with associated lines and 400/220/132 kV GIS Substation, Simbhaoli with associated Transmission lines. Consequent to such acquisition, PMSTL became wholly owned subsidiary of POWERGRID. Hearing for the grant of Transmission License before UPERC was on 01.09.20 & License has been granted. Authorization u/s 164 of EA 2003 will be published after order of grant of License.

**Status of progress for Construction of Substations: -**

- 765/400/220 KV GIS Substation, Meerut –**

Contract awarded to M/s TATA for Construction of 765 KV Substation & M/s L & T for Construction of 400 kV and 220 kV associated substation. M/s Hyosung was awarded the contract for supply of GIS related equipments & BHEL for supply of Transformers & Reactors.

Land acquisition is at final stage. Meeting with Land owners held on 03.09.2020 for final negotiation of rates as per direction by DM, Meerut. Meanwhile design of Switchyard is under progress. Construction of Site store & office work will be started by 20<sup>th</sup> September.

20 Nos. Wave traps will be supplied in September. Foundation bolts, earth mat & other equipments will be supplied from 1st October onwards.

- 400/220/132 KV GIS Substation, Simbhaoli –**

Contract awarded to M/s L & T for Construction of 400 kV, 220 kV & 132kV substations. M/s Hyosung was awarded the contract for supply of GIS related equipments & BHEL for supply of Transformers & Reactors.

Land acquisition is at final stage. Meanwhile soil investigation work is under progress. (Earlier land rejected due to poor soil condition). The construction of site office, store shall be started with effective from 16.09.20.

Supply of switchyard foundation bolt has been already done. Earthmat, DG set & equipments like Wave trap supply will be done in September.

**Status of progress for Construction of Transmission Lines: -**

Contract awarded to M/s L & T for the construction of all 3 Transmission Lines.

S.no	Activity	LILO of 765KV Gr. Noida – Hapur (WUPPTCL) at 765 Kv GIS Substation, Meerut		Simbholi-Muradnagar II 400KV D/c Line (Twin Moose)		Simbholi – Meerut 400KV D/c Line (Twin Moose)	
	Site Activity	Total	Completed	Total	Completed	Total	Completed
A	Foundation (No)	165	-	216	8	92	12
B	Tower Erection (No)	165	-	216	-	92	-
C	Stringing (Kms)	59.50	-	73.08	-	32.94	-

More than 30% material received for transmission line work.

- Approval of route alignment done.
- Revised foundation drawings due to poor soil conditions of 400KV lines has been received recently & foundation work has been resumed as per revised drawing simultaneously. Foundation work of 765 KV lines will resume with effective from 12<sup>th</sup> September.
- **Forest approval** – Joint inspection was completed with Forest dept for all portions of 400KV transmission lines but due to change of Simbhavali S/s Land, joint inspection is pending for Hapur Range. For 765 KV T/Ls Meerut DFO portion inspection is left.
- **Power Line crossing Approval** – Out of 52 nos proposals, 20 nos proposal have been sent to concerned department for approval & 10nos have been approved. Remaining proposal are under progress for forwarding to approving authority.
- **Railway Line crossing Approval** – 5nos proposal submission in process, 01 nos submitted & 01 no proposal preparation under progress.
- **National Highway crossing Approval** - 7 nos. ready for submission. Balance 03 nos preparation under progress.
- **Right of way** – Agitation by locals observed at few places along the Transmission Lines.

### **Financial Performance**

As on 31<sup>st</sup> March, 2020, the Company has not yet started commercial operation as the project is under execution. The expenditure during construction of Rs. 2165.57 lakh incurred during the year has been included under Capital Work in progress.

### **Share Capital**

The Authorised Share Capital and Paid up Share Capital of the Company as on 31<sup>st</sup> March, 2020 were Rs. 1 Lakh each.

### **Dividend and Transfer to Reserves**

Your Company's Project is under implementation, hence, there is no operating income/profit.

### **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.

### **Director's 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/loss of the company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of 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 and Key Managerial Personnel**

As on 31<sup>st</sup> March, 2020, the Board comprised four Directors viz. Shri Atul Trivedi, Shri Deepak Kumar Singh, Shri Ram Naresh Singh and Shri Pramod Kumar.

There were some changes in the Board of Directors of the Company during the financial year 2019-20. Shri Rupesh Kumar Dora, Shri Rishab Jain ceased to be Directors of the Company w.e.f. 19<sup>th</sup> December, 2019 and Shri Dharuman Manavalan ceased to be Director of the company w.e.f 26<sup>th</sup> December, 2019. Further, Shri Atul Trivedi, Shri Deepak Kumar Singh, Shri Ram Naresh Singh and Shri Pramod Kumar have been appointed as Additional Directors w.e.f. 19<sup>th</sup> December, 2019 who holds office up to the date of ensuing Annual General Meeting.

The Company has received a notice under section 160 of the Companies Act, 2013 from a member of the Company for appointment of Shri Atul Trivedi, Shri Deepak Kumar Singh, Shri Ram Naresh Singh and Shri Pramod Kumar as Directors, liable to retire by rotation, in the ensuing AGM.

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

Pursuant to provisions of Section 203 of the Companies Act, 2013, there is no KMP appointed in the Company.

### **Number of Board meetings during the year**

During the financial year ended 31<sup>st</sup> March, 2020, Eight (8) meetings of Board of Directors were held on 27.06.2019, 30.07.2019, 07.08.2019, 31.10.2019, 23.12.2019<sup>^</sup>, 26.12.2019, 31.12.2019 and 12.02.2020. The details of number of meetings attended by each Director during the financial year are as under:

<b>Name of Director</b>	<b>Designation</b>	<b>No. of Board Meetings which were entitled to attend during 2019-20</b>	<b>No. of Board Meetings attendance during 2019-20</b>
Shri Atul Trivedi*	Chairman	4	4
Shri Pramod Kumar*	Additional Director	4	3
Shri Ram Naresh Singh*	Additional Director	4	4
Shri Deepak Kumar	Additional Director	4	2

Singh*			
Shri Rupesh Kumar Dora**	Director	5	5
Shri Rishab Jain**	Director	5	5
Shri Dharuman Manavalan***	Director	5	5

\*appointed as Additional Director w.e.f. 19.12.2019

\*\*ceased to be Director w.e.f. 19.12.2019

\*\*\* ceased to be Director w.e.f 26.12.2019

^The Board Meeting held on 23.12.2019 was originally scheduled for 19.12.2019 and after discussing some of agenda items the meeting was adjourned to be held on 23.12.2019. Original meeting held on 19.12.2019 was attended by Shri Rupesh Kumar Dora, Shri Rishab Jain and Shri Dharuman Manavalan whereas the adjourned meeting held on 23.12.2019 was attended by Shri Atul Trivedi, Shri Pramod Kumar and Shri Ram Naresh Singh.

### **Committees of the Board**

#### **Audit Committee**

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 are not applicable to the Company.

#### **Nomination & Remuneration Committee**

The provisions 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.

### **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 Mahesh K Agarwal & Co., Chartered Accountants, New Delhi was appointed by Comptroller and Auditor General (C&AG) of India as Statutory Auditors of the Company for the financial year 2019-20.

### **Statutory Auditors' Report**

M/s Mahesh K Agarwal & Co., Chartered Accountants, New Delhi, Statutory Auditors for the Financial Year 2019-20, 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**

Comptroller and Auditor General of India have decided not to conduct the supplementary audit under section 143 (6) (a) of the Companies Act, 2013 of the financial statements of the company for the year ended 31<sup>st</sup> March, 2020. Copy of letter dated 31<sup>st</sup> 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 a practicing company secretary is not applicable to the Company.

### **Corporate Social Responsibility (CSR)**

Your Company's Project is under implementation, hence, there is no operating profit. Accordingly, the provisions of Section 135 of the Companies Act, 2013, regarding incurring expenditure on CSR activities are presently not applicable to the Company.

### **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 POWERGRID, 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 31<sup>st</sup> March, 2020.

### **Right to Information**

In compliance with 'Right to Information Act, 2005', an appropriate mechanism is in place for promoting transparency and accountability, wherein your 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 Meerut Simbhavali Transmission Limited**

**Sd/-**  
**(Atul Trivedi)**  
**Chairman**  
**DIN: 07926574**

**Date: 14<sup>th</sup> September, 2020**  
**Place: Gurgaon**

**POWERGRID MEERUT SIMBHAVALI 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. 19.12.2019].
b	Nature of contracts/arrangements/ s/ Transaction	Part (A) to avail all inputs and services (including utilization of POWERGRID premises & facilities thereon) as may be required by the Company from POWERGRID at a Consultancy Fee @ 2% of the Actual Project Cost (excl. IDC & consultancy fee) plus taxes as applicable. Part (B) to take any security(ies)/guarantee(s) in connection with loan(s) and/or any form of debt including ECBs and/or to provide inter corporate loan(s) on cost to cost basis, or a combination thereof, upto an amount of Rs. 854Crore from POWERGRID.
c	Duration of the contracts/arrangements/ s/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	Refer (b)

	transaction including the value, if any	
e	Date of approval by the Board	23.12.2019 [for Part (A)], 12.02.2020 [for Part (B)]
f	Amount paid as advances, if any	-

**For and on behalf of**  
**POWERGRID Meerut Simbhavali Transmission Limited**

**Sd/-**  
**(Atul Trivedi)**  
**Chairman**  
**DIN: 07926574**

**Date: 14<sup>th</sup> September, 2020**  
**Place: Gurgaon**

**POWERGRID MEERUT SIMBHAVALI 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:**

<b>i.</b>	<b>CIN</b>	<b>U40106DL2019GOI351476</b>
<b>ii.</b>	Registration Date	17th June 2019
<b>iii.</b>	Name of the Company	POWERGRID Meerut Simbhavali Transmission Limited
<b>iv.</b>	Category/ Sub-Category of the Company	Public Limited Company / Indian Government Company
<b>v.</b>	Address of the Registered office and contact details	B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel: 011-26560121; Fax: 011-26601081
<b>vi.</b>	Whether listed company	No
<b>vii.</b>	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:-

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

### 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 upto 19.12.2019

\*\*Holding Company w.e.f. 19.12.2019

### 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	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	-	600*	600	6	-	600**	600	6	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	9400	9400	94	-	9400	9400	94	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1):-</b>	-	10000	10000	100	-	10000\$	10000\$	100	-



(i) Indian (ii) Overseas									
b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholder s holding nominal share capital upto Rs.1 lakh									
(ii) Individual shareholder s 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 establishment of Transmission system for Construction of 765/400/220 kV GIS Substation, Meerut with associated lines and 400/220/132 kV GIS Substation, Simbhaoli with associated Transmission lines on build, own, operate and maintain (BOOM) basis. Pursuant to such selection and in

accordance with provisions of Share Purchase Agreement dated 19.12.2019 executed amongst PFC Consulting Limited (PFCCL), the Company and POWERGRID, 10000 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			
		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	% change in shareholding during the year
1.	PFC Consulting Limited (PFCCL)	9400	94	-	-	-	-	(94)
2.	Shri Yogesh Juneja Nominee- PFCCL	100	1	-	-	-	-	(1)
3.	Shri Purna Chandra Hembram Nominee- PFCCL	100	1	-	-	-	-	(1)
4.	Shri Sanjay Mehrotra Nominee- PFCCL	100	1	-	-	-	-	(1)
5.	Shri Dharuman Manavalan Nominee- PFCCL	100	1	-	-	-	-	(1)



6.	Shri Virendra Kumar Jain Nominee- PFCCL	100	1	-	-	-	-	(1)
7.	Shri Sanjay Kumar Nayak Nominee- PFCCL	100	1	-	-	-	-	(1)
8.	Power Grid Corporation of India Limited (POWERGRID)	-	-	-	9400	94	-	94
9.	Shri Abhay Chaudhary jointly with POWERGRID	-	-	-	100	1	-	1
10.	Shri Atul Trivedi jointly with POWERGRID	-	-	-	100	1	-	1
11.	Shri Ram Naresh Singh jointly with POWERGRID	-	-	-	100	1	-	1
12.	Mohammed Taj Mukarrum jointly with POWERGRID	-	-	-	100	1	-	1
13.	Shri Ashok Kumar Singhal jointly with POWERGRID	-	-	-	100	1	-	1
14.	Shri R. Raja Gopalan jointly with POWERGRID	-	-	-	100	1	-	1
	<b>Total</b>	<b>10000</b>	<b>100</b>	<b>-</b>	<b>10000</b>	<b>100</b>	<b>-</b>	<b>-</b>

**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 PFA Consulting Limited on 19 <sup>th</sup> December 2019.			
	At the End of the year	10000	100	10000	100

**Note:**

Power Grid Corporation of India Limited (POWERGRID) had emerged as the successful bidder under TBCB for establishment of Transmission system for Construction of 765/400/220 kV GIS Substation, Meerut with associated lines and 400/220/132 kV GIS Substation, Simbhaoli with associated Transmission lines on build, own, operate and maintain (BOOM) basis. Pursuant to such selection and in accordance with provisions of Share Purchase Agreement dated 19.12.2019 executed amongst PFC Consulting Limited (PFCCL), the Company and POWERGRID, 10000 equity shares of Rs. 10/- each held in the Company by PFCCL & its nominees were transferred to POWERGRID & POWERGRID's nominees jointly with POWERGRID.

**iv. 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	-	-	-	-

**v. 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 company	No. of shares	% of total shares of the company
	For each of Directors and KMP				
	For each of Directors				
<b>1</b>	<b>Shri Dharuman Manavalan, Chairman</b>				
	At the beginning of the year	100*	1	100*	1
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Transferred to Mohammed Taj Mukarrum jointly with POWERGRID on 19.12.2019.			
	At the End of the year	-	-	-	-
<b>2</b>	<b>Shri Rupesh Kumar Dora, Director</b>				
	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	-	-	-	-
<b>3</b>	<b>Shri Rishab Jain, Director</b>				
	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	-	-	-	-
<b>4</b>	<b>Shri Atul Trivedi, Chairman</b>				
	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):	Acquired jointly with POWERGRID from Shri Purna Chandra Hembram who was nominee of PFC Consulting Limited on 19.12.2019			

	At the End of the year	100**	1	100**	1
<b>5</b>	<b>Shri Deepak Kumar Singh, Director</b>				
	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	-	-	-	-
<b>6</b>	<b>Shri Ram Naresh Singh, Director</b>				
	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):	Acquired jointly with POWERGRID from Shri Sanjay Mehrotra who was nominee of PFC Consulting Limited on 19.12.2019			
	At the End of the year	100**	1	100**	1
<b>7</b>	<b>Shri Pramod Kumar, Director</b>				
	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 PFCCL

\*\* Jointly with POWERGRID

## **V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding /accrued but not due for payment

Rs. in lakhs

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
- Addition	-	3137.34	-	3137.34
- Reduction	-	30.07	-	30.07
<b>Net Change</b>	-	3107.27	-	3107.27
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	3097.70	-	3097.70
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	9.57	-	9.57
<b>Total (i+ii+iii)</b>	-	3107.27	-	3107.27

## 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/WTD/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 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(A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

### B. Remuneration to other directors:

[Not Applicable]

Sl. No.	Particulars of Remuneration	Name of MD/WTD/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 section17(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)
<b>A. Company</b>					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
<b>B. Directors</b>					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA
<b>C. Other Officers In Default</b>					
Penalty		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA
Compounding		NIL	NIL	NA	NA

For and on behalf of  
**POWERGRID Meerut Simbhavali Transmission Limited**

Sd/-  
(Atul Trivedi)  
Chairman  
DIN: 07926574

Date: 14<sup>th</sup> September, 2020  
Place: Gurgaon

**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 MEERUT SIMBHAVALI TRANSMISSION LIMITED FOR THE PERIOD ENDED 31 MARCH 2020**

The preparation of financial statements of Powergrid Meerut Simbhavali 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 14 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 Meerut Simbhavali 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: 31 August 2020**



# MAHESH K AGARWAL & CO.

## CHARTERED ACCOUNTANTS

Head Off: 11 E-1, Bigjos Tower,  
Netaji Subhash Place, Pitampura,  
New Delhi - 110034

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Mobile: +91-9818981211, +91-9810018056  
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### INDEPENDENT AUDITOR'S REPORT

To

The Members of **POWERGRID Meerut Simbhavali Transmission Limited**(formerly known as **Meerut Simbhavali Transmission Limited**)('the Company')

#### **Report on the Audit of the Standalone Financial Statements**

##### Opinion

We have audited the accompanying standalone financial statements of **POWERGRID Meerut Simbhavali Transmission Limited**(formerly known as **Meerut Simbhavali Transmission Limited**)('the Company'), which comprise the balance sheet as at 31st March 2020, the statement of Profit and Loss, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the 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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2020, its 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 Standards 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 Act and the Rules made 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.

##### **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 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (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 Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules 2015 under section 133 of the Act. This responsibility also includes



maintenance of adequate accounting records in accordance with the provisions of the Act 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 standalone 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.

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

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

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

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

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



report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-I" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, in the "Annexure-II" on the directions and sub-directions issued 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.
  - c) The Balance Sheet, the Statement of Profit and Loss, the 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 Government Company, pursuant to notification no. G.S.R. 463(E) dated 05.06.2015 issued by the Government of India, provisions of Section 164(2) of the Act, regarding disqualification of director is 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 III".

g) Being a Government Company, pursuant to notification no. G.S.R. 463(E) dated 05.06.2015 issued by the Government of India, provisions of Section 197(16) of the Act, regarding managerial remuneration is not applicable to the company.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Mahesh K Agarwal & Co.**  
**Chartered Accountants**  
**Firm Reg No. : 005000N**

**Aditya M Agarwal**  
**(Partner)**  
**M. No. 0541587**

**Place: - New Delhi**  
**Date: - 14.06.2020**  
**UDIN: 20541587AAAAEU6492**

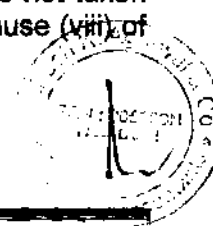


**ANNEXURE-I TO THE INDEPENDENT AUDITOR'S REPORT POWERGRID  
Meerut Simbhavali Transmission Limited(formerly known as Meerut Simbhavali  
Transmission Limited)**

The Annexure referred to in our report to the members of **POWERGRID Meerut Simbhavali  
Transmission Limited(formerly known as Meerut Simbhavali Transmission Limited)**  
(‘the Company’) for the year ended 31<sup>st</sup> March 2020.

We report that: -

1. The company has no Fixed Assets other than Capital work in progress. Hence the provisions of clause (i) of paragraph 3 of the Order are not applicable to the company.
2. The Company does not hold any inventories. Therefore the provisions of clause (ii) of paragraph 3 of the Order is 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. In our opinion and 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. Based on our scrutiny of the company's records and according to the information and explanations given to us, in our opinion, the Company has not accepted deposit from the public within the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, for any of the activities of the company.
7. a).The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax, duty of customs, duty of excise, 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 31<sup>st</sup> 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 disputed statutory dues payable in respect of income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which are outstanding as at 31<sup>st</sup> March, 2020.
8. According to the information and explanations given to us, the company has not taken any loan from any financial institution or bank or debenture holder; hence clause (viii) of paragraph 3 of the Order is not applicable to the company.

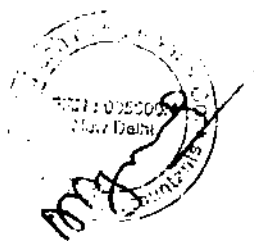




9. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year, hence clause (ix) of paragraph 3 of the Orders not applicable to the company.
10. Based upon the audit procedures performed and information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under audit.
11. Being a Government Company, pursuant to notification no. G.S.R. 463(E) dated 05.06.2015 issued by the Government of India, provisions of Section 197 read with Schedule V of the Act, regarding managerial remuneration are not applicable to the company, hence clause (xi) of paragraph 3 of the Order is not applicable to the company.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company, hence clause (xii) of paragraph 3 of the Order regarding default is not applicable to the company.
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 year. Therefore provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the company.
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 to the company.
16. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Mahesh K Agarwal & Co.**  
**Chartered Accountants**

**Aditya M Agarwal**  
**Partner**  
**M. No. 0541587**



**Place: - New Delhi**  
**Date: - 14.06.2020**

**ANNEXURE-II TO THE INDEPENDENT AUDITOR'S REPORT OF POWERGRID Meerut Simbhavali Transmission Limited(formerly known as Meerut Simbhavali Transmission Limited)**

The Annexure referred to in our report to the members **POWERGRID Meerut Simbhavali Transmission Limited(formerly known as Meerut Simbhavali Transmission Limited)** ('the Company') for the year ended 31<sup>st</sup> March 2020.

**Replies to the Directions issued by Comptroller & Auditor General of India to the Statutory Auditors under Section 143(5) of the Companies Act, 2013 for the year ended 31<sup>st</sup> March 2020**

S. No	Particulars	Reply
1.	Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company has system in place to process all the accounting transactions through IT system i.e. Oracle. In our opinion and to the best of our information and according to the explanations given to us, the company has adequate control system to verify the correctness of the entries posted in Oracle.
2.	Whether there is any restructuring of an 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 waiver/write off of debts/loans/interest etc., hence this clause is not applicable.
3.	Whether funds received/receivable for specific schemes from Central/state agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	There are no funds received/receivable for specific schemes from Central/state agencies, hence this clause is not applicable.

**For Mahesh K Agarwal & Co.**  
**Chartered Accountants**  
**Firm Reg No. : 005000N**

**Aditya M Agarwal**  
**(Partner)**  
**M. No. 0541587**



**Place: - New Delhi**  
**Date: - 14.06.2020**

**Mahesh K Agarwal & Co.**  
Chartered Accountants  
11E-1, Bigjos Tower,  
Netaji Subhash Place, Pitampura,  
New Delhi - 110034

**Annexure – A**

As referred to in our Independent Auditors' Report to the members of the **POWERGRID Meerut Simbhavali Transmission Limited** (formerly known as **Meerut Simbhavali Transmission Limited**) ('the Company'), on the standalone financial statements for the year ended 31<sup>st</sup> March, 2020, we report that:-

		<b>Clauses of CARO Report, 2016</b>	<b>Auditor's Comment</b>
(i)	(a)	Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	No Fixed Assets, hence Not applicable
	(b)	Whether these fixed assets have been physically verified by the management at reasonable intervals; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	No Fixed Assets, hence Not applicable
	(c)	Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	The transmission line towers erected by the company on the farmers land are treated as immovable property based on the provisions of the Indian Telegraph Act, which permits public utility undertakings to erect such towers without acquiring the land by paying adequate tree/crop compensation by the company to the owners of the said property.
(ii)		Whether physical verification of inventory has been conducted at reasonable intervals by the management; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	
(iii)		Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	Not Applicable
	(a)	Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest.	Not Applicable

	(b)	Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	Not Applicable
	(c)	If the amount is overdue, state the total amount overdue for more than 90 days, and whether reasonable steps have been taken by the company for recovery of the principal and interest.	Not Applicable
	(iv)	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	According to the information and explanations given to us, the Company does not have loans, investments and guarantees under section 185 and 186 of the Companies Act, 2013. Accordingly clause 3(iv) of the Order is not applicable
	(v)	in case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	According to the information and explanations given to us, the Company has neither accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, nor as per an order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal
	(vi)	whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained	Provisions related to Maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the company
	(vii) (a)	<p>Whether the company is regular in depositing undisputed statutory dues to the appropriate authorities including:</p> <ul style="list-style-type: none"> <li>i) Provident fund;</li> <li>ii) Employees' state insurance;</li> <li>iii) Income-tax;</li> <li>iv) Sales-tax;</li> <li>v) Service tax;</li> <li>vi) Duty of customs;</li> <li>vii) Duty of excise;</li> <li>viii) Value Added Tax (VAT);</li> <li>ix) Cess; and</li> <li>x) Any other statutory dues.</li> </ul> <p>If the company is not regular in depositing such statutory dues, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by</p>	<p>According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities applicable to the Company and that there are no undisputed statutory dues outstanding as at 31<sup>st</sup> March, 2020 for a period of more than six months from the date they became payable.</p> <p style="text-align: right;"><i>[Signature]</i></p>

		the auditor.	
	(b)	where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax havenot been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	According to information and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise which have not been deposited.
(viii)		Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported. (In case of defaults to banks, financial institutions, and Government, lender wise details to be provided.	According to information and explanations given to us, there is no such default.
(ix)		Whether moneys raised by way of Initial Public Offer (IPO) or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	Based on the specified audit procedures followed by us and as per the information and explanations given by the management, Company has not raised any monies by way of initial public offer or further public offer (including debt instruments). Holding Company provided Inter corporate loan. We report that the amounts received were applied for the purposes for which they were received.
(x)		Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
(xi)		Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013? If not, state the amount involved and steps taken by the company for securing refund of the same;	The company has not provided for any Managerial Remuneration for the year 2019-2020. The key Management Personnel (CEO) of the Company are employees of holding company, deployed on a part time basis. No management remuneration is paid to such representative by the company. Accordingly, the Provisions of Section 197 of the Companies Act 2013 are not applicable. Accordingly, clause (xi) of the Order is not applicable to the Company
(xii)		Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	Not Applicable
(xiii)		Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where	In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the

	applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Notes to Financial Statements as required by the applicable Indian Accounting Standards.
(xiv)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	According to the information and explanations given to us, there is no such case.
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	According to the information and explanations given to us, there is no such case.
(xvi)	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	The Co. is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as the Co. is not a NBFC.

**For Mahesh K Agarwal & Co.**  
Chartered Accountants

(CA Aditya M Agarwal)  
Partner  
M. No. 0541587  
FRN : 005000N

Place: New Delhi

Dated: 14<sup>th</sup> June 2020



**Mahesh K Agarwal & Co.**  
Chartered Accountants  
11E-1, Bigios Tower,  
Netaji Subhash Place, Pitampura,  
New Delhi - 110034

**ANNEXURE – C**

As referred to in our Independent Auditors' Report to the members of the **POWERGRID Meerut Simbhavali Transmission Limited (formerly known as Meerut Simbhavali Transmission Limited) ('the Company')**, on the standalone financial statements for the year ended 31<sup>st</sup> 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 March 31, 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 Company's management 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 business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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.



### **Inherent 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."

**For Mahesh K Agarwal & Co.**  
Chartered Accountants

(CA Aditya M Agarwal)  
Partner  
M. No. 0541587  
FRN : 005000N



Place: New Delhi

Dated: 14-06-2020

## Notes to Financial Statements

### 1. Corporate and General Information

POWERGRID Meerut Simbhavali Transmission Limited (Erstwhile Meerut Simbhavali Transmission Limited) ("the Company") is a company domiciled and incorporated in India under the provisions of Companies Act on 17th June 2019 and the Company was acquired on 19th Dec. 2019 by Power Grid Corporation of India Limited and become a wholly owned subsidiary of Power Grid Corporation of India Limited. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016.

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 period ended 31st March 2020 were approved for issue by the Board of Directors on 05<sup>th</sup> Jun 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).

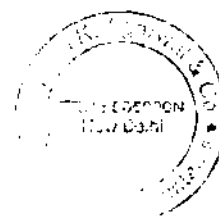
##### iii) Functional and presentation currency

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 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 affects 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**

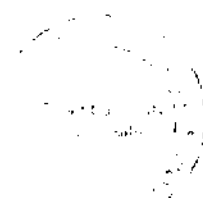
### **Initial Recognition and Measurement**

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 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 adjustment 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.

### **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 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

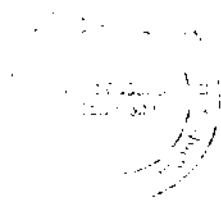
Residual value of above assets is considered as Nil.

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.

#### **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.

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.

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.

## **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
- 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.

Signature  
Date  
Place

## **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**

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.

### **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.

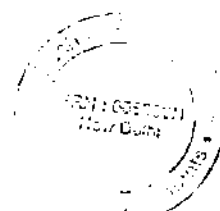
## **2.14 Revenue**

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.

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.

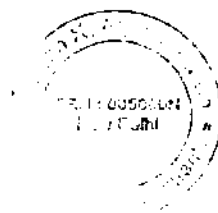
##### **b) Contingencies**

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 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**

A handwritten signature in blue ink is written over a circular official stamp. The stamp contains text in Hindi, including 'संस्थापक' (Founder) and 'प्रबंधक' (Manager), and the name 'श्री. वि. वि. वि.' (Shri. V.V.V.).

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 MEERUT SIMBHAVALI TRANSMISSION LIMITED**  
**(Erstwhile MEERUT SIMBHAVALI TRANSMISSION LIMITED)**  
**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016**  
**CIN : U40106DL2019GOI351476**

**Balance Sheet as at 31st March, 2020**

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2020
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
CAPITAL WORK-IN-PROGRESS	4	2,165.57
OTHER NON-CURRENT ASSETS	5	1,614.87
DEFERRED TAX ASSETS	6	0.04
		<b>3,780.48</b>
<b>CURRENT ASSETS</b>		
<b>FINANCIAL ASSETS</b>		
CASH AND CASH EQUIVALENTS	7	4.71
OTHER CURRENT FINANCIAL ASSETS	8	0.03
		<b>4.74</b>
<b>Total Assets</b>		<b>3,785.22</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
EQUITY SHARE CAPITAL	9	1.00
OTHER EQUITY	10	(0.10)
		<b>0.90</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
<b>FINANCIAL LIABILITIES</b>		
BORROWINGS	11	3,097.70
		<b>3,097.70</b>
<b>CURRENT LIABILITIES</b>		
<b>FINANCIAL LIABILITIES</b>		
OTHER CURRENT FINANCIAL LIABILITIES	12	641.15
OTHER CURRENT LIABILITIES	13	45.47
		<b>686.62</b>
<b>Total Equity and Liabilities</b>		<b>3,785.22</b>

The accompanying Notes 1 to 36 form an integral part of the Financial Statements.

In terms of our Report of even date  
For Mahesh K Agarwal & Co.  
Chartered Accountants  
ICAI FRN : 005000N

(Aditya M Agarwal)  
Partner  
Membership No. : 541587



Place : New Delhi  
Date : 14/6/20

For and on behalf of the Board of Directors

Atul Trivedi  
Chairman  
DIN-07926574

Pramod Kumar  
Director  
DIN-0813219

Place : Gurugram  
Date :

**POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED**  
**(Erstwhile MEERUT SIMBHAVALI TRANSMISSION LIMITED)**  
B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016  
CIN : U40106DL2019GOI351476

**Statement of Profit and Loss for the period from 17th June 2019 to 31st March 2020**

(₹ in Lakhs)

Particulars	Note No.	For the period from 17th June 2019 to 31st March 2020
<b>Income</b>		
Other income	14	-
<b>Total Income</b>		-
<b>Expenses</b>		
Finance cost	15	-
Other Expenses	16	0.14
<b>Total Expenses</b>		0.14
<b>Profit /(Loss) before tax</b>		(0.14)
<b>Tax expenses</b>		
Current Tax		-
Deferred Tax	6	(0.04)
<b>Total Tax Expenses</b>		(0.04)
<b>Profit /(Loss) for the period</b>		(0.10)
<b>Other Comprehensive Income</b>		-
<b>Total Comprehensive Income / (Loss) for the period</b>		(0.10)
<b>Earnings per Equity Share (Par Value ₹ 10 each)</b>		
Basic (in ₹)		(0.99)
Diluted (in ₹)		(0.99)

The accompanying Notes 1 to 36 form an integral part of the Financial Statements.

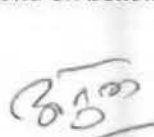
In terms of our Report of even date  
**For Mahesh K Agarwal & Co.**  
Chartered Accountants  
ICAI FRN : 005000N

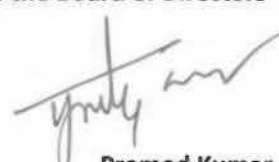
(Aditya M Agarwal)  
Partner  
Membership No. :  
541582



Place : New Delhi  
Date : 30/14/6/20

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

  
**Atul Trivedi**  
Chairman  
DIN-07926574

  
**Pramod Kumar**  
Director  
DIN-0813219

Place : Gurugram  
Date :



**POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED**  
**(Erstwhile MEERUT SIMBHAVALI TRANSMISSION LIMITED)**  
**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016**  
**CIN : U40106DL2019GOI351476**

**Statement of Cash Flow for the period from 17th June 2019 to 31st March 2020**

(₹ in Lakhs)

Particulars	For the period from 17th June 2019 to 31st March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit/(Loss) before Tax	(0.14)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(0.14)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	
Capital work in progress (CWIP) (including advances for capital expenditure)	(3,780.44)
Increase in Current Financial Assets	(0.03)
<b>Net cash used in Investing Activities (B)</b>	<b>(3,780.47)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	
Issue of Equity Share Capital	1.00
Proceeds from Borrowings	3,097.70
Retentions from Contractor / Suppliers	686.82
<b>Net Cash Flow from Financing Activities (C)</b>	<b>3,785.32</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A) + (B) + (C)</b>	<b>4.71</b>
Cash and Cash Equivalents at the beginning of the period	-
<b>Cash and Cash Equivalents at the end of the period ( Note 7)</b>	<b>4.71</b>

**Notes:**

Cash and cash equivalents consists of balances with banks.

The accompanying Notes 1 to 36 form an integral part of the Financial Statements.

In terms of our Report of even date

For Mahesh K Agarwal & Co.

Chartered Accountants

ICAI FRN : 005000N

(Aditya M Agarwal)

Partner


Membership No. :

541587

Place : New Delhi

Date : 14/6/20

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



**Atul Trivedi**  
Chairman  
DIN-07926574



**Pramod Kumar**  
Director  
DIN-0813219

Place : Gurugram

Date :

**POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED**  
**(Erstwhile MEERUT SIMBHAVALI TRANSMISSION LIMITED)**  
**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016**  
**CIN : U40106DL2019GOI351476**

**Statement of Changes in Equity for the period ended March 31, 2020**

A. Equity Share Capital		(₹ in Lakhs)
Equity Share Capital issued during the period		1.00
Balance at 31st March, 2020		1.00

B. Other Equity		(₹ in Lakhs)
		Reserves & Surplus
		Retained Earnings
Total Comprehensive Income for the period		(0.10)
Balance at 31st March, 2020		(0.10)

Refer Note No. 10 For nature and movement Of Other Equity  
The accompanying Notes 1 to 36 form an integral part of the Financial Statements.

In terms of our Report of even date  
For Mahesh K Agarwal & Co.  
Chartered Accountants  
ICAI FRN : 005000N

For and on behalf of the Board of Directors

(Aditya M Agarwal)  
Partner  
Membership No. :

Place : New Delhi  
Date : 14-6-20



Atul Trivedi  
Chairman  
DIN-07926574

Place : Gurugram  
Date :

Pramod Kumar  
Director  
DIN-0813219

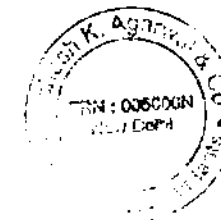
**POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED**  
(Eratwhile MEERUT SIMBHAVALI TRANSMISSION LIMITED)  
B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016  
CIN : U40106DL2019GOI351476

**Note 4/ CAPITAL WORK IN PROGRESS**

(₹ in Lakhs)					
Particulars	As at 17th June 2019	Additions during the period	Adjustments	Capitalised during the period	As at 31st March 2020
Expenditure Pending Allocation					
Expenditure During Construction Period (Net) (Note 17)	-	1,271.42	-	-	1,271.42
<b>Total</b>		<b>1,271.42</b>			<b>1,271.42</b>
Construction Stores	-	894.15	-	-	894.15
<b>Grand Total</b>	<b>-</b>	<b>2,165.57</b>	<b>-</b>	<b>-</b>	<b>2,165.57</b>

**Note 4/ CAPITAL WORK IN PROGRESS (Detail of Construction Stores)**

Particulars	As at 31st March 2020
<u>Construction Stores</u>	
Conductors	894.15
<b>Total</b>	<b>894.15</b>
Construction Store include:	
h) Material with Contractors	
Conductors	894.15
<b>Total</b>	<b>894.15</b>



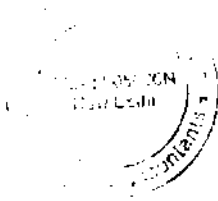
**POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED**  
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**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016**  
**CIN : U40106DL2019GOI351476**

**Note 5/ OTHER NON-CURRENT ASSETS**

(Unsecured considered good unless otherwise specified)

(₹ in Lakhs)

Particulars	As at 31st March 2020
<b><u>Advances for Capital Expenditure</u></b>	
Advances Against Bank guarantees	1,614.87
<b>Total</b>	<b>1,614.87</b>



**POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED**  
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**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016**  
**CIN : U40106DL2018GOI351476**

**Note 6/ DEFERED TAX ASSETS**

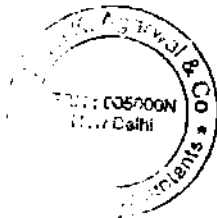
(₹ in Lakhs)	
Particulars	As at 31st March 2020
Deferred Tax Assets	0.04
<b>Total</b>	<b>0.04</b>

**Movements in Deferred Tax Assets** (₹ in Lakhs)

	Unused Tax Losses	MAT Credit	Total
As at 17th June 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 Lakhs)

Particulars	As at 31 <sup>st</sup> 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)

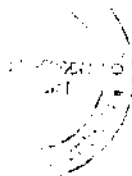


**POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED**  
**(Erstwhile MEERUT SIMBHAVALI TRANSMISSION LIMITED)**  
**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016**  
**CIN : U40106DL2019GOI351476**

**Note 7/Cash and cash equivalents**

(₹ in Lakhs)

<b>Particulars</b>	<b>As at 31st March 2020</b>
Balance with Banks-	
In Current Accounts with scheduled banks	4.71
<b>Total</b>	<b>4.71</b>



**POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED**  
**(Erstwhile MEERUT SIMBHAVALI TRANSMISSION LIMITED)**  
**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016**  
**CIN : U40106DL2019GOI351476**

**Note 8/Other Current Financial Assets**

(₹ in Lakhs)

Particulars	As at 31st March 2020
TDS on Provision (Recoverable)	0.03
<b>Total</b>	<b>0.03</b>



**POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED**  
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B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016  
CIN : U40106DL2019GOI351476

**Note 9 - Equity Share Capital**

(₹ in Lakhs)	
Particulars	As at 31st March 2020
<b>Equity Share Capital</b>	
Authorised Share Capital	
10,000 Equity Shares of ₹ 10/- each at par	1.00
<b>Issued,Subscribed and Paid up Share Capital</b>	
10,000 fully paid up Equity shares of ₹ 10/- each at par	1.00
<b>Total</b>	<b>1.00</b>

**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 ended 31st March, 2020	
	No. of Shares	Amount ( ₹ in Lakhs)
Shares Issued during the period	10,000	1.00
Shares outstanding at the end of the period	10,000	1.00

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

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 Power Grid Corporation of India Limited on its behalf.

Bishu K. /  
2020



**POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED**  
**(Erstwhile MEERUT SIMBHAVALI TRANSMISSION LIMITED)**  
**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016**  
**CIN : U40106DL2019GOI351476**

**Note 10/ Other Equity**

(₹ in Lakhs)	
Particulars	As at 31st March 2020
<b>Reserves and Surplus</b>	
<b>Retained Earnings</b>	
Balance at the beginning of the period	-
Add: Additions	-
Net Profit or (Loss) for the period	(0.10)
Less-Appropriations	-
<b>Balance at the end of the period</b>	<b>(0.10)</b>

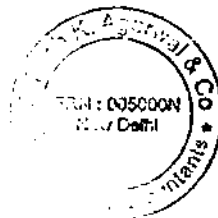
**POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED**  
**(Erstwhile MEERUT SIMBHAVALI TRANSMISSION LIMITED)**  
**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016**  
**CIN : U40106DL2019GOI351476**

**Note 11/ Borrowings**

(₹ in Lakhs)	
Particulars	As at 31st March 2020
<b>Unsecured</b>	
Loan from Power Grid Corporation of India Limited (Holding Company)	3,097.70
<b>TOTAL</b>	<b>3,097.70</b>

Note :

- i) The inter corporate loan is provided by the Powergrid Corpoartion of India Ltd. (Holding Company) on cost to cost basis (Interest rate varying from 6.35 % to 7.49%) and the said loan is repayable over a period of 3-15 years.
- ii) There have been no default in repayment of loans or payment of interest thereon during the period.
- iii) Refer Note no.23 for Disclosure on Related Party Transactions.



**POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED**  
**(Erstwhile MEERUT SIMBHAVALI TRANSMISSION LIMITED)**  
**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016**  
**CIN : U40106DL2019GOI351476**

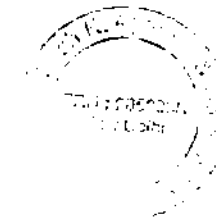
**Note 12/ OTHER CURRENT FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	As at 31st March 2020
Interest accrued but not due on borrowings from Power Grid Corporation of India Limited (Holding Company)	9.57
Dues for Capital Expenditure	288.16
Payable to Power Grid Corporation of India Limited (Holding Company)	343.12
Auditor Remuneration Payable	0.30
<b>Total</b>	<b>641.15</b>

**Further Notes :**

1. The disclosure with regard to Micro and Small Enterprises as required under " The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No. 19.
2. Refer Note no.23 for Disclosure on Related Party Transactions.



**POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED**  
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**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016**  
**CIN : U40106DL2019GOI351476**

**Note 13/ Other Current Liabilities**

(₹ in Lakhs)

<b>Particulars</b>	<b>As at 31st March 2020</b>
Statutory Dues	45.47
<b>Total</b>	<b>45.47</b>

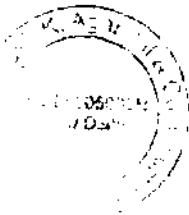


**POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED**  
**(Erstwhile MEERUT SIMBHAVALI TRANSMISSION LIMITED)**  
**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016**  
**CIN : U40106DL2019GOI351476**

**Note 14/ Other Income**

(₹ in Lakhs)

Particulars	For the period from 17th June 2019 to 31st March 2020
Sale of RFP documents	20.00
Interest from advances to contractors	2.71
	22.71
Less: Transferred to Expenditure during Construction (Net) - Note 17	22.71
<b>Total</b>	<b>-</b>



**POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED**  
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**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016**  
**CIN : U40106DL2019GOI351476**

**Note 15/Finance Cost**

(₹ in Lakhs)

Particulars	For the period from 17th June 2019 to 31st March 2020
<b><u>Interest and finance charges on financial liabilities at amortised cost</u></b>	
Interest on loan from Power Grid Corporation of India Ltd. (Holding Company)	25.67
Less: Transferred to Expenditure during Construction (Net) - Note 17	(25.67)
<b>Total</b>	-

Note :

1. Refer Note no.23 for Disclosure on Related Party Transactions.



**POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED**  
**(Erstwhile MEERUT SIMBHAVALI TRANSMISSION LIMITED)**  
**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016**  
**CIN : U40106DL2019GOI351476**

**Note 16/ Other Expenses**

(₹ in Lakhs)

Particulars	For the period from 17th June 2019 to 31st March 2020
Fee For Statutory Auditors	0.30
Fees to Statutory Auditors in Other Capacities	0.25
Professional Charges	1,046.90
Miscellaneous Expenses	66.90
Legal Expenses	34.15
Bank Charges	0.01
Preliminary Expenses Written off	0.14
Hiring of Manpower	83.46
Interest on Advance	6.49
Licence Fee to UPERC	30.00
<b>Sub total</b>	<b>1,268.60</b>
Less: Transferred to Expenditure during Construction (Net) - Note 17	<b>(1,268.46)</b>
<b>Total</b>	<b>0.14</b>

**Note :**

1. Refer Note no.23 for Disclosure on Related Party Transactions.



**POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED**  
**(Erstwhile MEERUT SIMBHAVALI TRANSMISSION LIMITED)**  
**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016**  
**CIN : U40106DL2019GOI351476**

**Note 17 / Expenditure During Construction (Net)**

(₹ in Lakhs)

Particulars	For the period from 17th June 2019 to 31st March 2020
<b>A. Finance Cost</b>	
Interest on loan from Power Grid Corporation of India Ltd. (Holding Company)	25.67
<b>Total (A)</b>	<b>25.67</b>
<b>B. Other Expenses</b>	
Fee For Statutory Auditors	0.30
Fees to Statutory Auditors in Other Capacities	0.25
Professional Charges	1,046.90
Miscellaneous Expenses	66.90
Legal Expenses	34.15
Bank Charges	0.01
Hiring of Manpower	83.46
Interest on Advance	6.49
Licence Fee to UPERC	30.00
<b>Total (B)</b>	<b>1,268.46</b>
<b>C. Less: Other Income</b>	
Sale of RFP documents	20.00
Interest from advances to contractors	2.71
<b>Total (C)</b>	<b>22.71</b>
<b>Grand Total (A+B-C)</b>	<b>1,271.42</b>





### **Notes to Financial Statements**

18. The company was incorporated on 17<sup>th</sup> June 2019 under the companies act 2013. The company is a special purpose vehicle incorporated for the purpose of "Construction of 765/400/220 kV GIS Substation, Meerut with associated lines and 400/220/132 kV GIS Substation, Simbhavali with associated Transmission lines". The company was acquired by Power Grid Corporation of India Limited on 19th December 2019 and become a wholly owned subsidiary of Power Grid Corporation of India Limited.

19. 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 Lakhs)

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

20. 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 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.

21. Borrowing Cost Capitalized during the period ₹25.67 lakhs in the respective carrying amount of Capital work in progress (CWIP) as per Ind AS 23 "Borrowing Costs".



## 22. Fair Value Measurements

(₹ In Lakhs)	
	31 <sup>st</sup> March, 2020
<b>Financial Instruments by category</b>	<b>Amortised cost</b>
<b>Financial Assets</b>	
Cash & cash Equivalents	4.71
Other Current financial assets	0.03
<b>Total Financial assets</b>	<b>4.74</b>
<b>Financial Liabilities</b>	
Borrowings	3097.70
Other Current Financial Liability	641.15
<b>Total financial liabilities</b>	<b>3738.85</b>

(₹ In Lakhs)		
Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level	At 31 <sup>st</sup> March 2020
<b>Financial Assets</b>		
<b>Total Financial Assets</b>	-	-
<b>Financial Liabilities</b>		
Borrowings	2	2985.07
<b>Total financial liabilities</b>		<b>2985.07</b>

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An Explanation of each level follows underneath the table.

**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 Lakhs)		
31 <sup>st</sup> March 2020		
	Carrying Amount	Fair value
Financial Assets	-	-
Total Financial Assets		
Financial Liabilities		
Borrowings	3097.70	2985.07
Total financial liabilities	3097.70	2985.07

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.

23. Related party Transactions

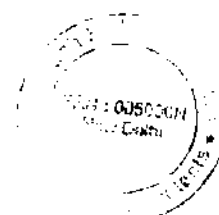
(a) Holding Company

Name of entity	Place of business/country of incorporation/Relationship	Proportion of Ownership Interest
		31-March-2020
Power Grid Corporation of India Limited	India	100%
PFC Consulting Limited*	India	100%*

\*100% Shares were acquired by Power Grid Corporation of India Limited from PFC Consulting Limited on 19.12.2019 and therefore PFC Consulting Limited Ceased to be Holding Company w.e.f. 19.12.2019.

(b) List of Fellow Subsidiaries

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest
		As at 31.03.2020
POWERGRID Vizag Transmission Limited	India	N.A
POWERGRID NM Transmission Limited	India	N.A
POWERGRID Unchahar Transmission Limited	India	N.A
POWERGRID Kala Amb Transmission Limited	India	N.A
POWERGRID Jabalpur Transmission Limited	India	N.A
POWERGRID Warora Transmission Limited	India	N.A
POWERGRID Parli Transmission Limited	India	N.A
POWERGRID Southern Interconnector Transmission System Limited	India	N.A
POWERGRID Vemagiri Transmission Limited	India	N.A
POWERGRID Medinipur Jeerat Transmission Limited	India	N.A
POWERGRID Mithilanchal Transmission Limited (erstwhile ERSS XXI Transmission Limited)	India	N.A



POWERGRID Varanasi Transmission System Limited(erstwhile WR-NR Power Transmission Limited )	India	N.A
POWERGRID Jawaharpur Firozabad Transmission Limited (erstwhile Jawaharpur Firozabad Transmission Limited)	India	N.A
POWERGRID Fatehgarh Transmission System Limited (Erstwhile Fatehgarh-II Transco Limited) <sup>1</sup>	India	N.A
POWERGRID Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited) <sup>2</sup>	India	N.A
POWERGRID Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited) <sup>3</sup>	India	N.A
POWERGRID Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited) <sup>4</sup>	India	N.A
POWERGRID Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited) <sup>5</sup>	India	N.A
POWERGRID Khetri Transmission System Limited (Erstwhile Khetri Transco Limited) <sup>6</sup>	India	N.A

<sup>1</sup> 100% equity acquired from PFC Consulting Limited on 14th October, 2019.

<sup>2</sup> 100% equity acquired from PFC Consulting Limited on 16th October, 2019.

<sup>3</sup> 100% equity acquired from REC Transmission Projects Company Limited on 03rd October, 2019.

<sup>4</sup> 100% equity acquired REC Transmission Projects Company Limited on 11th September, 2019.

<sup>5</sup> 100% equity acquired from REC Transmission Projects Company Limited on 12th December, 2019.

<sup>6</sup> 100% equity acquired from REC Transmission Projects Company Limited on 29th August, 2019.

**(c) List of Fellow Joint Ventures**

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest
		As at 31st 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 Ltd	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. Accordingly Provision for diminution in value of investment has been made by holding company.

**(d) Key Management Personnel**

Name	Designation	Begin date	End date
Shri Atul Trivedi	Chairman & Additional Director	19/12/2019	Continue
Shri Ram Naresh Singh	Additional Director	19/12/2019	Continue
Shri Pramod Kumar	Additional Director	19/12/2019	Continue
Shri D.K.Singh	Additional Director	19/12/2019	Continue
Shri Dharuman Manavalan	Director	17/06/2019	26/12/2019
Shri Rishabh Jain	Director	17/06/2019	19/12/2019
Shri Rupesh Kumar Dora	Director	17/06/2019	19/12/2019

**(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 Lakhs)	
Particulars	31 <sup>st</sup> March, 2020
<b>Payables</b>	
<u>Holding Company</u>	
Power Grid Corporation of India Ltd.	343.12
<b>Total</b>	<b>343.12</b>

**Loans Outstanding from related parties**

(₹ In Lakhs)	
<u>Loans from Holding Company</u>	31 <sup>st</sup> March, 2020
Power Grid Corporation of India Ltd.	3097.70
<b>Total</b>	<b>3097.70</b>

**Interest accrued on Loan**

(₹ In Lakhs)	
Particulars	31 <sup>st</sup> March, 2020
<u>Holding</u>	
Power Grid Corporation of India Ltd.	9.57
<b>Total</b>	<b>9.57</b>



(f) Transactions with related parties

The following transactions occurred with related parties:

(₹ In Lakhs)	
Particulars	31 <sup>st</sup> March, 2020
Services received by the Company	
<u>Holding Company</u>	
1. Power Grid Corporation of India Ltd.	
Consultancy Charges (Excluding Taxes)	317.70
Reimbursement of BG Charges (Excl. Taxes)	28.56
2. PFC Consulting Limited	
Interest on Borrowings	6.49
Manpower Charges	83.46
Consultancy Charges	550.00
Reimbursement of expenses.	73.53

Interest on Loan

(₹ In Lakhs)	
Particulars	31 <sup>st</sup> March, 2020
<u>Holding</u>	
Power Grid Corporation of India Ltd.	25.67
Total	25.67

Investments Received during the period (Equity)

(₹ In Lakhs)	
Particulars	31 <sup>st</sup> March, 2020
Payables	
<u>Holding Company</u>	
Power Grid Corporation of India Ltd.	1.00
Total	1.00

Loans Received from related parties

(₹ In Lakhs)	
Loans from Holding Company	31 <sup>st</sup> March, 2020
Power Grid Corporation of India Ltd.	3097.70
PFC Consulting Limited	7.48
Total	3105.18

Loans Repaid to related parties

(₹ In Lakhs)	
Loans from Holding Company	31 <sup>st</sup> March, 2020
PFC Consulting Limited	7.48
Total	7.48



## 24. Segment Information

### 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.

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

## 25. Capital and other Commitments:

(₹ In Lakhs)	
Particulars	As at 31 <sup>st</sup> March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	81483.51

## 26. Contingent Liabilities and contingent assets:

There are no Contingent Liabilities / Assets as on 31<sup>st</sup> March, 2020.

## 27. 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 period ended 31 March 2020.

### b) Debts and Equity

(₹ In Lakhs)	
Particulars	31 <sup>st</sup> March, 2020
Debt	3097.70
Equity	0.90



## 28. Earnings per share

(Amount in ₹/Share)

a) Basic and diluted earnings per share attributable to the equity holders of the company	31 <sup>st</sup> March, 2020
Total basic diluted earnings per share attributable to the equity holders of the company	(0.99)

(₹ In Lakhs)

b) Reconciliation of earnings used as numerator in calculating earnings per share	31 <sup>st</sup> March, 2020
Total Earnings attributable to the equity holders of the company	(0.10)

c) Weighted average number of shares used as the denominator	31 <sup>st</sup> 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

## 29. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings denominated in Indian rupees, 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 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.

#### **i) Trade Receivables and Unbilled Revenue**

The Company primarily provides transmission facilities to Intra-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 granted rebate is provided by the company for payment made within 45 days.

Unbilled revenue primarily relates to companies right to consideration for work completed but not billed at the reporting date and have substantially same risk characteristics as the trade receivables for the same type of contract.

#### **ii) Other Financial Assets (excluding trade receivables and Unbilled Revenue)**

##### **• Cash and cash equivalents**

The Company held cash and cash equivalents as on 31<sup>st</sup> March 2020 of ₹ 4.71 lakhs. 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 <sup>st</sup> March, 2020
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	
Cash and cash equivalents	4.71
Other Current financial assets	0.03
<b>Total</b>	<b>4.74</b>

#### **o 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. The Company has entered into Inter-Corporate Loan Agreement for Funding of its Obligations. For this, Company Provided Quarterly Cash Flows in Advance To Holding Company along with Monthly Requirement.

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)	-	-	239.31	2858.39	3097.70
Total	0	0	239.31	2858.39	3097.70

#### 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:

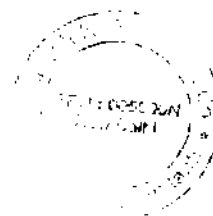
- i. Currency risk
- ii. Interest rate risk

##### 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.



**30. Auditors Remuneration****(₹ In Lakhs)**

S. No.	Particulars	FY 2019-20 (Including Taxes)
1	Statutory Audit Fees	0.25
2	Tax Audit	-
3	Other Matters	0.25
4	GST	0.05
	<b>Total</b>	<b>0.55</b>

**31. Income Tax expense:**

This note provides an analysis of the company's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to The Company's tax positions.

In accordance with Ind-AS 12 on Accounting for Taxes on Income, the Company has computed Deferred Tax Asset amounting to ₹ 0.04 Lakhs on account of Other Equity as per books vis.a.vis Tax Laws.

**(a) Income tax expense****(₹ in Lakhs)**

Particulars	31 March, 2020
<b><u>Current Tax</u></b>	
Current tax on profits for the year	-
Earlier year Tax	-
Adjustments for current tax of prior periods	-
<b>Total current tax expense (A)</b>	<b>-</b>
<b><u>Deferred tax expense</u></b>	
Originating and reversal of temporary differences	(0.04)
Previously unrecognized tax credit recognized as Deferred tax Asset this year	-
<b>Total deferred tax expense/(benefit) (B)</b>	<b>(0.04)</b>
<b>Income tax expense (A+B)</b>	<b>(0.04)</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

( ₹ in Lakhs)	
Particulars	31 March, 2020
Profit before income tax expense	(0.14)
Tax using Company's Domestic Tax rate 29.12%	-
<b>TAX EFFECT OF:</b>	
Non Deductible Tax Expenses	
Tax Exempt Income	
Deferred Assets for Deferred tax liability	-
Previous years tax liability	-
Unabsorbed tax loss	
Deferred Tax expense / (income)	(0.04)
MAT Adjustments	
<b>Tax Expenses recognized in statement of Profit &amp; Loss</b>	<b>(0.04)</b>

**(c) MAT Credit**

As company have option to avail MAT credit in future against Income Tax payable and hence MAT paid during earlier and in current year are carried forward.

**32. 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.

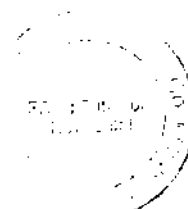
**b. Leases**

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.

**33.Exceptional & Extraordinary items**

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

**34. 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 is carried out on ongoing basis.

**35. 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.

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


**For Mahesh K Agarwal & Co .**  
Chartered Accountants  
ICAI Firm Registration No : 005000N



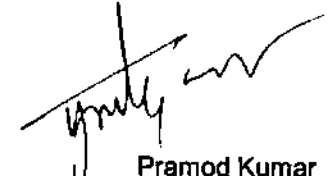
**Aditya M Agarwal**  
Partner  
Membership No: 0541587

Place: New Delhi  
Date: 14-6-20

**For and on behalf of the Board of Directors**  
**POWERGRID Meerut Simbhavali Transmission**  
**Limited**

  
**Atul Trivedi**  
(Chairperson)  
DIN-07926574

Place: Gurugram  
Date:

  
**Pramod Kumar**  
(Director)  
DIN-0813219