#### POWERGRID VEMAGIRI TRANSMISSION LIMITED

Wholly Owned Subsidiary of Power Grid Corporation of India Limited

(CIN: U40300DL2011GOI217975)

#### POWERGRID VEMAGIRI TRANSMISSION LIMITED

CIN: U40300DL2011GOI217975 Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016

Tel: 011-26560121; Fax: 011-26601081

#### **DIRECTORS' REPORT**

To,

Dear Members,

I on behalf of the Board of Directors present the Ninth Annual Report of POWERGRID Vemagiri 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

POWERGRID Vemagiri Transmission Limited, formerly known as Vemagiri Transmission System Limited was acquired by Power Grid Corporation of India Limited (POWERGRID) on April 18, 2012 under Tariff Based Competitive bidding for establishing Transmission system associated with IPPs of Vemagiri Area (Package A) from REC Transmission Projects Company Limited (the Bid Process Co-ordinator). The transmission system comprising 765kV D/C was to traverse the state of Andhra Pradesh and Telangana.

CERC vide Order dated 06.04.2015 stated that Vemagiri-Khammam-Hyderabad 765 kV D/C lines under the project is neither required as an evacuation line nor as a system strengthening line, no useful purpose will be served by adopting the transmission charges and granting license to the petitioner for the said transmission line and has withdrawn the regulatory approval for the Transmission project.

#### **Financial Performance**

As on 31<sup>st</sup> March, 2020, the Company had a loss of Rs. 0.66lakh on account of Professional Charge and Audit Fees.

#### **Share Capital**

As on March 31, 2020, the Company had Authorized, Subscribed and Paid up Share Capital of Rs. 5lakh divided into 50,000 equity shares of Rs. 10/- each.

#### **Dividend and Reserves**

Your Company project has been withdrawn by CERC vide Order dated 06.04.2015 hence there is no operating profit.

## <u>Particulars of Loans, Guarantees or Investments made under Section 186 of the</u> 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.

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

The company was formed as SPV for execution of Vemagiri Transmission system allocated on Tariff Based Competitive Bidding (TBCB). CERC vide order dated 09.05.2013 and 27.09.2013 interalia stated that Vemagiri Transmission system cannot be executed in its present form. In this scenario, the company will not be able to do further any activity and ceased to be a going concern.

The CERC vide its order dated 06.04.2015, had withdrawn their earlier regulatory approval given vide its order dated 13.12.2011 since the transmission project is not required to be implemented as there was no enough gas in the KG Basin to supply to the beneficiaries M/s Samalkot Power Ltd., and M/s Spectrum Power generation Limited. CERC further directed that 80% of the acquisition price incurred by POWERGRID Vemagiri Transmission Ltd shall be reimbursed by M/s Samalkot Power Ltd and M/s Spectrum Power Generation Limited to POWERGRID in proportion to the

LTA granted to them. The balance 20% and the expenditure incurred by POWERGRID Vemagiri Transmission Limited from the date of acquisition till the liquidation of the company shall be borne by POWERGRID. Order further stated that in case there is any realization from the assets of POWERGRID Vemagiri Transmission Ltd in future, the same shall be apportioned between LTTCs and POWERGRID in the ratio of 80:20.

Aggrieved with the said order, M/s Spectrum Power Generation Limited and Samalkot Power Limited filed an appeal in APTEL. APTEL vide its order dated 24.08.2020 has reserved the decision.

#### **Deposits**

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

#### Subsidiaries, Joint Ventures and Associate Companies

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

#### **Directors' Responsibility Statement**

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

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. 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 loss of the company for that period;
- iii. 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;
- iv. the Directors had prepared the Annual Accounts on a going concern basis; and

v. 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 of 4 Directors Shri Abhay Choudhary, Shri K.S.R. Murty, Shri Anil Jain and Shri Anoop Kumar.

There were some changes in the Board of Director of the Company during the financial year 2019-20. Shri Abhay Choudhary was appointed as Additional Director w.e.f. 27<sup>th</sup> December, 2018 and after your approval in the last Annual General Meeting (AGM) held on 2<sup>nd</sup> August, 2019, he was appointed as the Director of the Company. Shri V. Sekhar ceased to be Director of the Company w.e.f 30<sup>th</sup> September, 2019 and Shri Avinash M Pavgi was appointed as Additional Director w.e.f 31<sup>st</sup> October, 2019. Subsequently Shri Avinash M Pavgi also resigned from directorship of the Company w.e.f 01<sup>st</sup> February, 2020 and Shri Anoop Kumar was appointed as Additional Director w.e.f 27<sup>th</sup> February, 2020 who hold office upto the date of ensuing Annual General Meeting.

Subsequently, after the end of the financial year 2019-20, Shri Anil Jain and Shri KSR Murty also ceased to Directors of the Company w.e.f 30<sup>th</sup> April, 2020 and 31<sup>st</sup> July, 2020 respectively. Shri Ramamurthy Rajagopalan had been appointed as Additional Director w.e.f. 1<sup>st</sup> August, 2020 who hold office upto the date of ensuing AGM.

The Company has received a notice under section 160 of the Companies Act, 2013 from a member of the Company for appointment of Shri Anoop Kumar and Shri Ramamurthy Rajagopalan, Director, liable to retire by rotation in the ensuing AGM. In accordance with the provisions of the Companies Act, 2013 read with the Articles of Association of the Company, Shri Abhay Choudhary shall retire by rotation at the ensuing AGM of your Company and being eligible, has offered himself for reappointment.

The Board placed on record its appreciation for the valuable contribution, guidance & support given by Shri V. Sekhar, Shri Avinash M Pavgi, Shri Anil Jian and Shri KSR Murty during their tenure as Directors of the Company.

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, seven (7) Board meetings were held on 22.05.2019, 23.05.2019, 24.07.2019, 29.07.2019, 25.11.2019, 27.02.2020 and 31.03.2020. The details of number of meetings attended by each Director during the financial year 2019-20 are as under:

Name of Director	Designation	No. of Board Meetings which were entitled to attend during 2019-20	No. of Board Meetings attendance during 2019-20		
Shri Abhay	Chairman	7	7		
Choudhary					
Shri K.S.R. Murty	Director	7	7		
Shri Anil Jain	Director	7	2		
Shri V. Sekhar*	Director	4	0		
Shri Avinash M.	Additional Director	1	1		
Pavgi**					
Shri Anoop	Additional Director	1	1		

Kumar***		

<sup>\*</sup>Ceased to be Director w.e.f 30.09.2019

#### Committees of the Board

#### **Audit Committee**

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

#### **Declaration by Independent Directors**

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

#### **Performance Evaluation**

Your Company, being wholly owned subsidiary of POWERGRID, is a Government Company and the appointment, tenure, performance evaluation etc. of Directors is done by the Parent Company/Government of India, therefore, such particulars have not been included as part of the Directors' Report

#### **Statutory Auditors**

M/s. Prahalad Khandelwal & Co., Chartered Accountants, Hyderabad were appointed by Comptroller and Auditor General of India as Statutory Auditors of the Company for the financial year 2019-20.

<sup>\*\*</sup>Appointed as Director w.e.f 31.10.2019 and then ceased to be Director w.e.f 01.02.2020

<sup>\*\*\*</sup>Appointed with effect from 27.02.2020

#### **Statutory Auditors' Report**

M/s. Prahalad Khandelwal & Co., Chartered Accountants, Hyderabad, the 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.

## <u>Details in respect of frauds reported by auditors other than those which are reportable to the Central Government</u>

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 30<sup>th</sup> June, 2020 received form C&AG is placed at *Annexure-III* to this report.

#### **Secretarial Audit Report**

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

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

Since no commercial activity was carried out by the Company, there is no operating profit. Therefore, the provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility (CSR) are 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 at Workplace** 

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

Internal Financial Control Systems and their adequacy

Your Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial

Reporting were operating effectively as at 31st March, 2020.

**Right to Information** 

In compliance to 'Right to Information Act, 2005', an appropriate mechanism is in place

in the Company for promoting transparency and accountability, wherein the Company

has nominated Central Public Information Officer / Appellate Authorities to provide

required information under the provisions of Act.

**Acknowledgement** 

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

the Auditors of the Company.

For and on behalf of

**POWERGRID Vemagiri Transmission Limited** 

Sd/-

(Abhay Choudhary)

Chairman **DIN: 07388432** 

Place: Gurgaon

Date: 10<sup>th</sup> September, 2020

#### POWERGRID VEMAGIRI 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.

2.

SI. No.	Particulars	Details
а	Name (s) of the related party & nature of relationship	-
b	Nature of contracts/arrangements/transaction	-
С	Duration of the contracts/arrangements/transaction	ı
d	Salient terms of the contracts or arrangements or transaction including the value, if any	-
е	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.

SI. No.	Particulars	Details
а	Name (s) of the related party & nature of	-

	relationship	
b	Nature of contracts/arrangements/transaction	-
С	Duration of the	-
	contracts/arrangements/transaction	
d	Salient terms of the contracts or	-
	arrangements or transaction including the	
	value, if any	
е	Date of approval by the Board	-
f	Amount paid as advances, if any	-

For and on behalf of **POWERGRID Vemagiri Transmission Limited** 

Sd/-(Abhay Choudhary) Chairman DIN: 07388432

Place: Gurgaon

Date: 10<sup>th</sup> September, 2020

#### POWERGRID VEMAGIRI TRANSMISSION LIMITED

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN As on the Financial Year ended on March 31, 2020

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

#### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U40300DL20011GOI217975
ii.	Registration Date	21 <sup>st</sup> April, 2011
iii.	Name of the Company	POWERGRID Vemagiri Transmission Limited
iv.	Category/ Sub-Category of the Company	Company Limited by Shares / Union Government Company
V.	Address of the Registered office and contact details	B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel: 011-26560121.Fax:011-26601081
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

#### 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:-

			% to total turnover of the company
1	Transmission	35107	Nil

#### 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.	Power Grid Corporation of India Limited (POWERGRID)*	L40101DL1989GOI038121	Holding company	100%	2(46)

<sup>\*</sup> Holding Company w.e.f. 18.04.2012

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

#### i. Category-wise Shareholding

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 yea
	Dema t	Physica I	Total	% of Total Shares	Dema t	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	0	6*	6*	0.012	0	6*	6*	0.012	0
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	0	49994	49994	99.988	0	49994	49994	99.988	0
e) Banks / FI	-	-	-	-	-	-	-	-	-

f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	0	50000	50000	100	0	50000	50000	100	0
2) Foreign									
g) NRIs- Individuals	-	-	-	-	-	-	-	-	-
h) Other- Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
B. Public Shareholding	-	-	-	-	_	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Flls	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-

2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh  (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C) *6 equity shares held by	0	50000	50000	100	0	50000	50000	100	0

<sup>\*6</sup> equity shares held by POWERGRID's nominees (Individuals) jointly with POWERGRID.

#### ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Sharel	nolding at the yea		
			of the	% of Shares Pledged/en cumbered to total shares		% of total Shares of the compan y	% of Shares Pledged/en cumbered to total shares	% change in share-holding during the year
1.	Power Grid Corporation of India Limited (POWERGRI D)	49994	99.988	0	49994	99.988	0	0
2.	Shri Anil Jain jointly with POWERGRID	01	0.002	0	01	0.002	0	0
3.	Ms. Seema Gupta jointly with POWERGRID	01	0.002	0	01	0.002	0	0
4.	Shri A. K. Singhal jointly with POWERGRID	01	0.002	0	01	0.002	0	0
5.	Smt. V. Susheela Devi jointly with POWERGRID	01	0.002	0	01	0.002	0	0
6.	M. Taj Mukarram jointly with POWERGRID	01	0.002	0	01	0.002	0	0

7.	Shri R.N.	01	0.002	0	01	0.002	0	0
	Singh jointly							
	with							
	POWERGRID							
	Total	50000	100	0	50000	100	0	0

#### 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	50,000	100	50,000	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):		change in pro Year 2019-20.	omoters share	nolding during	
	At the End of the year	50,000	100	50,000	100	

# iv. Shareholding 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	
	For each of Top ten shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	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 S during t	•
	For each of Directors and KMP	No. of shares	% of total shares of the company		% of total shares of the company		
	For each of Directors						
1	Shri Abhay Choudhary,	Chairman					

	At the beginning of the year	0	0.000	0	0.000
	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	0	0.000	0	0.00
2	Shri KS.R. Murty, Direct	or			
	At the beginning of the year	0	0.000	0	0.000
	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	0	0.000	0	0.000
3	Shri Anil Jain, Director				
	At the beginning of the year	01**	0.002	01**	0.002
	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	01**	0.002	01**	0.002
4	Shri Anoop Kumar, Dire	ector*			
	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	-	-	-	-

<sup>\*</sup>Appointed as Director w.e.f. 27.02.2020
\*\* Jointly with POWERGRID

#### V. <u>INDEBTEDNESS</u>

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

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

not due				
Total (i+ii+iii)	-	-	-	-

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SI.	Particulars of	Name of MD/WTD/ Manager				Total
No.	Remuneration	Name of MD/	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]

SI. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount		
	Independent Directors	-	-	-	-	-
	·Fee for attending board committee meetings					
	·Commission					
	-Others, please specify					
	Total(1)	-	-	-	-	-
	Other Non-Executive Directors	-	-	-	-	-
	·Fee for attending board committee meetings					
	·Commission					
	-Others, please specify					
	Total(2)	-	-	-	-	-
	Total(B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

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

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

#### VII. PENALTIES/PUNISHMENT/COMPOUNDINGOFOFFENCES:

Туре	Section of the companies Act	Brief description	Details of Penalty/ Punishment/C ompounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Compan	У		_		_
Penalty	-	NIL	NIL	NA	NA
Punishment	-	NIL	NIL	NA	NA
Compounding	-	NIL	NIL	NA	NA
B. Directors	S				
Penalty	-	NIL	NIL	NA	NA
Punishment	-	NIL	NIL	NA	NA
Compounding	-	NIL	NIL	NA	NA
C. Other Of	ficers In Defa	ult			
Penalty	-	NIL	NIL	NA	NA
Punishment	-	NIL	NIL	NA	NA
Compounding	-	NIL	NIL	NA	NA

For and on behalf of **POWERGRID Vemagiri Transmission Limited** 

Sd/-(Abhay Choudhary) Chairman DIN: 07388432

Place: Gurgaon

Date: 10<sup>th</sup> September, 2020

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 VEMAGIRI TRANSMISSION LIMITED FOR THE YEAR ENDED 31 MARCH 2020

The preparation of financial statements of Powergrid Vernagiri Transmission Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on the 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 03 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 Vemagiri Transmission Limited for the year ended 31 March 2020 under Section 143(6)(a) of the Act.

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

(M. S. Subrahmanyam

Director General of Commercial Audit

Hyderabad

Place: Hyderabad Date: 30 June 2020

# FINANCIAL STATEMENTS & NOTES FOR YEAR ENDED 2019-20

POWERGRID VEMAGIRI TRANSMISSION LIMITED
REGISTERED OFFICE: - B-9, QUTAB INSTITUTIONAL AREA,
KATWARIA SARAI, NEW DELHI - 110016
CIN: U40300DL2011GOI217975



#### **Independent Auditor's Report**

To the Members of M/s. Power Grid Vemagiri Transmission Limited

Report on the Standalone Financial Statements

#### **Opinion**

We have audited the standalone financial statements of **Power Grid Vemagiri Transmission LIMITED** (the company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss,(statement of changes in equity) and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 March 31, 2020, profit/loss, (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 financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

#### **Emphasis of Matter**

We draw attention to the following matters in the notes to the Standalone financial statements

- a. The Company is ceased to be a Going Concern, Refer Note 12 to the financial statements
- b. Holding Company has filed an Appeal in APTEL claiming an amount of 21827.94 lakhs towards the acquisition price as well as additional expenditure incurred from the date of acquisition and interest and carrying cost till the date of reimbursement, Refer Note 18 to the financial statements Contingent Assets

Our opinion is not modified in respect of these matters.



#### Management's Responsibility for the (Standalone) Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

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

#### Auditor's Responsibility for the Audit of the Financial Statements

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

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



• Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evideence obtained up to the date of our auditor's report However, future events or conditions may cause the entity to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the standalone Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieve s fair presentation.

Materiality is the magnitude of misstatements in the standalone Financial Statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) To evaluate the effect of an identified misstatements in the standalone Financial Statements.

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

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





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

#### Report on Other Legal and Regulatory Requirements

- 1. 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 Companies Act, 2013, we give in **Annexure 1** a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent possible.
- 2. In terms of sub section (5) of section 143 of the companies Act, 2013, we give in Annexure 2 a statement on the directions issued under the aforesaid section by the comptroller and Auditor General of India.
- 3. As required by section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, and 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.





# PRAHALAD KHANDELWAL & CO.

- e. As per Notification No GSR 463(E) Dated 05/06/2015, section 164(2) regarding directors Disqualification 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 3"
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. There is a pending appeal filed before APTEL by the Holding Company claiming Rs 1827.94Lakhs and the final order is awaited Refer Note 18 to the financial statements
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the investor Education and Protection Fund by the Company

For Prahalad Khandelwal & Co., Chartered Accountants

(Vinod Bajaj)

Partner

M. No.: 205343

ICAI Firm Regn. No.: 002714S

UDI No.: 20225343AAAABW6747

Place: Hyderabad. Date: 3/6/2020.

#### Annexure-1

In Terms of The Companies (Auditor's Report) Order 2016 (Hereinafter be called as "The Order"), issued by the Central Government in terms of Section 143(11) of the Act, our comments in respect of **Power Grid Vemagiri Transmission Limited** on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable is as follows:

	nidar A	Clauses of CARO Report, 2016	Auditor's Comment
(i)	(a)	Whether the company is maintaining proper records showing full particulars, including quantitative details and situation	Not applicable since the company does not own any fixed assets as on the date of balance sheet.
	(b)	of fixed assets;  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;	Not applicable since the company does not own any fixed assets as on the date of balance sheet.
	(c)	Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	Not applicable since the company does not own any immovable properties as on the date of balance sheet
(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;	Not applicable since the company does not own any inventory during the current financial year
(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,	According to the information and explanations given to us, during the year the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clauses 3 (iii) (a) to 3 (iii) (c) of the Order are not applicable
	(a)	Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest.	Not Applicable
Piah	(b)	Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	

r T	—	If the support to second to the second	Nat Applicable
		If the amount is overdue, state the total	Not Applicable
	, ,	amount overdue for more than 90 days,	
	(c)	and whether reasonable steps have been	
		taken by the company for recovery of the	
		principal and interest.	
		In respect of loans, investments,	According to the information and explanations
		guarantees, and security whether	given to us, the Company does not have loans,
(iv)		provisions of section 185 and 186 of the	investments and guarantees under section 185
(,,,)		Companies Act, 2013 have been complied	and 186 of the Companies Act, 2013.
		with. If not, provide the details thereof.	Accordingly clause 3(iv) of the Order is not
			applicable
		in case, the company has accepted	According to the information and explanations
		deposits, whether the directives issued by	given to us, the Company has neither accepted
		the Reserve Bank of India and the	deposits from the public within the meaning of
		provisions of sections 73 to 76 or any other	Section 73 and 76 or any other relevant
		relevant provisions of the Companies Act,	provisions of the Companies Act, 2013 and the
		2013 and the rules framed there under,	rules framed there under, nor as per an order
Z1		where applicable, have been complied	that has been passed by Company Law Board or
(v)		with? If not, the nature of such	National Company Law Tribunal or Reserve
		contraventions be stated; If an order	Bank of India or any court or any other tribunal
		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?	
		Whether the company has defaulted in	According to information and explanations
		repayment of loans or borrowing to a	1
		financial institution, bank, Government or	
		dues to debenture holders? If yes, the	
(vi)		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.	
-		whether maintenance of cost records has	The Provisions of the clause (vii) of the Order,
	1	been specified by the Central Government	relating to maintenance of cost records under
		under sub-section (1) of	clause (d) of sub-section (1) of Section 148 of
		section 148 of the Companies Act, 2013 and	the Companies Act, 2013, are not applicable
		whether such accounts and records have	since the Company's turnover or Net Worth of
,		been so made and maintained	the Company as the case may be has not
(vii)			exceeded Rs. 500.00 Crores during the current
			year
			\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
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(viii)	(a)	Whether the company is regular in depositing undisputed statutory dues to the appropriate authorities including: i) Provident fund; ii) Employees' state insurance; iii) Income-tax; iv) Sales-tax; v) Service tax; vi) Duty of customs; vii) Duty of excise; viii) Value Added Tax (VAT); ix) Cess; and x) Any other statutory dues.  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 the auditor.	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 31st March, 2020 for a period of more than six months from the date they became payable.
	(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 Income Tax, sales Tax, Service Tax, Duty of Customs or Duty of Excise which have not been deposited.
(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).
(x)	W. 100	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 2018-2019. 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 except costs allocated by the Holding Company based on the

		time spent. Accordingly the Provisions of Section 197 of the Companies Act 2013 are not applicable. Accordingly, clause ( $x$ ) of the Order is not applicable to the Company
(xi)	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.
(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 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.
(xiii)	Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	All transactions with the "Related Parties" in compliance with sections 177 and 188 of the Companies Act, 2013 are disclosed.
(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.

## Power Grid Vemagiri Transmission Ltd. CARO Report FY 2019-20

(10.5)	, ,	The Co. is not required to be registered under section 45-IAof the Reserve Bank of India Act,
(xvi)	Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	1934 as the Co. is not a NBFC.

For Prahalad Khandelwal & Co. Chartered Accountants ICAI Firm Registration No. 002714S

Vinod Bajaj (Partner)

Membership No. 205343

UDIN: 20205343AAAABW6747

Place: Hyderabad

Date: 3/6/2020

Report on the directions issued under section 143(5) of the Companies Act, 2013 given by the Comptroller & Audit General of India in respect of audit of Annual Accounts of Powergrid Vemagiri Transmission Limited for the year ended 31st March 2020:

SI. No.	Direction	Auditors' Report	Impact on Accounts and Financial Statements
1	Whether the Company has system in place to process all the accounting transactions 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.	Based on the information and representations provided by the Management to us and based on the verification procedures performed by us,the Company has system in place to process/record all the accounting transactions through IT system. No accounting transactions are being recorded / processed through other than IT System.	Nil.
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.	Based on the information and representations provided by the Management to us and based on the verification procedures performed by us there were no restructuring of loans or cases of waiver/write off of debts/loans/interest etc. during the year.	Nil



3	Whether funds	Based on the information and	Nil.
	received/receivable for	representations provided by the	
	specific schemes from	Management to us and based on the	
	Central/State agencies	verification procedures performed	
	were properly	by us, no funds were received for	
	accounted for/utilized	any specific schemes from	
	as per its term and	Central/State agencies during the	
	conditions? List the	year.	
	cases of deviation.		

For Prahalad khandelwal & Co Chartered Accountants ICAI Firm Regn.No.002714S

(Vinod Bajaj)

Partner

Membership No. 205343

UDIN: 20205343AAAABW6747

Place: Hyderabad Date: 3/6/2020. As referred to in our Independent Auditors' Report to the members of the **Power Grid Vemagiri Transmission Limited ('the Company')**, on the standalone financial statements for the year ended 31st March, 2020

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

We have audited the internal financial controls over financial reporting of the company as at 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 Prahalad Khandelwal & Co. Chartered Accountants ICAI Firm Registration No. 002714S

Vinod Bajaj (Partner)

Membership No. 205343

UDEN: 20205343 AAAABW6747

Place: Hyderabad Date: 3 6 2020.

#### CIN:U40300DL2011GOI217975

#### Balance Sheet as at 31st March 2020

		·	(₹ in Lakhs)	
  Particulars	Note No	As at 31st March,2020	As at 31st March,2019	
T articulars		(Audited)	(Audited)	
ASSETS				
Non-current assets				
II Current assets			•	
Financial Assets				
Cash and cash equivalents	4	0.15	0.16	
		0.15	0.15	
		ļ <u>.</u>		
Total Assets		0.15	0.16	
EQUITY AND LIABILITIES				
III Equity				
Equity Share capital	5	5.00	5.00	
Other Equity	6	(1945.43)	(1944.77)	
	]	(1940.43)	(1939.77)	
IV Liabilities	1			
Non-current liabilities				
Current liabilities				
Financial liabilities				
Other current financial liabilities	7	1,940.54	1,939.89	
Other current liabilities	8	0.04	0.04	
		1,940.58	1,939.93	
Total Equity and Liabilities		0.15	0.16	

The accompanying notes (1 to 24) form an Integral part of financial statements

As per our report of even date For PRAHALAD KHANDELWAL & Co.

ICAI Firm Regn. No. 002714S

(Partner)

Membership No. 205343

UDEN: 20205343AAAABW6747

Place: Hyderabad

Date: 3/6/2020.

For and on behalf of the Board of Directors

Abhay Choudhary

Chairman

DIN:07388432

Director

DIN: 07359191

K S R Murty

Place : Gurugram
Date : p3fob(10

## CIN:U40300DL2011GOI217975 Statement of Profit and Loss for the year ended 31st March,2020

		,		(₹ in Lakhs)
			For the Year ended 31st	For the year ended 31st
	Particulars	Note No.	March,2020	March,2019
			(Audited)	(Audited)
ı	Revenue From Operations		-	-
Н	EXPENSES			
	Finance costs	9	0.01	0.01
	Other expenses	10	0.65	0.81
	Total expenses (II)		0.66	0.82
111	Profit/(loss) before tax from discontinued operations (I-		(0.66)	(0.82)
131	lii)		10.007	(0.02)
iV	Tax expense:		*	
	Current tax		-	-
	Deferred tax			-
v	Profit/(loss) for the period from discontinued		(0.66)	(0.82)
•	operations (III-IV)		(0.00)	(0.82)
VI	Other Comprehensive Income		•	-
VII	Total Comprehensive Income for the period(V+VI)		(0.66)	(0.82)
	· ·			
	Earnings per equity share (Par Value ₹ 10 each)		4	
	Basic (in ₹)	20	(1.32)	(1.64)
	Diluted (in ₹)		(1.32)	(1.64)

The accompanying notes (1 to 24) form an integral part of financial statements

As per our report of even date For PRAHALAD KHANDELWAL & Co.

ICAI Firm Regn. No. 002714S

Vinod Bajaj

(Partner)

Membership No. 205343

UDIN 20205343AAAABW674)

For and on behalf of the Board of Directors

K S R Murty

DIN: 07359191

Director

**Abhay Choudhary** 

Chairman

DIN:07388432

Place: Gurugram
Date: 03/06/30

Place: Hyderabad

#### CIN:U40300DL2011GOI217975

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#### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st March, 2020

(R in Layted

	PARTICULARS	For the year ended 31st Mar 2020	For the year ended 31st Mar 2019
A.	CASH_FLOW FROM DISCONTINUED OPERATIONS  Net Profit/(Loss) as per Profit & Loss A/c  Adjustment For Increase/Decrease in:	(0.66)	(0.82
	Other current Liabilities	0 65	0.82
	Cash generated from operations	(0.01)	0.00
В.	CASH_FLOW FROM INVESTING ACTIVITIES Capital Work In Progress		_
	Net cash from Investing Activities		_
C.	CASH FLOW FROM FINANCIAL ACTIVITIES Issue of Share Capital Net cash from Financing Activities		
D.	Net change in Cash and Cash Equivalents (A+B+C)	(0.01)	0.00
E.	Cash and Cash Equivalents (Opening Salance)	0.16	0.16
F.	Cash and Cash Equivalents (Closing Balance) (As per Note 4)	0.15	0.16

The accompanying notes (1 to 24) form an integral part of financial statements

Note:

As per our report of even date For PRAHALAD KHANDELWAL & Co. CHARTERED ACCOUNTANTS ICAI Firm Regn. No. 002714S

(Partner)

Membership No. 205343

UDIN 20205343AAAABW6747

Place : Hyderabad

Date: 3/6/2020.

For and on behalf of the Board of Directors

3144-28/42 Abhay Choudhary KSR Murty

Chairman DIN:07388432

DIN: 07359191

Place: Gurugram Date: 03/06/100

<sup>1)</sup> Cash & Cash equivalents consist of balances with banks.

II) Previous year figures have been re-grouped / re-arranged wherever required.

## Statement of Changes in Equity for the Year ended 31st March 2020

#### A. Equity Share Capital

(₹ in Lakhs)

	( 1 40 )
As at 1st April, 2018	5.00
Changes in equity share capital	-
As at 31st March, 2019	5.00
Changes in equity share capital	-
As at 31st March, 2020	5.00

#### **B.** Other Equity

(₹ in Lakhs)

	Reserves & Surplus		
Particulars	Retained Earnings	Total	
Balance at 1st April,2019	(1944.77)	(1944.77)	
Total Comprehensive Income for the year	(0.66)	(0.66)	
Balance at 31st March, 2020	(1,945.43)	(1,945.43)	

(₹ in Lakhs)

Balance at 31st March, 2019	(1,944.77)	(1,944.77)
Total Comprehensive Income for the year	(0.82)	(0.82)
Balance at 1st April,2018	(1943.95)	(1943.95)

The accompanying notes (1 to 24) form an integral part of financial statements

Refer Note 6 for movement in Other Equity

As per our report of even date

For PRAHALAD KHANDELWAL & Co.

ICAI Firm Regn. No. 002714S

Vinod Bajaj

(Partner)

Membership No. 205343

For and on behalf of the Board of Directors

Abhay Choudhary

Chairman

K S R Murty

Director

DIN:07388432

DIN: 07359191

UDEN 2025343 AAAA BW 6747

Place: Hyderabad

Date: 3/6/2020.

Place: Gurugram

Date: 03/06/20

POWERGRID VEMAGIRI TRANSMISSION LIMITED  Note 4/Cash and Cash Equivalents  (₹ in Lakhs)									
				Particulars	Particulars  As at 31st March, 2020 March, 2019				
				Balance with banks					
-In Current accounts	0.15	0.16							
Total	0.15	0.16							



#### POWERGRID VEMAGIRI TRANSMISSION LIMITED Note 5/Equity Share capital (₹ in Lakhs) As at 31st March,2020 As at 31st March,2019 Particulars **Equity Share Capital** Authorised 5.00 5.00 50,000 (Previous year 50000) equity shares of ₹ 10/- each at par Issued, subscribed and paid up 5.00 5.00 50,000 (Previous year 50000) equity shares of ₹ 10/-each at par fully paid up Total Further Notes: 5.00 5.00 1) Reconciliation of Number and amount of share capital outstanding at the beginning and at the end of the reporting period For the Year ended 31st March,2020 For the year ended 31st March, 2019 **Particulars** No.of Shares ₹ in Lakhs No.of Shares 50,000 5.00 50,000 Shares outstanding at the beginning of the year 5.00 Shares Issued during the year 50,000 5,00 50.000 5.00 Shares outstanding at the end of the year

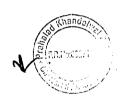
2) The Company has only one class of equity shares having a par value of ₹ 10/- per share.

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		As at 31st March, 2019	
Particulars	No.of Shares	% of holding	No.of Shares	% of holding
Power Grid Corporation of India Limited (Holding Company) #	50,000	100	50,000	100

# Out of 50000 Equity shares (Previous Year 50000 Equity shares), 6 Equity shares are held by Nominees of M/s Power Grid Corporation of India Limited on its behalf



POWERGRID VEMAGIRI TRANSMISSION LIMITED				
Note 6/Other Equity				
		(₹ in Lakhs)		
Particulars	As at 31st March,2020	As at 31st March,2019		
Reserves and Surplus				
Retained Earnings As per last balance sheet	(1,944.77)	(1,943.95)		
Add: Profit after tax as per Statement of Profit & Loss	(0.66)	(0.82)		
TOTAL	(1,945.43)	(1,944.77)		

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#### **POWERGRID VEMAGIRI TRANSMISSION LIMITED** Note 7/Other Current Financial Liability (₹ in Lakhs) As at 31st As at 31st Particulars March,2020 March, 2019 Related Party (M/s Power Grid Corporation of India Ltd.,) 1,940.11 1,939.46 Others 0.43 0.43 1,940.54 1,939.89 Total

#### Further Notes:

Others represents Audit Fees payable

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 11

Refer note 15 for related party transactions



POWERGRID VEMAGIRI TRANSMISSION LIMITED				
Note 8/Other current liabilities				
		(₹ in Lakhs)		
Particulars	As at 31st March,2020	As at 31st March,2019		
Statutory dues	0.04	0.04		
Total	0.04	0.04		



## Note 9/Finance costs

(₹in Lakhs)

Particulars	For Year Ended 31st March 2020	For the year ended 31st March 2019	
Other finance charges	0.01	0.01	
TOTAL	0.01	0.01	



Note 10/Other expenses

(₹ in Lakhs)

Particulars	For Year Ended 31st March 2020	For the year ended 31st March 2019
Professional charges (Including TA/DA)	0.18	0.34
Payments to Statutory Auditors		-
Audit Fees	0.47	0.47
Miscellaneous Expenses		0.00
Total	0.65	0.81



#### **Notes to Financial Statements**

### 1. Corporate and General Information

Powergrid Vemagiri Transmission Limited ("the Company") is a Public company domiciled and incorporated in India under the provisions of Companies Act and 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, India.

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

The financial statements of the company for the year ended Mar 31, 2020 were approved for issue by the Board of Directors on 03<sup>rd</sup> June, 2020.

## 2. Significant Accounting Policies

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

#### 2.1 Basis of Preparation

#### i) Compliance with Ind AS

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

#### ii) Basis of Measurement

The financial statements are not prepared on the assumption of going concern and the company will not be able to do further any activity in near future. The reasons are disclosed at note no. 12.

#### 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 lakhs 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 effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 3 on critical accounting estimates, assumptions and judgments).

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

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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



All other liabilities are classified as non-current.

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

The Company recognizes twelve months period as its operating cycle.

#### 2.2 Property, Plant and Equipment

## **Initial Recognition and Measurement**

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

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

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

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

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

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

Expenditure on leveling, 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 and Equipment is recognized in the carrying amount of the item if it is probable that future economic benefit 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.

## De-recognition

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, 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 on research shall be recognised as an expense when it is incurred.

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

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 derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

## 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 items of 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 assets 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 amortisation period and the amortisation method for intangible assets 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.

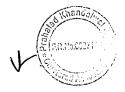
### 2.7 Impairment of non-financial assets

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 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.

#### ii) As a Lessee

At the date of commencement of the lease, the Company recognises a right-ofuse 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 include 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 remeasurement 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.

#### 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

Financial assets of the Company comprise cash and cash equivalents, bank balances, security deposit, claims recoverable etc.

Classification

The Company classifies its financial assets in the following categories:

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

The classification depends on the following:

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

Initial recognition and measurement

All financial assets 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 right to receive cash flows from the assets 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:

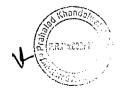
For trade receivables, the company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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 ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 -month ECL.

#### **Financial Liabilities**

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable 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 derecognized.

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 operate and generate 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 possible assets that arise from past events and whose existence 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. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

## 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.

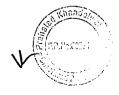
#### 2.19 Earnings per Share

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 Cash Flow Statement

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



## 3. <u>Critical Estimates and Judgments</u>

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

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:

The global health pandemic does not have any impact on the estimations as the financial statements of the company are not prepared on going concern basis and the company will not be able to do further any activity.



11. 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)

Sl. No.	Particulars	Current Year	Previous Year
1.	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:		
	Principal	Nil	Nil
	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	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	Nil
4.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	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	Nil

## 12. GOING CONCERN ASSUMPTION

The company was formed as SPV for execution of Vemagiri Transmission system allocated on Tariff Based Competitive Bidding (TBCB). CERC vide order dated 09.05.2013 and 27.09.2013 interalia stated that Vemagiri Transmission system cannot be executed in its present form. In this scenario, the company will not be able to do further any activity and ceased to be a going concern.



The CERC vide its order dated 06th April 2015, had withdrawn their earlier regulatory approval given vide its order dated 13-Dec-2011 since the transmission project is not required to be implemented as there was no enough gas in the KG Basin to supply to the beneficiaries M/s Samalkot Power Ltd., and M/s Spectrum Power generation Limited. CERC further directed that 80% of the acquisition price incurred by M/s Powergrid Vemagiri Transmission Ltd shall be reimbursed by M/s Samalkot Power Ltd and M/s Spectrum Power Generation Limited to POWERGRID in proportion to the LTA granted to them. The balance 20% and the expenditure incurred by Powergrid Vemagiri Transmission Limited from the date of acquisition till the liquidation of the company shall be borne by POWERGRID. Order further stated that in case there is any realization from the assets of M/s Powergrid Vemagiri Transmission Ltd in future, the same shall be apportioned between LTTCs and PGCIL in the ratio of 80:20.

Aggrieved with the said order, M/s Spectrum Power Generation Limited and Samalkot Power Limited filed an appeal in APTEL. (Appeal 128 & 171 of 2015). The decision of the APTEL is still awaited.

13. As on the date of Balance sheet company does not have any Inventory or own any Property, Plant & Equipment and hence no depreciation provided in the books of accounts.

Further, the company being in Loss, Deferred tax provision has not been made as the company is ceased to be a going concern.

#### 14. Fair Value Measurements

(₹ in Lakhs)

Financial instruments by	31st March 2020	31st March 2019
category Amortised cost		Amortised cost
Financial Assets	-	
Cash & Cash Equivalents	0.15	0.16
Total financial assets	0.15	0.16
Financial Liabilities		
Other Financial Liabilities	1940.54	1939.89
Total financial liabilities	1940.54	1939.89

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. Since there is nothing Non-Current as at 31st Mar 2020 and 31st Mar 2019, nothing has been categorised as Level 1 or Level 2 or Level 3.

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.

The carrying amount of cash & cash equivalent and other financial liabilities are considered to be the same as their fair values, due to their short term nature.

### 15. Related party Transactions

## (a) Holding Company

		Proportion of Ownership Interest	
Name of entity	Place of business/country of incorporation/Relationship	31-Mar-2020	31- Mar- 2019
Powergrid Corporation of India Limited	India	100%	100%

## (b) Subsidiaries of Holding Company

	Place of business/cou	Proportion of Ownership Interest	
Name of entity	ntry of incorporation	31st March, 2020	31st March, 2019
Powergrid Vizag Transmission Limited	India	NA	NA
Powergrid NM Transmission Limited	India	NA	NA



India	NTA	
********	NA	NA
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maia	INA	NA
India	NA	NA
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<sup>1100%</sup> equity acquired from REC Transmission Projects Limited on 29th August, 2019.



<sup>&</sup>lt;sup>2</sup>100% equity acquired from REC Transmission Projects Limited on 11th September, 2019.

 $<sup>^3</sup>$  100% equity acquired from REC Transmission Projects Limited on 03rd October, 2019.  $^4$  100% equity acquired from PFC Consulting Limited on 14th October, 2019.

- <sup>5</sup> 100% equity acquired from PFC Consulting Limited on 16th October, 2019.
- 6 100% equity acquired from REC Transmission Projects Limited on 12th December, 2019.
- <sup>7</sup> 100% equity acquired from PFC Consulting Limited on 19th December, 2019.

## (c) Joint Ventures of Holding Company

Name of outity	Place of business/	Proportion of Inter	- I
Name of entity	country of	31st March,	31st March,
	incorporation	2020	2019
Powerlinks Transmission Limited	India	NA	NA
Torrent Power Grid Limited	India	NA	NA
Jaypee Powergrid Limited	India	NA	NA
ParbatiKoldam Transmission Company Ltd.	India	NA	NA
Teestavalley Power Transmission Limited	India	NA	NA
North East Transmission Company Limited	India	NA	NA
National High Power Test Laboratory Private Limited	India	NA	NA
Bihar Grid Company Limited	India	NA	NA
KalingaVidyutPrasaran Nigam Private Litd.*	India	NA	NA
Cross Border Power Transmission Company Ltd.	India	NA	NA
RINL Powergrid TLT Private Limited **	India	NA	NA
Power Transmission Company Nepal Ltd.	Nepal	NA	NA
Energy Efficiency Services Ltd	India	NA	NA

<sup>\*</sup>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".

#### D. Key Management Personnel

S. No.	Name	Designation	Date of Appointment	Date of Cessation
1	Shri K S R Murty	Director	08/02/2018	Continuing
2	Shri Anil Jain	Director	04/07/2017	Continuing



<sup>\*\*</sup> 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.

3	Shri Venkataraman Sekhar	Director	18/04/2012	30/09/2019
4	Shri Abhay Choudhary	Chairman	27/12/2018	Continuing
5	Shri Avinash Madhav Pavgi	Additional Director	31/10/2019	01/02/2020
6	Shri Anoop Kumar	Additional Director	27/02/2020	Continuing

## (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 March, 20 <b>20</b>	31 March, 2019
Amount payable (purchases of goods and services)		
Holding Company		
Power Grid Corporation of India Ltd.	1940.11*	1939.46
Total payables to related parties	1940.11	1939.46

<sup>\*</sup> Since the FY 2013-14, in which the Company has charged off CWIP to Revenue, Holding Company is making necessary provision in its Financial Statements against the receivables from the Company and investment made in the Company.

#### 16. 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 segments have been identified on the basis of product/services. The company has a single reportable segment i.e., Power transmission.

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

## 17. Capital and other Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL	NIL



#### 18. Contingent Liabilities and Contingent assets

#### a. Contingent Liabilities

No contingent liability exists as on 31st Mar 2020. (As on 31st Mar 2019 ₹ NIL).

#### b. Contingent Assets

Holding Company filed an appeal in APTEL on 16/12/2016 placing before the facts with a prayer that Spectrum Power Generation Limited, Samalkot Power Limited and REC Transmission Project Company Limited (RECTPCL) are jointly and/or severally liable to compensate POWERGRID for the entire cost incurred, namely, the acquisition cost of ₹1827.94 lakhs as well as additional expenditure incurred from the date of acquisition and interest and carrying cost till the date of reimbursement. Extensive hearings were held by Hon'ble Tribunal and Hon'ble Tribunal vide order dated 12.02.2020 has directed all the parties to file written submissions. All the parties to dispute have filed written submissions to APTEL. The Company believes that a favourable outcome is probable. Since there is no precedence of judgments on such matters, it is impracticable to estimate the exact financial impact of the same.

## 19. Capital management

#### Risk Management

For the purpose of the company's capital management, equity capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the company. The company will not be able to do further any activity and ceased to be a going concern.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

#### 20. Earnings per share

(Amount in ₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the company	31 March, 2020	31 March, 2019
Total basic & diluted earnings per share attributable		
to the equity holders of the company from	(1.32)	(1.64)
Discontinued Operations		



(₹ in Lakhs)

		_ (
(b) Reconciliation of earnings used in	31 March,	31 March,
calculating earnings per share	2020	2019
Earnings attributable to the equity holders of the	(0.66)	(0.82)
company	(0.00)	(0.02)

(c) Weighted average number of shares used as the denominator	31 March, 2020 No. of shares	31 March, 2019 No. of Shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	50,000	50,000

#### 21. Financial Risk Management:

The Company financial liabilities comprise of only payable to Power Grid Corporation of India Limited (Holding Company). The main purpose of the financial liability was to finance the Company's capital investments .

The Company's financial assets include cash and cash equivalents only.

The Company held cash and cash equivalents of ₹ 0.15 Lakhs as on 31st March, 2020 (31st March, 2019 ₹ 0.16 Lakhs). The cash and cash equivalents are held with public sector bank and do not have any significant risk. The company will not be able to do further any activity and ceased to be a going concern.

#### 22. Employee Benefit Obligations

The company not employed any employee hence, does not have any employee related benefit obligations.

### 23. a) Disclosure on of Ind AS 115 "Revenue from Contracts with Customers".

As the company is not in operation, Ind AS 115 "Revenue from Contracts with Customers" is not applicable.

#### b) Disclosure on Ind AS 116 "Leases."

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



- 24. a) Figures have been rounded off to nearest rupee in lakhs up to two decimal.
  - b) The previous year figures have been reclassified/re-grouped to conform to the current year's classification.

In terms of our report of even date For PRAHALAD KHANDELWAL & Co., Chartered Accountants ICAI Firm Reg No. 002714S For and on behalf of Board of Directors

Abhay Choudhary Chairman

DIN: 07388432

KSR Murty Director

DIN: 07359191

Vinod Bajaj

Partner

Mem No. 205343

UPLN: 20205343 AAAABW 6747

Place: Hyderabad
Date: 3/1/2020

Place: Gurugram
Date: 03/06/20

CERTIFIED TRUE COPY OF RESOLUTION PASSED AT THE 50<sup>TH</sup> MEETING OF BOARD OF DIRECTORS OF POWERGRID VEMAGIRI TRANSMISSION LIMITED HELD ON WEDNESDAY, THE 03<sup>RD</sup> JUNE, 2020 AT 12:40 P.M. AT "SAUDAMINI", PLOT NO. 2, SECTOR-29, GURGAON-122001, HARYANA.

Item no. 50.2.2:

Approval of Standalone Financial Results for the financial year ended 31<sup>st</sup> March, 2020:

 $X \times X$ 

The Board passed the following resolution:

"RESOLVED THAT the IndAS Financial Statements comprising Balance Sheet as at 31st March, 2020 and the Statement of Profit & Loss for the year ended 31st March, 2020, along with Significant Accounting Policies and Notes on Accounts forming part thereof and Statement of Cash Flows and Statement of changes in Equity for the year ended 31st March, 2020, be and are hereby approved.

**RESOLVED FURTHER THAT** any two Directors of the Company be and are hereby authorized to sign the Financial Statements of the Company in authentication thereof on behalf of the Board and the same be submitted to the Statutory Auditors for their Report thereon.

RESOLVED FURTHER THAT Shri Anoop Kumar, Director be and is hereby authorized to effect minor changes/modification in Financial Statements as may be required consequent to audit by Statutory Auditors and Government Audit provided however, such changes/adjustments do not materially affect the Financial Statements as approved by the Board and further subject to the condition that such modified Financial Statements are submitted for information of the Board in its succeeding meeting.

 $\mathbf{x}$   $\mathbf{x}$   $\mathbf{x}$ 

Certified to be true copy

for POWERGRID Vemagiri Transmission Ltd.

(Mrinal Shrivastava) (Authorised Signatory

Asst. Co. Secy.

**POWERGRID** 

## पावरग्रिडवेमगिरीट्रान्सिमशनलिमिटेड

(पावरग्रिडकारपोरेशनआफइंडियालिमिटेडकीएकपूर्णस्वामित्ववातीसहायककंपनी)



(A 100% wholly owned subsidiary of Power Grid Corporation of India Limited)



6वी मंजिल, पावरग्रिड द.क्षे-। काम्प्लेक्स,6-6-8/32, कवाडीगुडा, सिकंदराबाद-500080 6th Floor, POWERGRID SR-I Complex, 6-6-8/32, Kavadiguda, Secunderabad - 500 080 Telefax: 040-27546643, E-mail:powergridvtl@gmail.com

Ref: VTL/F&A/19-20

Date: 03.06.2020

## **CERTIFICATE**

This to certify that, Financial results of M/s Powergrid Vemagiri Transmission Limited for the financial year ended 31<sup>st</sup> March 2020, does not contain any false or misleading statement or figures and do not omit any material fact which may make the statement or figure contained therein misleading.

3147 - Twe (Abhay Choudhary)
Chairman

## पावरग्रिडवेमगिरीट्रान्सिमशनलिमिटेड

(पावरग्रिडकारपोरेशनआफइंडियालिमिटेडकीएकपूर्णस्वामित्ववालीसहायककंपनी)



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Ref: VTL/F&A/19-20

Date: 03.06.2020

## **CERTIFICATE**

This to certify that all the provisions relating to various Tax laws, Companies act and other laws as may be applicable from time to time has been complied with for the financial 2019-20 in respect of the company.

Signature:

Name: Abhay Choudhary

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Designation: Chairman

Date: 03/06/20

## पावरग्रिड वेमगिरी ट्रान्समिशन लिमिटेड

(पावर प्रिड कारपोरेशन आफ इंडिया लिमिटेड की एक पूर्ण स्वामित्व वाली सहायक कंपनी)

#### POWERGRID VEMAGIRI TRANSMISSION LIMITED

(A 100% wholly owned subsidiary of Power Grid Corporation of India Limited)



6वी मंजिल, पावरग्रिङ द.क्षे-। काम्प्लेक्स,6-6-8/32, कवाडीगुडा, सिकंदराबाद-500080 6th Floor, POWERGRID SR-I Complex, 6-6-8/32, Kavadiguda, Secunderabad - 500 080 Telefax: 040-27546643, E-mail:powergridvtl@gmail.com

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Date: 03.06.2020

Ref: VTL/F&A/19-20

## **COMPLIANCE CERTIFICATE**

The Annual Accounts for the financial year 2019-20 have been prepared keeping in view the provision of section 134(5) of the Companies Act, 2013 relating to Director's Responsibilities Statement i.e.

- i. In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii. The Accounting Policies of the company have been applied consistently and the reasonable and prudent judgment and estimates have been made 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 or loss of the company for that period.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of Companies Act,2013 for the safeguarding the assets of the company and for Preventing and Detecting Fraud and other irregularities.
- iv. The Annual Accounts have been prepared on not a going concern basis.
- v. The laid down internal Financial Controls<sup>(#)</sup> have been followed and such internal financial control are adequate and are operating effectively.
- vi. Proper system to ensure compliances with the provision of all applicable laws have been devised and such system are adequate and operating effectively.

THEY NIWE Abhay Choudhary

Chairman

Date: 03.06.2020

Place: Gurugram

(#)Explanation: for the purpose of this clause, the term "internal financial control" mean the policies and the procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherences to the 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.