

POWERGRID Jabalpur Transmission Ltd.
CIN: U40300DL2014GOI270433
Balance Sheet As at 31st March,2021

(₹ in Lakh)

Particulars	Note No	As at 31st March,2021	As at 31st March,2020
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	<u>4</u>	1,32,834.94	1,35,819.70
(b) Capital work-in-progress	<u>5</u>	-	-
(c) Intangible assets	<u>6</u>	6,139.00	6,326.43
(d) Other non-current assets	<u>7</u>	1,220.70	89.30
		1,40,194.64	1,42,235.43
Current assets			
(a) Inventories	<u>8</u>	977.41	977.41
(b) Financial Assets			
(i) Trade receivables	<u>9</u>	2,370.58	3,172.91
(ii) Cash and cash equivalents	<u>10</u>	4,360.17	88.69
(iii) Other current financial assets	<u>11</u>	2,516.64	2,535.51
(c) Other current assets	<u>12</u>	257.04	1.55
		10,481.84	6,776.07
Total Assets		1,50,676.48	1,49,011.50
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	<u>13</u>	22,691.00	21,715.00
(b) Other Equity	<u>14</u>	2,937.11	2,476.16
		25,628.11	24,191.16
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
i) Borrowings	<u>15</u>	-	1,14,105.60
(b) Deferred tax liabilities (Net)	<u>16</u>	5,110.49	906.50
		5,110.49	1,15,012.10
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables			
(a) Total o/s dues of micro enterprises & small enterprises		-	-
(b) Total o/s dues of creditors other than micro enterprises & small enterprises	<u>17</u>	1.47	-
(ii) Other current financial liability	<u>18</u>	1,19,930.96	9,772.00
(b) Other current liabilities	<u>19</u>	0.12	17.26
(c) Provisions	<u>20</u>	5.33	4.74
(d) Current Tax Liabilities (Net)	<u>21</u>	-	14.24
		1,19,937.88	9,808.24
Total Equity and Liabilities		1,50,676.48	1,49,011.50

The accompanying notes (1 to 45) form an integral part of financial statements

As per our report of even date attached.
For M/S P.G.Patel & Associates.
ICAI Firm Registration No. 112283W
Chartered Accountants

Patel
Pravinchandra
a
Gordhandas

CA P.G.Patel
Partner
Membership No. : 035533
Place: Vadodara
Date: 03.06.2021

For and on behalf of the Board of Directors

Seema Gupta

Seema Gupta
Chairperson
DIN:06636330
Place: Gurugram
Date: 03.06.2021

AJAYA
KUMAR
SATAPATHY
A.K. Satapathy
(Chief Financial Officer)
Place: Vadodara
Date: 03.06.2021

SUSHEELA
DEVI
VICHARAPU

V Susheela Devi
Director
DIN: 07828528
Place: Hyderabad
Date: 03.06.2021

POWERGRID Jabalpur Transmission Ltd.

CIN: U40300DL2014GOI270433

Statement of Profit and Loss For the year ended 31st March,2021

(₹ in Lakh)

	Particulars	Note No.	For the year ended 31st March,2021	For the year ended 31st March,2020
I	Revenue From Operations	<u>22</u>	25,061.17	25,057.12
II	Other Income	<u>23</u>	458.36	198.68
III	Total Income (I+II)		25,519.53	25,255.80
IV	EXPENSES			
	Finance costs	<u>24</u>	8,906.48	10,161.64
	Depreciation and amortization expense	<u>25</u>	4,020.68	8,031.69
	Other expenses	<u>26</u>	612.36	231.45
	Total expenses (IV)		13,539.52	18,424.78
V	Profit/(loss) before tax(III-IV)		11,980.01	6,831.02
	Tax expense:			
VI	(1) Current tax - Current year		-	1,193.52
	- Earlier years		(1,193.52)	-
	(2) Deferred tax		4,204.00	798.46
	Total Tax expense (VI)		3,010.48	1,991.98
VII	Profit/(loss) for the period (V-VI)		8,969.53	4,839.04
VIII	Other Comprehensive Income		-	-
IX	Total Comprehensive Income for the period (VII+VIII)		8,969.53	4,839.04
X	Earnings per equity share		-	-
	(1) Basic (Par value of ₹ 10 each)		4.04	2.57
	(2) Diluted (Par value of ₹ 10 each)		4.04	2.57

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A.K. Satapathy
(Chief Financial Officer)
Place: Vadodara
Date: 03.06.2021

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V Susheela Devi
Director
DIN: 07828528
Place: Hyderabad
Date: 03.06.2021

POWERGRID Jabalpur Transmission Ltd.
CIN: U40300DL2014GOI270433
Statement of Cash Flow For the year ended 31st March,2021

Particulars	For the year ended	
	31st March,2021	31st March, 2020
(A) Cash Flow from Operating Activities:		
Net Profit before tax	11,980.01	6,831.02
A.1 Adjustment for:-		
Depreciation	4,020.68	8,031.69
Finance Cost	8,906.48	10,161.64
Interest from term deposits	(7.56)	-
	12919.60	18193.33
Operating Profit before working capital change	24,899.61	25,024.35
A.2 Adjustment for Changes in Assets and Liabilities:		
Increase/(Decrease) in Other Current Liabilities	(17.14)	(323.74)
Increase/(Decrease) in Short Term Provisions	0.59	4.74
Increase/(Decrease) in Other current financial liability	(90.45)	49.90
Increase/(Decrease) in Trade payables	1.47	(1.65)
(Increase)/Decrease in Inventories	0.00	(977.41)
(Increase)/Decrease in Trade receivables	802.32	(810.42)
(Increase)/Decrease in Other current financial assets	18.87	(459.75)
(Increase)/Decrease in Other current Assets	(255.49)	0.00
	460.17	(2518.33)
Cash generated from Operations	25359.78	22506.02
Income Tax refund received	62.74	-
Income Tax paid	(14.86)	(1,207.53)
Net Cash Flow from Operating Activities	25,407.66	21,298.49
(B) Cash Flow from Investing Activities:		
- Property Plant & Equipment & Capital Work in Progress	(848.49)	(3,750.33)
Interest received from term deposits during the period	7.56	-
Net Cash used in Investing Activities	(840.93)	(3,750.33)
(C) Cash Flow from Financing Activities:		
- Share Capital raised during the period	976.00	4,400.00
- Loans repaid during the period	(3856.19)	(6802.49)
- Finance cost Paid During the period	(8,906.48)	(11,687.46)
- Final Dividend Paid During the period	(1,988.19)	0.00
- Interim Dividend Paid During the period	(6,520.39)	(2801.24)
- Dividend Tax Paid During the period	-	(575.80)
Net Cash from Financing Activities	(20,295.25)	(17,466.99)
(D) Net change in Cash & Cash equivalents(A+B+C)	4,271.48	81.17
(E) Cash and Cash Equivalents at the beginning of the period	88.69	7.52
(F) Cash and Cash Equivalents at the end of the period (Refer Note 10)	4,360.17	88.69

Note:

- 1.Cash and cash equivalents consist of balances with banks and deposits with original maturity of upto three months.
- 2.Previous period figures have been re-grouped/ re-arranged wherever necessary
- 3.The accompanying notes (1 to 45) form an integral part of financial statements

As per our report of even date attached.
For M/S P.G.Patel & Associates.
ICAI Firm Registration No. 112283W
Chartered Accountants

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CA P.G.Patel
Partner
Membership No. : 035533
Place: Vadodara
Date: 03.06.2021

For and on behalf of the Board of Directors

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Date: 2021.06.03
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Seema Gupta
Chairperson
DIN:06636330
Place: Gurugram
Date: 03.06.2021

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V Susheela Devi
Director
DIN: 07828528
Place: Hyderabad
Date: 03.06.2021

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Date: 2021.06.03 17:25:26
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A.K. Satapathy
(Chief Financial Officer)
Place: Vadodara
Date: 03.06.2021

POWERGRID Jabalpur Transmission Ltd.
CIN: U40300DL2014GOI270433
Statement of Changes in Equity For the year ended 31st March,2021

A. Equity Share Capital

Particulars	Amount (₹ in Lakh)
As at 1st April, 2020	21,715.00
Changes in equity share capital	976.00
As at 31st March,2021	22,691.00
As at 1st April, 2019	17,315.00
Changes in equity share capital	4,400.00
As at 31st March,2020	21,715.00

B. Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus		Total
	Self Insurance Reserve	Retained Earnings	
Balance at 1st April,2020	351.43	2,124.73	2,476.16
Addition during the period	-	-	-
Deduction during the period	-	-	-
Final dividend for F.Y. 2019-20	-	(1988.19)	(1988.19)
Interim Dividend for F.Y. 2020-21	-	(6520.39)	(6520.39)
Total Comprehensive Income for the period	-	8,969.53	8,969.53
Transfer from self insurance Reserve	(454.28)	454.28	-
Transfer to self insurance Reserve	104.02	(104.02)	-
Balance at 31st March,2021	1.17	2,935.94	2,937.11
Balance at 1st April,2019	177.04	837.12	1,014.16
Addition during the period	-	-	-
Deduction during the period	-	-	-
Interim Dividend for F.Y. 2019-20	-	(2,801.24)	(2,801.24)
Dividend Tax for F.Y. 2019-20	-	(575.80)	(575.80)
Total Comprehensive Income for the period	-	4,839.04	4,839.04
Transfer to self insurance Reserve	174.39	(174.39)	-
Balance at 31st March,2020	351.43	2,124.73	2,476.16

Refer to Note No. 14 for Nature & movement of Reserve & Surplus
The accompanying notes (1 to 45) form an integral part of financial statements

As per our report of even date attached.
For M/S P.G.Patel & Associates.
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CA P.G.Patel
Partner
Membership No. : 035533
Place: Vadodara
Date: 03.06.2021

For and on behalf of the Board of Directors

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Seema Gupta
Chairperson
DIN:06636330
Place: Gurugram
Date: 03.06.2021

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Director
DIN: 07828528
Place: Hyderabad
Date: 03.06.2021

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Date: 2021.06.03 17:25:58
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A.K. Satapathy
(Chief Financial Officer)
Place: Vadodara
Date: 03.06.2021

Notes to Financial Statements

1. Corporate and General Information

POWERGRID Jabalpur 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 as at the end of reporting period. 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 business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities.

The Financial Statements of the Company for the Nine months ended 31st March, 2021 were approved for issue by the Board of Directors on 03.06.2021.

2. Significant Accounting Policies

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

2.1 Basis of Preparation

i) Compliance with Ind AS

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

ii) Basis of Measurement

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

iii) Functional and presentation currency

The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Company's functional and presentation currency and all amounts are rounded to the nearest 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 component 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 and Loss as incurred.

Derecognition

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

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

2.3 Capital Work-In-Progress (CWIP)

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

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

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

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

2.4 Intangible Assets and Intangible Assets under development

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

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

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

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

Expenditure 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 and Equipment

Depreciation/Amortisation on the items of Property, Plant and Equipment related to transmission business is provided on straight line method based on the useful life specified in Schedule II of the Companies Act, 2013 except for the following items of property, plant and equipment on which depreciation is provided based on estimated useful life as per technical assessment and considering the terms of Transmission Service Agreement entered with Long Term Transmission Customers.

Particulars	Useful life
a. Computers and Peripherals	3 Years
b. Servers and Network Components	5 years
c. Buildings (RCC frame structure)	35 years
d. Transmission line	35 years
e. Substation Equipment	35 years

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.

Mobile phones are charged off in the year of purchase.

Residual value is considered as 5% of the Original Cost for all items of Property, Plant and Equipment in line with Companies Act, 2013 except for Computers and Peripherals and Servers and Network Components for which residual value is considered as Nil.

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.

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. 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 straight line method, with Nil Residual Value.

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

The amortization period and the amortization method for intangible assets is 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 capitalized (net of income on temporary deployment of funds) 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 or net realizable value.

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

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

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

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

2.10 Leases

Lease is a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves use of an identified assets, (ii) the customer has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the customer has the right to direct the use of the asset.

i) As a Lessee

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

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

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

Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any 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.

ii) As a Lessor

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

a) Finance leases

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

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

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

b) Operating leases

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

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

2.11 Financial instruments

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

Financial Assets

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). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest income from these financial assets is included in finance income using the effective interest rate method.

De-recognition of financial assets

A financial asset is derecognized only when

- i) The right to receive cash flows from the asset have expired, or
- ii)
 - a) 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 and
 - b) the company has transferred substantially all the risks and rewards of the asset (or) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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 and unbilled revenue, 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 and borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are directly attributable to the issue of financial liabilities.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. 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. Gains and losses are recognised in Statement of Profit and 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 operates and generates taxable income and any adjustment to tax payable in respect of previous years.

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.

Amounts disclosed as revenue are net of returns, trade allowances, rebates.

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.

Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees (RPC) 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 upon 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 and 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 Original Gross Block of Property, Plant and Equipment and value of inventory except ROU assets and assets covered under insurance as at the end of the year by appropriation of current year profit to mitigate future losses from un-insured risks and for taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers and equipment of AC substation. The Reserve created as above is shown as "Self Insurance Reserve" under 'Other Equity'.

2.18 Prior Period Items

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

2.19 Earnings per Share

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

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

2.20 Statement of Cash Flows

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

3.0 Critical Estimates and Judgments

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

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

The areas involving critical estimates or judgments are:

Useful life of property, plant and equipment

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

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

Provisions and contingencies

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

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

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

In assessing the recoverability of trade receivables, unbilled revenue and investments, the company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. As the company's revenue is based on CERC tariff order and falls under essential services and based on the current indicators of future economic conditions, the company expects to recover the carrying amount of these assets.

Income Taxes:

Significant estimates are involved in determining the provision for current and deferred tax, including amount expected to be paid/recovered for uncertain tax positions.

POWERGRID Jabalpur Transmission Ltd.
Note 4/Property, Plant and Equipment

(₹ in Lakh)

Particulars	Cost					Accumulated Depreciation					Net Book Value	
	As at 1st April,2020	Additions during the period	Disposal	Adjustment during the period	As at 31st March,2021	As at 1st April,2020	Additions during the period	Disposal	Adjustment during the period	As at 31st March,2021	As at 31st March,2021	As at 31st March,2020
Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Transmission	1,45,321.38	848.49	-	-	1,46,169.87	9,505.48	3,831.87	-	-	13,337.35	1,32,832.52	1,35,815.90
Furniture Fixtures	1.81	-	-	-	1.81	0.32	0.19	-	-	0.51	1.30	1.49
Office equipment	1.24	-	-	-	1.24	0.14	0.43	-	-	0.57	0.67	1.10
Electronic Data Processing & Word Processing Machines	2.86	-	-	-	2.86	1.65	0.76	-	-	2.41	0.45	1.21
Total	1,45,327.29	848.49	-	-	1,46,175.78	9,507.59	3,833.25	-	-	13,340.84	1,32,834.94	1,35,819.70

(₹ in Lakh)

Particulars	Cost					Accumulated Depreciation					Net Book Value	
	As at 1st April,2019	Additions during the period	Disposal	Adjustment during the period	As at 31st March,2020	As at 1st April,2019	Additions during the period	Disposal	Adjustment during the period	As at 31st March,2020	As at 31st March,2020	As at 31st March,2019
Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Transmission	1,40,754.39	4,566.99	-	-	1,45,321.38	1,832.51	7,672.97	-	-	9,505.48	1,35,815.90	1,38,921.88
Furniture Fixtures	1.81	-	-	-	1.81	0.20	0.12	-	-	0.32	1.49	1.61
Office equipment	1.24	-	-	-	1.24	0.06	0.08	-	-	0.14	1.10	1.18
Electronic Data Processing & Word Processing Machines	2.86	-	-	-	2.86	0.70	0.95	-	-	1.65	1.21	2.16
Total	1,40,760.30	4,566.99	-	-	1,45,327.29	1,833.47	7,674.12	-	-	9,507.59	1,35,819.70	1,38,926.83

POWERGRID Jabalpur Transmission Ltd.
Note 5/Capital work in progress

(₹ in Lakh)

Particulars	As at 1st April,2020	Additions during the period	Adjustments	Capitalised during the period	As at 31st March,2021
Plant & Equipments (including associated civil works)					
Transmission	-	848.49	-	848.49	-
Total	-	848.49	-	848.49	-

(₹ in Lakh)

Particulars	As at 1st April,2019	Additions during the period	Adjustments	Capitalised during the period	As at 31st March,2020
Plant & Equipments (including associated civil works)					
Transmission	-	6,354.54	1,787.55	4,566.99	-
Construction Stores	806.13	162.00	968.13	-	-
Total	806.13	6,516.54	2,755.68	4,566.99	-

POWERGRID Jabalpur Transmission Ltd.
Note 6/Other Intangible assets

(₹ in Lakh)

Particulars	Cost					Accumulated Amortisation					Net Book Value	
	As at 1st April,2020	Additions during the period	Disposal	Adjustment during the period	As at 31st March,2021	As at 1st April,2020	Additions during the period	Disposal	Adjustment during the period	As at 31st March,2021	As at 31st March,2021	As at 31st March,2020
Right of Way-Afforestation Expenses	6,772.17	-	-	-	6,772.17	445.74	187.43	-	-	633.17	6,139.00	6,326.43
Total	6,772.17	-	-	-	6,772.17	445.74	187.43	-	-	633.17	6,139.00	6,326.43

(₹ in Lakh)

Particulars	Cost					Accumulated Amortisation					Net Book Value	
	As at 1st April,2019	Additions during the period	Disposal	Adjustment during the period	As at 31st March,2020	As at 1st April,2019	Additions during the period	Disposal	Adjustment during the period	As at 31st March,2020	As at 31st March,2020	As at 31st March,2019
Right of Way-Afforestation Expenses	6,772.17	-	-	-	6,772.17	88.17	357.57	-	-	445.74	6,326.43	6,684.00
Total	6,772.17	-	-	-	6,772.17	88.17	357.57	-	-	445.74	6,326.43	6,684.00

POWERGRID Jabalpur Transmission Ltd.**Note 7/Other non-current Assets**

(Unsecured considered good unless otherwise stated)

(₹ in Lakh)

Particulars	As at 31st March,2021	As at 31st March,2020
Advances recoverable in kind or for value to be received		
Advance tax and Tax deducted at source	1,529.04	1,576.92
Less: Provision for taxation (Refer Note 21)	(308.34)	(1,487.62)
TOTAL	1,220.70	89.30

POWERGRID Jabalpur Transmission Ltd.
Note 8/Inventories

(₹ in Lakh)

Particulars	As at 31st March,2021	As at 31st March,2020
Components, Spares & other spare parts*	977.41	977.41
TOTAL	977.41	977.41

*For mode of valuation refer note 2.9

POWERGRID Jabalpur Transmission Ltd.
Note 9/Trade receivables

		(₹ in Lakh)	
Particulars		As at 31st March,2021	As at 31st March,2020
Trade receivables			
Unsecured Considered good		2,370.58	3,172.91
Having Significant increase in Credit Risk	Credit		
Impaired		0.34	0.00
		2,370.92	3,172.91
Less: Loss Allowance		0.34	-
Less: Provision for Tariff adjustment			
TOTAL		2,370.58	3,172.91

1. Disclosure with regard to debtor's ageing is under Note no. 41.

2. Refer note 43 for disclosure as per Ind AS 115 "Revenue from Contracts with Customers".

POWERGRID Jabalpur Transmission Ltd.
Note 10/Cash and Cash Equivalents

	(₹ in Lakh)	
Particulars	As at 31st March,2021	As at 31st March,2020
Balance with banks-		
-In Current accounts	5.37	88.69
In term deposits (With maturity less than 3 months)	4,354.80	-
Total	4,360.17	88.69

POWERGRID Jabalpur Transmission Ltd.**Note 11/Other Current Financial Assets**

(Unsecured considered good unless otherwise stated)

(₹ in Lakh)

Particulars	As at 31st March,2021	As at 31st March,2020
Unbilled Revenue	2,516.64	2,535.51
Total	2,516.64	2,535.51

1. Unbilled Revenue includes Transmission Charges for the month of March 2021 in the Financial year amounting to ₹ 1953.36 Lakh(Net of rebate) (Previous year ended ₹ 2281.84) billed to beneficiaries in the month of April of the financial year, Transmission Incentive for October 2020 to March 2021 of ₹ 507.93 Lakh(Previous year ended ₹ 210.51) to be billed in the month of April of the financial year, Surcharge income for February 2021 to March 2021 of ₹ 55.35 Lakh(Previous year ended ₹ 43.16) to be billed in the month of April of the financial year.

2. Refer note 43 for disclosure as per Ind AS 115 "Revenue from Contracts with Customers".

POWERGRID Jabalpur Transmission Ltd.**Note 12/Other current Assets**

(Unsecured considered good unless otherwise stated)

(₹ in Lakh)

Particulars	As at 31st March,2021	As at 31st March,2020
Prepaid Insurance Premium - Line	255.49	-
Balance with Authorities*	1.55	1.55
Total	257.04	1.55

*Balance with authorities includes ₹ 1.5 Lakh with CDSL and
₹ 0.05 Lakh with VAT department.

POWERGRID Jabalpur Transmission Ltd.

Note 13/Equity Share capital

(₹ in Lakh)

Particulars	As at 31st March,2021	As at 31st March,2020
Equity Share Capital		
Authorised		
300,000,000 (31st March 2020 300,000,000) equity shares of ₹10/- each at par	30,000.00	30,000.00
Issued, subscribed and paid up		
226,910,000 (31st March 2020 217,150,000) equity shares of ₹10/-each at par fully paid up	22,691.00	21,715.00
Total	22,691.00	21,715.00

Further Notes:

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

Particulars	For the year ended 31st March,2021		For the year ended 31st March, 2020	
	No.of Shares	(₹ in Lakh)	No.of Shares	(₹ in Lakh)
Shares outstanding at the beginning of the period	21,71,50,000	21,715.00	17,31,50,000	17,315.00
Shares Issued during the period	97,60,000	976.00	4,40,00,000	4,400.00
Shares bought back during the period	-	-	-	-
Shares outstanding at the end of the period	22,69,10,000	22,691.00	21,71,50,000	21,715.00

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

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

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

Particulars	As at 31st March,2021		As at 31st March,2020	
	No.of Shares	% of holding	No.of Shares	% of holding
Power Grid Corporation of India Limited(Holding Company)*	22,69,10,000	100%	21,71,50,000	100%

*Out of 22,69,10,000 equity shares (Previous period 21,71,50,000 equity shares) 6 equity shares are held by Nominees of M/s POWERGRID Corporation of India Ltd on its behalf.

POWERGRID Jabalpur Transmission Ltd.**Note 14/Other Equity****(₹ in Lakh)**

Particulars	As at 31st March,2021	As at 31st March,2020
Reserves and Surplus		
(i) Self Insurance Reserve		
Balance at the Beginning of the period	351.43	177.04
Addition during the period	104.02	174.39
Deduction During the period	(454.28)	-
Balance at the end of the period (A)	1.17	351.43
(ii) Retained Earnings		
Balance at the Beginning of the period	2124.73	837.12
Addition during the period:		
Net Profit for the period	8969.53	4839.04
Transfer from Self Insurance Reserve	454.28	-
Deduction During the period:		
Transfer To Self Insurance Reserve	(104.02)	(174.39)
Final dividend for F.Y. 2019-20	(1988.19)	-
Interim dividend	(6520.39)	(2801.24)
Tax on Dividend	-	(575.80)
Balance at the end of the period (B)	2,935.94	2,124.73
TOTAL (A+B)	2,937.11	2,476.16

Nature and purpose of reserves

Self-insurance reserve is created @ 0.12% p.a. on Original Gross Block of Property, Plant and Equipment and value of inventory except ROU assets and 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 entire accumulated amount of Self-insurance reserve of ₹ 454.28 lakhs has been transferred to Retained Earnings as all the assets are covered under insurance from 01.11.2020.

POWERGRID Jabalpur Transmission Ltd.

Note 15/ Borrowings

	(₹ in Lakh)	
Particulars	As at 31st March,2021	As at 31st March,2020
Term Loan From Others		
Rupee Loans (Unsecured)		
Loan from Power Grid Corporation of India Ltd(Holding Co.)	1,18,299.59	1,22,155.78
Less: Current Maturities of Loan	1,18,299.59	8,050.18
Total	-	1,14,105.60

1.The Inter Corporate Loan is provided by the Holding Company on cost to cost basis. The various sources of loans being extended to the company by Holding company are Fixed interest and floating interest rate which get reset periodically.

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

3.Disclosure with regard to related party is under Note no.36.

POWERGRID Jabalpur Transmission Ltd.
Note 16/ Deferred tax liabilities (Net)

	(₹ in Lakh)	
Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred Tax Liability		
Difference between book depreciation and tax depreciation(Net) (A)	9,997.74	14,250.27
Deferred Tax Liability(A)	9,997.74	14,250.27
Deferred Tax Assets		
Unused Tax Losses(Income Tax Losses)	4,887.13	11,841.86
Preliminary Expenses	0.03	0.06
Provision written back	0.08	
MAT Credit Entitlement	-	1,501.85
Deferred Tax Assets (B)	4,887.24	13,343.77
Deferred Tax Liability (Net) (A-B)	5,110.49	906.50

	(₹ in Lakh)	
Particulars	Property, plant and equipment	Total
At 1 April 2019	6,958.87	6,958.87
Charged/(credited)		
- to profit or loss	7,291.40	7,291.40
- to other comprehensive income	-	-
At 31 March 2020	14,250.27	14,250.27
Charged/(credited)		
- to profit or loss	(4252.53)	(4252.53)
- to other comprehensive income	-	-
At 31st March, 2021	9,997.74	9,997.74

	(₹ in Lakh)				
Particulars	Unused Tax Losses	MAT Credit	Others	Provision Written Back	Total
At 1 April 2019	6,542.41	308.34	0.08	0.00	6,850.83
(Charged)/credited:					
- to profit or loss	5,299.45	1,193.51	(0.02)	0.00	6,492.94
- to other comprehensive income					
At 31 March 2020	11,841.86	1,501.85	0.06	-	13,343.77
(Charged)/credited:					
- to profit or loss	(6954.73)	(1501.85)	(0.03)	0.08	(8456.53)
- to other comprehensive income					
At 31st March, 2021	4,887.13	-	0.03	0.08	4,887.24

	(₹ in Lakh)	
Particulars	As at 31st March, 2021	As at 31st March 2020
Increase in Deferred Tax Liabilities	(4252.53)	7,291.40
Increase in Deferred Tax Assets	(8456.53)	6,492.94
Net Amount taken to Statement of Profit and Loss	4,204.00	798.46

POWERGRID Jabalpur Transmission Ltd.
Note 17/Trade payables

(₹ in Lakh)

Particulars	As at 31st March,2021	As at 31st March,2020
Financial liabilities		
For goods and services		
(a) Total o/s dues of micro enterprises & small enterprises	-	-
(b) Total o/s dues of creditor other than micro enterprises & small enterprises		
Related parties (Power Grid Corporation of India Ltd)	-	-
Others	1.47	-
Total	1.47	-

Further Notes:

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.34.

POWERGRID Jabalpur Transmission Ltd.
Note 18/Other Current Financial Liability

(₹ in Lakh)

Particulars	As at 31st March,2021	As at 31st March,2020
A) Current maturities of long term borrowings		
Rupee Term Loan (Unsecured)		
Loan from Power Grid Corporation of India Ltd(Holding Co.)	1,18,299.59	8,050.18
B) Others		
Dues for capital expenditure	1,452.48	1,416.19
Deposits/Retention money from contractors and others.	172.85	247.75
Related parties (Power Grid Corporation of India Ltd)	-	51.84
Others *	6.04	6.04
	1,631.37	1,721.82
Total	1,19,930.96	9,772.00

1. The entire Inter Corporate Loan from holding company has been classified as Current as the Company has entered into a new credit arrangement with POWERGRID Infrastructure Investment Trust (PGInvIT) for funding of its obligations and repaid its entire Inter Corporate Loan from Holding company on 13.05.2021.

2. Disclosure with regard to Micro and Small Enterprise as reported under " The Micro, Small and Medium Enterprise Development Act,2006" is given in Note no. 34.

3. Disclosure with regard to related party is under Note no. 36.

*Amount withhold for TDS certificates

POWERGRID Jabalpur Transmission Ltd.

Note 19/Other current liabilities

(₹ in Lakh)

Particulars	As at 31st March,2021	As at 31st March,2020
Statutory dues	0.12	17.26
Total	0.12	17.26

POWERGRID Jabalpur Transmission Ltd.
Note 20/ Provisions

(₹ in Lakh)

Particulars	As at 31st March,2021	As at 31st March,2020
Provision - Others*		
As per Last Balance Sheet	4.74	-
Additions during the period	2.13	4.74
Paid/(Adjustments) during the period	1.54	-
Closing Balance	5.33	4.74
Total	5.33	4.74

* Includes Auditor fees and stamp duty expenses

POWERGRID Jabalpur Transmission Ltd.
Note 21/ Current Tax Liabilities (Net)

(₹ in Lakh)

Particulars	As at 31st March,2021	As at 31st March,2020
Taxation (Including interest on tax)		
As per last balance sheet	1,501.86	308.34
Additions during the period	(1,193.52)	1,193.52
Net off against taxes paid (Refer Note 7)	(308.34)	(1,487.62)
Closing Balance	-	14.24

POWERGRID Jabalpur Transmission Ltd.
Note 22/Revenue from operations

	(₹ in Lakh)	
Particulars	For the year ended 31st March,2021	For the year ended 31st March,2020
Sales of services		
Transmission Charges	25,061.17	25,057.12
Total	25,061.17	25,057.12

1. Refer note 43 for disclosure as per Ind AS 115 "Revenue from Contracts with Customers".

POWERGRID Jabalpur Transmission Ltd.**Note 23/Other income****(₹ in Lakh)**

Particulars	For the year ended 31st March,2021	For the year ended 31st March,2020
Interest from term deposits	7.56	-
Interest from Income tax refund	3.90	-
Surcharge from Customers	446.61	198.38
Miscellaneous Income	0.29	0.30
TOTAL	458.36	198.68

POWERGRID Jabalpur Transmission Ltd.**Note 24/Finance costs****(₹ in Lakh)**

Particulars	For the year ended 31st March,2021	For the year ended 31st March,2020
Interest and finance charges on financial liabilities at amortised cost		
i) Loan from Holding Co. (POWERGRID Corporation of India Limited)	8,906.44	10,161.60
ii) Others	0.04	0.04
TOTAL	8,906.48	10,161.64

1.Disclosure with regard to related party is under Note no. 36.

POWERGRID Jabalpur Transmission Ltd.**Note 25/Depreciation and amortization expense**

Particulars	(₹ in Lakh)	
	For the year ended 31st March,2021	For the year ended 31st March,2020
Depreciation of Property,Plant and Equipment	3,833.25	7,674.12
Amortization of Intangible assets	187.43	357.57
TOTAL	4,020.68	8,031.69

Up to year ended 31st March 2020, the Company has been charging depreciation as per the rates and methodology notified by CERC Tariff Regulations. During the year ended 31st March 2021, the Company has conducted operational efficiency review of its plant and based on the technical evaluation performed, the Company has reassessed the useful life, residual value and methodology of depreciation of items of Property, Plant & Equipment (PP&E) and Intangible Assets. As per the technical evaluation, the pattern of consumption of economic benefits is assessed as straight line basis over the period of respective useful life; and estimated residual value of items of Property, Plant & Equipment (PP&E) is assessed as 5% in line with the Companies Act, 2013. (Refer Accounting policy no 2.5)

The above change in useful lives, residual value and method of depreciation is considered as change in accounting estimate and accordingly, the Company has charged the depreciation in the year ended 31st March 2021, based on revised useful lives on straight line basis prospectively. This has resulted in decrease in depreciation for the year ended 31 March 2021 by an amount of Rs. 4055.61 Lakhs with corresponding increase in Profit Before Tax and also lead to overall increase in depreciation by an amount of Rs. 7308.67 Lakhs over the remaining useful life of assets due to reduction in residual value.

POWERGRID Jabalpur Transmission Ltd.**Note 26/Other expenses****(₹ in Lakh)**

Particulars	For the year ended 31st March,2021	For the year ended 31st March,2020
Repair & Maintenance		
Plant & Machinery		
Transmission lines	319.78	147.50
Insurance Premium - Line	180.28	-
System and Market Operation Charges	19.43	20.47
Legal expenses	0.20	0.29
Professional charges(Including TA/DA)	2.04	1.99
Payments to Statutory Auditors		
Statutory Audit Fees	0.96	0.81
Out of Pocket Expenses	-	0.04
In Other Capacity	0.04	-
Tax Audit Fees	0.18	0.30
Cost Audit fees	0.27	0.24
Internal Audit fees	0.35	0.35
Internal Audit - Out of Pocket Expenses	0.42	-
CERC petition & Other charges	29.80	26.80
Miscellaneous expenses	3.19	23.12
Hiring of Vehicle	-	-
CSR Expenses	55.08	9.54
Provision Bad and Doubtful Advances/claims/Debts	0.34	-
Total	612.36	231.45
Less:Transferred to Expenditure during Construction(Net)	-	-
TOTAL	612.36	231.45

27. Exceptional and Extraordinary items

There are no exceptional and extraordinary items as at the Balance Sheet date.

28. Party Balances and Confirmations

Balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/reconciliation and consequential adjustments if any. However reconciliations are carried out on ongoing basis.

29. POWERGRID (Holding Company) in the capacity of CTU is entrusted with the job of centralized Billing, Collection and Disbursement (BCD) of transmission charges on behalf of all the IST licencees. Accordingly CTU is raising bills for transmission charges to DICs on behalf of IST licencees. The debtors and their recovery are accounted based on the list of DICs given by CTU.

30. Auditors Remuneration

(₹ in Lakhs)			
S. No.	Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
1	Audit Fees	0.96	0.81
2	Tax Audit	0.18	0.30
3	Other Matters	0.04	-
4	Out of Pocket Expenses	-	0.04
	Total	1.18	1.15

31. Employee Benefits

The Company does not have any permanent employees. The personnel working for the company are from holding company on secondment basic and are working on time share basis. The employee cost (including retirement benefits such as Gratuity, Leave encashment, post-retirement benefits etc.) in respect of personnel working for the company are paid by holding company and holding company is raising the invoice to the Subsidiary company towards Consultancy charges for maintenance of Transmission Line as per the agreement. Since there are no employees in the company, the obligation as per Ind-AS 19 does not arise. Accordingly, no provision is considered necessary for any retirement benefit like gratuity, leave salary, pension etc., in the books of the company.

32. Leases

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

33. Corporate Social Responsibilities (CSR) :

As per section 135 of the Companies Act, 2013, along with Companies (Corporate Social Responsibility Policy) Rules, 2021 read with DPE guidelines no F.N0.15 (13)/2013-DPE (GM), the Company is required to spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years in accordance with its Corporate Social Responsibility Policy.

The details of CSR expenses for the year are as under :-

(₹ in Lakhs)

S No	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A.	Amount required to be spent during the year	55.08	9.54
B.	<u>Amount spent on CSR -</u>		
(i)	Construction or acquisition of any asset	-	-
(ii)	On purpose other than (i) above	55.08	9.54
C.	Shortfall / (Excess) amount appropriated from CSR reserve	-	-
D.	Break-up of the amount spent on CSR	-	-
D.1	Education and Skill development expenses	-	9.54
D.2	Health and Sanitation expenses	55.08	-
	Total Amount spent on CSR	55.08	9.54
	Amount spent in Cash out of above	55.08	9.54
	Amount yet to be spent in Cash	-	-

34. MSME Payments :

Based on information available with the company, there are few suppliers/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by MSMED Act, 2006 is given as under:

(₹ in Lakhs)

Sr. No	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year: Principal Interest	Nil Nil	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

35. Fair Value Measurements

Assets and Liabilities which are measured at amortised cost for which Fair values are disclosed

(₹ in Lakhs)

	As on 31st March 2021	As on 31 st March, 2020
Financial Instruments by category	Amortised Cost	Amortised Cost
<u>Financial Assets</u>		
Trade Receivables	2370.58	3172.91
Cash & cash Equivalents	4360.17	88.69
Other Current Financial Assets	2516.64	2535.51
Total Financial assets	9247.39	5797.11
<u>Financial Liabilities</u>		
Trade Payables	1.47	-
Borrowings (including current maturity of long term borrowings)	118299.59	122155.78
Other Current Financial Liabilities	1631.37	1721.82
Total financial liabilities	119932.43	123877.60

(i) Fair Value Hierarchy

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

(₹ in Lakhs)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Level	As on 31st March 2021	As on 31 st March, 2020
Financial Assets		-	-
Total Financial Assets			
Financial Liabilities Borrowings	2	118299.59	122233.04
Total financial liabilities	-	118299.59	122233.04

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

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

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

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

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

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

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

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

(₹ in Lakhs)

	As on 31st March 2021		As on 31st March, 2020	
Particulars	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets				
Total Financial Assets				
Financial Liabilities Borrowings(including current maturity of long term borrowings)	118299.59	118299.59	122155.78	122233.04
Total financial liabilities	118299.59	118299.59	122155.78	122233.04

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

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

36. Related party Transactions

(a) Holding Company

Name of entity	Place of business / country of incorporation	Proportion of Ownership Interest	
		As on 31st March 2021	As on 31st March, 2020
Power Grid Corporation of India Limited*	India	100%	100%

Power Grid Corporation of India Limited cease to be its Holding Company w.e.f. 13.05.2021 as it relinquished its control of the Company through transfer of 74% Equity Shares of the Company to POWERGRID Infrastructure Investment Trust (PGInvIT).

(b) Subsidiaries of Holding Company

Name of entity	Place of business / Country of incorporation	Proportion of Ownership Interest	
		As on 31st March 2021	As on 31st March, 2020
POWERGRID NM Transmission Limited	India	NA	NA
POWERGRID Unchahar Transmission Limited	India	NA	NA

POWERGRID Kala Amb Transmission Limited	India	NA	NA
Powergrid Vizag Transmission Limited	India	NA	NA
POWERGRID Warora Transmission Limited	India	NA	NA
POWERGRID Parli Transmission Limited	India	NA	NA
POWERGRID Southern Interconnector Transmission Limited	India	NA	NA
POWERGRID Vemagiri Transmission Limited	India	NA	NA
POWERGRID Medinipur Jeerat Transmission Limited	India	NA	NA
POWERGRID Mithilanchal Transmission Limited (erstwhile ERSS XXI Transmission Limited)	India	NA	NA
POWERGRID Varanasi Transmission System Limited (erstwhile WR-NR Transmission Limited)	India	NA	NA
POWERGRID Jawaharpur Firozabad Transmission Limited (erstwhile Jawaharpur Firozabad Transmission Limited)	India	NA	NA
POWERGRID Khetri Transmission System Limited (Erstwhile Khetri Transco Limited)	India	NA	NA
POWERGRID Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited)	India	NA	NA
POWERGRID Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited)	India	NA	NA
POWERGRID Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited)	India	NA	NA
POWERGRID Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited)	India	NA	NA
POWERGRID Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited)	India	NA	NA
POWERGRID Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited)	India	NA	NA
Cental Transmission Utility of India Limited ¹	India	NA	NA
POWERGRID Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited) ²	India	NA	NA
Jaypee POWERGRID Limited ³	India	NA	NA
Bikaner-II Bhiwadi Transco Limited ⁴	India	NA	NA

¹ Incorporated on 28.12.2020.

² 100% equity acquired from REC Power Distribution Company Limited on 09.03.2021.

³ Wholly owned subsidiary from 25.03.2021 (Joint venture till 24.03.2021).

⁴ 100% equity acquired from PFC Consulting Limited on 25.03.2021.

(c) Joint Ventures of Holding Company -

Name of entity	Place of business / Country of incorporation	Proportion of Ownership Interest	
		As on 31st March 2021	As on 31 st March, 2020
Powerlinks Transmission Limited	India	NA	NA
Torrent Power Grid Limited	India	NA	NA
Jaypee Powergrid Limited ¹	India	NA	NA
Parbati Koldam Transmission Company Limited	India	NA	NA
Teestavalley Power Transmission Limited ²	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
Kalinga Bidyut Prasaran Nigam Private Limited ³	India	NA	NA
Cross Border Power Transmission Company Limited	India	NA	NA
RINL POWERGRID TLT Private Limited ⁴	India	NA	NA
Power Transmission Company Nepal Ltd	Nepal	NA	NA

¹ Joint venture till 24.03.2021 (Wholly owned subsidiary from 25.03.2021).

² POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74 % equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share while the other JV partner has not yet contributed their share of money. Consequently, the holding of POWERGRID increased to 30.92% against 26% provided in shareholding agreement.

³ The present status of the Company (M/s KBPNL) as per MCA website is "Strike Off".

⁴ POWERGRID's Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 01.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL's Board of Directors in its meeting held on 05.11.2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Approval from Government is awaited.

(d) Key Management Personnel

Name	Designation	Date of Appointment	Date of Separation
Ms. Seema Gupta	Chairperson	28.02.2019	Continuing
Ms. V Susheela Devi	Director	07.05.2018	Continuing
Sh. S D Joshi	Director	16.11.2019	28.02.2021
Sh. Abhay Choudhary	Director	07.05.2018	08.12.2020
Shri Upendra Pande	Additional Director	17.12.2020	Continuing
Shri Prakash Chand Garg	Additional Director	01.03.2021	Continuing
Shri Ajaya Kumar Satapathy	CFO	16.10.2018	Continuing

(e) Transactions with related parties

The following transactions occurred with related parties:

(₹ in Lakhs)

Particulars	As on 31st March 2021	As on 31st March, 2020
Power Grid Corporation of India Ltd. (Holding Company)		
Consultancy Charges (excluding Taxes)	388.53	413.78
Repayment of Loan	3856.19	6802.49
Investments Received during the year (Equity)	976.00	4400.00
Interest on Loan	8906.44	10161.60
Dividend Paid	8508.58	2801.24
Reimbursement of BG extension charges (excluding taxes)	1.66	3.65
Reimbursement for Insurance expenses	435.78	-

(f) 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	As on 31st March 2021	As on 31st March, 2020
Power Grid Corporation of India Ltd. (Holding Company)		
Purchases of goods and services - O&M Maintenance / Consultancy	-	51.84
Loans from Holding Company	118299.59	122155.78

37. 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 network for transmission system.

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

38. Contingent Liabilities and contingent assets

Contingent Liabilities

Claims against the Company not acknowledged as debts - ₹ 608.59 Lakhs (₹ 22240.36 Lakhs - 31st March 2020)

A contingent liability of ₹ 608.59 Lakhs (₹ 21480.61 Lakhs - 31st March 2020) related to liquidated damages as per TSA signed between PJTL and MSEDCL and other LTTCs dated 19.11.2014 has been estimated. Further ₹ Nils (₹ 759.75 Lakhs - 31st March 2020) against Claim not acknowledged as debt.

39. Capital and Other Commitments

Particulars	(₹ in Lakhs)	
	As on 31st March 2021	As on 31st March, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	Nil	Nil

40. Capital management

a) Risk Management

The company's objectives when managing capital are to

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

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

The debt - equity ratio of the Company was as follows :

Particulars	As on 31st March 2021	As on 31st March, 2020
Long term debt (₹ in lakhs)*	118299.59	122155.78
Equity (₹ in lakhs)	25628.11	24191.16
Long term debt to Equity ratio	82:18	83:17

* Long term debt includes current maturities of long term debt.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2021 and 31st March, 2020.

b) Dividends

Particulars	(₹ in Lakhs)	
	As on 31st March 2021	As on 31st March, 2020
Interim dividend for the year ended 31st March, 2021 is ₹ 2.90 (31st March 2020 of ₹ 1.36) per fully paid share	6520.39	2801.24
Final dividend for the year ended 31st March, 2020 of ₹ 0.9 (31st March, 2019 of ₹ Nil) per fully paid share.	1988.19	-

c) Earnings per share

(a) Basic and diluted earnings per share attributable to the equity holders of the company	(Amount in ₹)	
	As on 31st March 2021	As on 31st March, 2020
Basic and diluted earnings per share attributable to the equity holders of the company from Continuing operations	4.04	2.57

(b) Reconciliation of earnings used as numerator in calculating earnings per share	(₹ in Lakhs)	
	As on 31st March 2021	As on 31st March, 2020
Total Earnings attributable to the equity holders of the company	8969.37	4839.04

(c) Weighted average number of shares used as the denominator	(No. of Shares)	
	As on 31st March 2021	As on 31st March, 2020
Total weighted average number of equity shares used as the denominator in calculating basic earnings per share	22,17,74,219	18,79,91,530

41. Financial Risk Management:

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

The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that are generated from its operations.

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

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

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

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

A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities on account of trade receivables.

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

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

(i) Trade Receivables and Unbilled Revenue

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

Trade receivables consist of receivables relating to transmission services of ₹ 2370.92 Lakhs as on 31st March, 2021 (₹ 3172.91 Lakhs as on 31st March, 2020).

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

(ii) **Other Financial Assets (excluding trade receivables and unbilled revenue)**

- **Cash and cash equivalents**

The Company held cash and cash equivalents of ₹ 4360.17 Lakhs as on 31st March, 2021 (₹ 88.69 Lakhs as on 31st March, 2020). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

Exposure to credit risk

(₹ in Lakhs)		
Particulars	As on 31st March 2021	As on 31st March, 2020
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	4360.17	88.69
Total	4360.17	88.69
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade Receivables	2370.92	3172.91
Unbilled Revenue	2516.64	2535.51
Total	4887.56	5708.42

- **Provision for expected credit losses**

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

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

(b) **Financial assets for which loss allowance is measured using life time expected credit losses**

The Company has customers most of whom are state government utilities with capacity to meet the obligations and therefore the risk of default is negligible. Further, management believes that the unimpaired amounts that are 30 days past due date are still collectible in full, based on the payment security mechanism in place and historical payment behavior. Considering the above factors and the prevalent regulations, the trade receivables continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

(c) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

(₹ in Lakhs)							
Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as on 31 st March, 2021	-	964.15	867.01	123.64	43.97	372.15	2370.92
Gross carrying amount as on 31 st March, 2020	-	1,305.53	595.94	295.35	197.68	778.41	3,172.91

(d) Reconciliation of impairment loss provision

(₹ in Lakhs)	
Ageing	Trade receivables
Balance as at 01.04.2019	-
Impairment loss recognized /(reversed)	-
Amount written off	-
Balance as at 31.03.2020	-
Impairment loss recognized /(reversed)	0.34
Amount written off	-
Balance as at 31.03.2021	0.34

Based on historic defaults rates, the Company believes that, apart from the above, no impairment allowance is necessary in respect of any other assets as the amounts are insignificant.

B) Liquidity risk

Liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company has entered into Inter-Corporate Loan Agreement for Funding of its obligations. For this, Company provided quarterly cashflows in advance to Holding Company with Monthly requirement. The Company has entered into a new credit arrangement with POWERGRID Infrastructure Investment Trust (PGInvIT) for funding of its obligations and to repay its entire Inter Corporate Loan from Holding company on 13.05.2021.

(i) Financing Arrangements

The company had access to the borrowing facilities with the Parent Company as per Agreement at the end of the reporting period. The Company has entered into a new credit arrangement with POWERGRID Infrastructure Investment Trust (PGInvIT) for funding of its obligations and to repay entire Inter Corporate Loan from Holding company on 13.05.2021.

(ii) Maturities of financial liabilities

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

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

(₹ in Lakhs)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
As on 31st March 2021				
Borrowings (including interest outflows)	119308.10	-	-	119308.10
Trade Payables	1.47	-	-	1.47
Other Current Financial Liabilities	1631.37	-	-	1631.37
Total	120940.94	-	-	120940.94

As on 31st March 2020				
Borrowings (including interest outflows)	17848.17	64933.41	139190.37	221971.95
Other Current financial liabilities	1721.82	-	-	1721.82
Total	19569.99	64933.41	139190.37	223693.77

C) Market Risk

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

- i. Currency risk
- ii. Interest rate risk

i) Currency risk

As on Reporting date the Company does not have any exposure to currency risk in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchase consideration foreign currency.

Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise

Particulars	Amount in Foreign Currency (USD in lakh)			Amount (₹ in lakh)	
	Currency	For the year ended 31st March, 2021	For the year ended 31st March, 2020	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Trade Payables/ deposits and retention money	USD	-	0.15	-	6.51

ii) **Interest rate risk**

The company has taken borrowings from Parent Company on cost to cost basis. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings. The various sources of loans being extended to the company by parent company are Fixed interest and floating interest rate which get reset periodically. The Company manages the interest rate risks by maintaining a debt portfolio of fixed and floating rate borrowings. Further, the company has taken borrowings from PGInVIT at the fixed rate and made full repayment of the Loan from Holding company on 13.05.2021. The Company is not exposed to interest rate risk as the cash flows associated with fixed rate borrowings.

42. Income Tax expense

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

(a) **Income tax expense -**

Particulars	(₹ in Lakhs)	
	As on 31st March 2021	As on 31st March, 2020
<u>Current Tax</u>		
Current tax on profits for the year	-	1193.52
Adjustments for current tax of prior periods	(1193.52)	-
Total current tax expense (A)	(1193.52)	1193.52
<u>Deferred tax expense</u>		
Originating and reversal of temporary differences	4204.00	798.46
Total deferred tax expense /(benefit) (B)	4204.00	798.46

Income tax expense (A+B)	3010.48	1991.98
Less: MAT Credit Entitlement	-	1193.52
Net Income tax Expense	3010.48	798.46

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

The company had made a tax provision of ₹ Nil for the year ended 31st March, 2021 (for the Year FY 2019-20 ₹ 1,193.52 Lakhs) towards current Tax. Last year tax provision amounting to Rs. (1193.52 lakh) is reversed during Financial Year 2020-21 due to adoption of new tax regime u/s Sec. 115BAA of Income tax Act, 1961.

In accordance with Ind-AS 12 on Accounting for Taxes on Income, the Company has computed Deferred Tax Asset /(Liability) amounting to ₹ (5110.49) Lakhs for the year ended 31st March, 2021 (for the year FY 2019-20 ₹ (2408.35) Lakhs) on account of timing difference in relation to depreciation as per books vis.a.vis Tax Laws and unused tax losses.

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

(₹ in Lakhs)		
Particulars	As on 31st March 2021	As on 31st March, 2020
Profit before income tax expense	11980.01	6831.02
Tax using Company's Domestic Tax rate 25.168% (Previous Year: 29.12%)	3015.13	1989.20
TAX EFFECT OF:		
Adjustments for current tax of prior periods	(1193.52)	-
Deferred Tax expense / (income)	4204.00	798.46
MAT Adjustments	(3015.21)	(795.68)
Tax Expenses recognized in statement of Profit & Loss	3010.48	1991.98

43. Disclosure on Ind AS 115 "Revenue from Contracts with Customers"

- (a) The following table discloses the movement in unbilled revenue during the period ended 31st March, 2021 and 31st March 2020.

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the Year ended 31st March, 2020
Balance at the beginning	2535.51	2058.83
Add: Revenue recognised during the period	2516.64	2535.51
Less: Invoiced during the period	2535.51	2058.83
Less: Impairment/reversal during the period	-	-
Add: Translation gain/(Loss)	-	-
Balance at the end	2516.64	2535.51

- (b) The Company does not have any contract liability during the period ended 31st March, 2021 and 31st March 2020.
- (c) The entity determines transaction price based on expected value method considering its past experiences of refunds or significant reversals in amount of revenue. In estimating significant financing component, management considers the financing element inbuilt in the transaction price based on imputed rate of return. Reconciliation of revenue recognized vis-a-vis revenue recognized in profit or loss statement is as follows :

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the Year ended 31st March, 2020
Contracted price	24357.54	24368.10
Add/ (Less)- Discounts/ rebates provided to customer	(76.80)	(91.92)
Add/ (Less)- Performance bonus	780.43	780.94
Add/ (Less)- Adjustment for significant financing component	-	-
Add/ (Less)- Other adjustments	-	-
Revenue recognized in profit or loss statement	25061.17	25057.12

44. The Company is mainly engaged in the business of transmission of electricity and the tariffs for the transmission services are regulated in terms of the CERC Tariff Regulations which provide for recovery of the annual transmission charges based on system availability. As per the Government of India guidelines, transmission units and services fall under the category of essential services and exempted from the lockdown.

The Company has considered various internal and external information available up to the date of approval of Financial Results and there has been no material impact on the operations of the company for the year ended 31 March 2021. The company will continue to monitor any material changes to future economic conditions.

45. 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 confirm to the current year's classification.

As per our report of even date attached.

For M/S P.G.Patel & Associates

ICAI FRN : 112283W

Chartered Accountants

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CA P.G.Patel

Partner

Membership No. 035533

Place: Vadodara

Date: 03.06.2021

For and on behalf of Board of Directors

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Seema Gupta

Chairperson

DIN: 06636330

Place: Gurugram

Date: 03.06.2021

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AJAYA KUMAR
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Date: 2021.06.03
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A.K. Satapathy
CFO

Place: Vadodara

Date: 03.06.2021

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V Susheela Devi

Director

DIN: 07828528

Place: Hyderabad

Date: 03.06.2021



CA. PRAVIN G. PATEL
M.COM., LLB, FCA, DISA

CA. MIHIR P. PATEL
B.COM., ACA, CPA, CFE

P. G. Patel & Associates

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of **M/s POWERGRID Jabalpur Transmission Limited**

Report on the Ind-AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **M/s POWERGRID Jabalpur Transmission Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to financial statement including a summary of the 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 Ind AS 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 including the Ind AS, of the state of affairs (Financial Position) of the Company as at 31st March 2021, and its Profit (Financial Performance including Other Comprehensive Income), its Cash Flows and the Changes in Equity for the year ended on that date.

Basis for Opinion

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



CA. PRAVIN G. PATEL
M.COM., LLB, FCA, DISA

CA. MIHIR P. PATEL
B.COM., ACA, CPA, CFE

P. G. Patel & Associates

CHARTERED ACCOUNTANTS

Emphasis of Matter

There is no matter in the Notes to the Financial Statement which require immediate attention of the members.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Management's Responsibility for the Ind AS 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 Ind AS Financial Statements that give a True and Fair view of the Financial Position, Financial Performance including other Comprehensive Income, Changes in Equity and Cash Flows of the Company in accordance with the Accounting Principles Generally Accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rules issued there under.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143 (11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

Experience = Trust

The CA - Never Underestimate the Value.

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

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 Section 143(11) of the Act, we give in **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the **Annexure "B"** a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued there under.

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P. G. Patel & Associates

CHARTERED ACCOUNTANTS

- e. Being a Subsidiary of a Government Company, Section 164(2) of the Act pertaining to disqualification of Directors are not applicable to the Company.
- f. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the Operating Effectiveness of such Controls, refer to our separate report in **Annexure "C"**.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its Financial Position;
 - ii. The Company did not have any Long-Term Contracts including Derivative Contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **M/s P.G. Patel & Associates,**
Chartered Accountants
Firm Regn.No-112283W

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Signature:-

CA P.G. Patel

Partner

Mem. No. 035533

Dated: - 03.06.2021

Place: - Vadodara

UDIN: 21035533AAAACE5747