



**ANNUAL REPORT  
OF  
CROSS BORDER POWER TRANSMISSION COMPANY LIMITED  
FOR THE  
FINANCIAL YEAR 2019-20**

# CROSS BORDER POWER TRANSMISSION COMPANY LIMITED

## NOTICE

Notice is hereby given that the 14th Annual General Meeting (AGM) of Cross Border Power Transmission Company Limited (CPTC) will be held on Wednesday, October 19, 2020 at 04.00 pm on a shorter notice via video conferencing, at to transact the following business:

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### **ORDINARY BUSINESS**

- I. To receive, consider and adopt the Audited Financial Statement of the Company comprising of the Balance Sheet as at March 31, 2020, Statement of Profit & Loss, Cash Flow Statement and notes forming part of the Financial Statement for the year ended on March 31, 2020 along with the Directors' and Auditors' Report thereon and comments of Comptroller and Auditor General of India.
- II. To appoint a Director in place of Mr. Keshav Prasad (DIN- 07051302), who retires by rotation and being eligible, offers himself for re- appointment.
- III. To appoint a Director in place of Mr. Braj Bhushan Chaudhary (DIN- 08189560), who retires by rotation and being eligible, offers himself for re- appointment.
- IV. To declare the final dividend for the Financial Year 2019-20
- V. To fix the remuneration of the Statutory Auditors of the Company, appointed by the Comptroller and Auditor-General of India for the financial year 2020-21.

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

**“RESOLVED THAT** pursuant to the provisions of Section 142 of the Companies Act, 2013 and on the recommendation of the Board of Directors of the Company, M/s H K JOON AND COMPANY, Chartered Accountants, Firm Registration No. NR2667 be and are hereby appointed as Statutory Auditors of the Company at a fee of ₹ 40,000/- (Rupees Forty Thousand only) plus taxes/ duties as per the recommendation of Comptroller and Auditor General of India for the financial year 2020-21.

**RESOLVED FURTHER THAT** any Director, Chief Executive Officer and/ or Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things as may be required or considered necessary or incidental thereto.”

# CROSS BORDER POWER TRANSMISSION COMPANY LIMITED

## SPECIAL BUSINESS

- VI. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** for Regularization of Additional Director, Mr. Akhileshwar Singh (DIN- 08627576) :-

**“RESOLVED THAT** Mr. Akhileshwar Singh (DIN- 08627576), who was appointed as an Additional Director with effect from January 16, 2020 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and other applicable provisions and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.”

- VII. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** for Regularization of Additional Director, Mr. Sushil Sharma (DIN- 08776440):-

**“RESOLVED THAT** Mr. Sushil Sharma (DIN-08776440), who was appointed as an Additional Director with effect from September 07, 2020 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and other applicable provisions and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.”

By Order of the Board of Directors  
For **Cross Border Power Transmission Company Limited**



Anjali Singhal  
Company Secretary

Registered Office:  
10, Community Center,  
East of Kailash, New Delhi – 110065  
Date: October 21, 2020  
Place: New Delhi

# **CROSS BORDER POWER TRANSMISSION COMPANY LIMITED**

## **NOTES:**

1. In view of the prevailing situation of Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as “MCA Circulars”) permitted holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), the AGM of the Company is being held through VC / OAVM.
2. Since, this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with, accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip have not been sent through this Notice.
3. The relevant explanatory statement in respect of Special Business, as required under Section 102 of the Companies Act, 2013, is enclosed as item no VI and VII.
4. Since the meeting is being called at Shorter Notice and is via Video Conferencing, shorter notice consent can be given via email.
5. Corporate Members authorizing their representative to attend and vote at the Meeting are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its Representative to attend the AGM through VC.



# CROSS BORDER POWER TRANSMISSION COMPANY LIMITED

## EXPLANATORY STATEMENT

**The following Explanatory Statement set out the material facts with respect to the Notice as required under Section 102 of the Companies Act, 2013:**

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### Item No (VI):

Mr. Akhileshwar Singh was appointed as an Additional Director of the Company with effect from January 16, 2020, in accordance with the provisions of Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office only up to the date of the ensuing Annual General Meeting of the Company. In this regard, The Board is of the view that the appointment of Mr. Akhileshwar Singh on the Company's Board as Director is desirable and would be beneficial to the Company and hence it recommends the said Resolution No. (VI) for approval by the members of the Company.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives, except Mr. Akhileshwar Singh himself, is in any way concerned or interested, in the said resolution. The Board recommends the said resolution to be passed as an ordinary resolution.

### Item No (VII):

Mr. Sushil Sharma was appointed as an Additional Director of the Company with effect from March 29, 2019, in accordance with the provisions of Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office only up to the date of the ensuing Annual General Meeting of the Company. In this regard, The Board is of the view that the appointment of Mr. Sushil Sharma on the Company's Board as Director is desirable and would be beneficial to the Company and hence it recommends the said Resolution No. (VII) for approval by the members of the Company.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives, except Mr. Sushil Sharma himself, is in any way concerned or interested, in the said resolution. The Board recommends the said resolution to be passed as an ordinary resolution.

By Order of the Board of Directors  
For **Cross Border Power Transmission Company Limited**

### Registered Office:

10, Community Center,  
East of Kailash, New Delhi – 110065

Date: October 21, 2020

Place: New Delhi



Anjali Singhal  
Company Secretary

# **CROSS BORDER POWER TRANSMISSION COMPANY LIMITED**

**The Companies Act, 2013**  
**Consent by shareholder for shorter notice**  
**{Pursuant to section 101(1)}**

To,

Date:

The Board of Directors

Cross Border Power Transmission Limited

10, Community Center, 2<sup>nd</sup> Floor, East of Kailash

New Delhi-110065

We, .....(Name of the Company), having our registered office at ....., holding.....(no of share holding both in no and words) equity shares of Rs.10/- each in Cross Border Power Transmission Company Limited in our own Name ,hereby give consent of section 101 (1) of Companies Act 2013 to hold Annual General Meeting of Members of Cross Border Power Transmission Company Limited on October 21, 2020, at 04 pm on a shorter notice via video conferencing.

**For.....(Name of the company)**

**Signature:**

**Name :**

**Designation:**

## **DIRECTORS' REPORT**

**Dear Members,**

Your Board of Directors of **M/s Cross Border Power Transmission Company Limited ('CPTC')** (CIN: U40102DL2006PLC156738) are pleased to present 14<sup>th</sup> Annual Report with highlights on the company's business and operations, together with Audited Financial Statements ended on **March 31, 2020**. Company would like to thank all the Members for their support, trust and expect their cooperation in future also. CPTC, where it is today, is all because of the untiring efforts from dedicated team of staff, continued guidance from Members, Regulatory Authority and co-operation from local people. During the year, the Company continued to perform well and remains in good shape. The management of the Company has coordinated effectively with local people during construction, operation & maintenance of the line, which is the first high capacity Indo Nepal cross border transmission interconnection.

### **1. Overview of Achievement**

The Company commenced its commercial operation from 19th February, 2016 and in the Financial Year April 01, 2019 to March 31, 2020, the Company has earned a net revenue of Rs. 4,079.27 Lakhs and net profit of Rs. 2,146.83 Lakhs. We are pleased to inform that Your Company has recommended a dividend @16%.

### **2. Performance Highlights**

The salient key performance highlights of our Company during the Financial Year 2019-20 are enumerated here under for the benefit of the shareholders.

- a) During the year Muzaffarpur- Sursand Transmission Line, has been maintained 100% availability for FY 2019-20.

The line is now transferring around 250 MW power and is operating at 220 kV voltage level.

The line is planned to be charged at 400 kV voltage level by end of October/ November 2020.

- b) During the year, the Company has received the Transmission Service Charges and incentive from NEA amounting to Rs. 45.96 Crore. The Transmission Service Charges were received well in time and there are no outstanding dues.
- c) Company had declared dividend @ 16% to shareholders.

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- d) The financial summary for the Financial Year ended March 31, 2019 and March 31, 2020 of the Company is as under:

(In Rupees)		
For the year ended	March 31, 2020	March 31, 2019
Total Income	40,79,27,318	36,29,90,956
Total Expenses	19,32,44,406	21,07,09,566
Profit/ (Loss) Before Tax	21,46,82,912	15,22,82,390
Profit/ (Loss) After Tax	21,46,82,912	15,22,82,390
Balance Profit/ (Loss) brought forward from Previous Year	39,99,31,947	30,61,30,341
Dividend & Dividend Tax Payout	-	5,84,80,784
Balance Profit/ (Loss) carried forward to Balance Sheet	61,46,14,859	39,99,31,947

### 3. Project Cost:

- i. **Project Cost of 400 kV D/C Muzaffarpur- Sursand Transmission line and 2 No.s 220 kV bay extensions:**

The 400 kV D/C Muzaffarpur- Sursand Transmission line is under commercial operation since 19th February, 2016 and the Final Audited Project Cost is Rs 241.27 crores.

- ii. **Estimated Project Cost of 2 No.s 400 kV bays under implementation:**

The 2 No.s 400 kV Bays at Muzaffarpur substation is under implementation for operation of 400 kV D/C Muzaffarpur- Sursand Transmission line at its rated voltage of 400 kV. The revised cost estimate of the project is Rs. 9.81 crores which includes IDC of Rs. 0.62 crores to be used only for computation of Annual Transmission Charges. The expenditure to be incurred by the Company shall be Rs. 9.19 crores based on the revised cost estimate.

The project was planned to be completed by January 01, 2020 but has been delayed as the works at Dhalkebar end has not been completed. The line is expected to be charged at 400 kV voltage level by end of October/ November 2020.

### 4. Shareholding Structure:

The Company's Authorized Share Capital is Rs. 75 crores as on 31st March, 2020 and its issued, subscribed and paid up Share Capital is Rs. 48,50,95,120/- divided into 48,509,512 no. of equity shares of Rs.10 each. The shareholding structure as on 31st March, 2020 of the Company is as follows:

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S. No.	Shareholder	Nos. of Share Held	% Holding
1.	IL & FS Energy Development Company Limited ("IEDCL")	1,84,33,615	38
2.	Power Grid Corporation of India Limited ("POWERGRID")	1,26,12,473	26
3.	SJVN Ltd ("SJVN")	1,26,12,473	26
4.	Nepal Electricity Authority ("NEA")	48,50,851	10
	<b>Total</b>	<b>4,85,09,512</b>	<b>100</b>

#### 5. Dividend

During the FY 2019-20, the Directors of the Company has recommended a final dividend of 16% to its shareholders. The total dividend payout for the year is Rs. 7,76,15,219

#### 6. Related Party Transactions

All related party transactions that were entered into during the financial year were on arm's length and were in the ordinary course of business. All related party transactions were placed before the Board of Directors for their approval and AOC-2 is attached as *Annexure-1*

#### 7. The amounts, if any, which it proposes to carry to any reserves

None of the profit have been transferred to Reserves.

#### 8. Risk Management

The Company has devised and implemented a mechanism for risk management and has developed a risk management policy. The policy provides for constitution of a risk committee, which will work towards creating a risk register, identifying internal and external risks and implementing risk mitigation steps.

#### 9. Vigil Mechanism/ Whistle Blower Policy

The Company have established a vigil mechanism/ whistle blower policy for the directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct or Ethics Policies as and when framed, adopted and amended. Any actual or potential concerns, grievances or violation of the code if any in place, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of directors and employees who avail of such mechanism.

#### 10. Internal Financial Control

The Company has in place adequate internal financial control with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was noticed.

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**11. Board & Committee Meetings**

Board and Committee meetings held during the FY 2019-20 is Placed in “*Annexure – IP*”

**12. Details of Directors/ KMP appointed/ resigned during the year:**

S.No	Date	Directors/ KMP Appointed	Directors/ KMP Resigned/ Vacated
1.	June 20, 2019	Mr. Hira Lal Tayal (Appointed as Additional Director)	-
2.	August 05, 2019	-	Mr. Ravi P Singh (Resigned as Chairman, Non-Executive Director)
3.	August 20, 2019	-	Mr. Sachin Jain (Resigned as Chief Financial Officer)
4.	August 26, 2019	Mr. Sreekant Kandikuppa (Appointed as Chairman, Non-Executive Director)	-
5.	January 16, 2020	Mr. Akhileshwar Singh (Appointed as Additional Director)	-
6.	January 31, 2020	-	Mr. I N Jha (Superannuated as Chief Executive Officer)

**13. Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

During the Financial Year 2019-20, the Company has received no complaints of sexual harassment.

**14. Fixed Deposits**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

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**15. Conservation of Energy and Technology Absorption**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review.

**16. Foreign exchange earnings and out go**

There are no foreign exchange earnings and outgo during the Financial Year ended March 31, 2020.

**17. Particulars of Loans, Guarantees or Investments**

The Company has not given any loans under the provisions of Section 186 of the Companies Act, 2013.

The details of the guarantee given and loan taken by the Company is given in the notes to the financial statements.

**18. Change in the nature of business, if any**

There is no addition/ change in the nature of the Company business during the year.

**19. Material changes and commitments**

There was no material changes and commitments affecting the financial position of the Company occurred during the year.

**20. Significant and material orders passed by the regulators or courts or tribunals**

There is no significant or material orders passed by any tribunal or court which impacts the going concern status and the Company's operation in future.

**21. Joint Venture**

Your Company is a Joint Venture of IL&FS Energy Development Company Limited, Power Grid Corporation of India Limited, SJVN Limited and Nepal Electricity Authority (NEA) as at March 31, 2020.

**22. Directors' Responsibility Statement**

In terms of Section 134 (5) of the Companies Act, 2013, the Directors would like to state that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period under review.



- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts on a going concern basis.
- v. The Directors had laid down internal financial controls to be followed by the Company and that such internal financials controls are adequate and were operating effectively.
- vi. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **23. Subsidiary Companies**

The Company does not have any subsidiary.

### **24. Auditors**

Your Company being a Joint Venture Company of IL&FS Energy Development Company Limited, Power Grid Corporation of India Limited, SJVN Limited and Nepal Electricity Authority, wherein fifty two per cent of the paid up capital is held by government companies, as such, pursuant Section 139(5) of the Companies Act, 2013, the Company is required to appoint Statutory Auditors of the Company, as recommended by the Comptroller and Auditor General (CAG) of India.

Pursuant to above, CAG had appointed M/s H K Joon & Co., Chartered Accountants as the Statutory Auditors for the FY 2019-20.

### **25. Auditors' Report**

There is no observation made in the Auditor's Report read together with relevant notes thereon which call for further comments under Section 134 of the Companies Act, 2013.

### **26. Extract of Annual Return**

The details forming part of the extract of the annual return in form MGT-9 is annexed herewith as "*Annexure - III*"

### **27. Particulars of Employees**

There are no employees drawing remuneration exceeding the limits specified under the provisions of the Companies Act, 2013, and the Rules framed there under.

### **28. Declaration of independency of Independent Director and their meeting:**

The Company has received the requisite declarations under section 149(7) of the Companies Act, 2013 from the Independent Director in the Financial Year 2019-2020 that they meet the criteria of independence as mentioned under section 149 of the Act.

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**29. Manner of Formal Annual Evaluation of Board of its own performance and that of its Committees and Directors:**

It is always recognized that the Board comprises appropriately qualified and professional people with broad range of experience. Company has appointed the Independent Director on the Board of the Company to evaluate the performance of the Board.

**30. Corporate Social Responsibility (CSR)**

The Corporate Social Responsibility Committee (CSR Committee) of the Company consists of Mr. Keshav Prasad, Ms. Seema Gupta and Dr. R. P Singh as on date. The amount of Rs. 30,55,141/- was transferred as CSR funds to Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM-CARES) Fund for the Financial Year 2019-20. The CSR report is attached as "*Annexure-IV*"

**31. Comptroller and Auditor General's Comments**

Company has received comments on the accounts for the year ended March 31, 2020 by the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013. Copy of the same is attached as "*Annexure – V*" to this Report.

**32. Acknowledgements**

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Local Bodies, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous cooperation and assistance.

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

**Date: October 21, 2020**

**Place: New Delhi**



**K. Sreekant  
Chairman & Director**

**DIN: 06615674**

**Address: 3<sup>rd</sup> Floor, Federation of Indian  
Export Organization (FIEO),  
Niryat Bhawan, Rao Tula Ram  
Marg, New Delhi 110057**





**Form AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts arrangements entered into by the Company with Related Parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

**1) Details of contracts or arrangements or transactions not at arm's length basis:**

CROSS BORDER POWER TRANSMISSION COMPANY LIMITED ("the Company") has not entered into any contract/ arrangements/ transaction with its related parties which are not in ordinary course of business or at arm's length during the Financial Year 2019-20. The Company has laid down policy and processes/ procedures so as to ensure compliance to the subject section in the Companies Act, 2013 ("Act") and the corresponding Rules. In, addition, the process goes through internal and external checking followed by Board of Directors.

- a) Name (s) of the Related Party and nature of relationship: **Not Applicable**
- b) Nature of contracts/ arrangements/ transactions: **Not Applicable**
- c) Duration of the contracts/ arrangements/ transactions: **Not Applicable**
- d) Salient terms of the contracts/ arrangements/ transactions including the value, if any: **Not Applicable**
- e) Justification for entering into such contracts/ arrangements/ transactions: **Not Applicable**
- f) Date (s) of approval by the Board: **Not Applicable**
- g) Amount paid as advances, if any: **Not Applicable**
- h) Date on which the special resolution was passed in General Meeting as required under first proviso to section 188: **Not Applicable**

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2) Details of material contracts or arrangements or transactions at arm's length basis:

A.

Serial No.	Particulars	Details
a)	Name (s) of the Related Party and nature of relationship	IL&FS Energy Development Company Limited
b)	Nature of contracts/ arrangements/ transactions	Deputation Expenses
c)	Duration of the contracts/ arrangements/ transactions	-
d)	Salient terms of the contracts/ arrangements/ transactions including the value, if any	3,14,543/-
e)	Date (s) of approval by the Board	29-03-2019
f)	Amount paid as advances, if any	-

B.

Serial No.	Particulars	Details
a)	Name (s) of the Related Party and nature of relationship	Power Grid Corporation of India Limited (26% shareholder)
b)	Nature of contracts/ arrangements/ transactions	Operation and Maintenance Agreement
c)	Duration of the contracts/ arrangements/ transactions	3 years
d)	Salient terms of the contracts/ arrangements/ transactions including the value, if any	Rs. 1,65,15,000
e)	Date (s) of approval by the Board	29-09-2019
f)	Amount paid as advances, if any	N.A.

C



C.

Serial No.	Particulars	Details
a)	Name (s) of the Related Party and nature of relationship	Power Grid Corporation of India Limited (26% shareholder)
b)	Nature of contracts/ arrangements/ transactions	Deputation Expenses
c)	Duration of the contracts/ arrangements/ transactions	-
d)	Salient terms of the contracts/ arrangements/ transactions including the value, if any	Rs. 89,02,238
e)	Date (s) of approval by the Board	26-03-2018
f)	Amount paid as advances, if any	N.A.

D.

Serial No.	Particulars	Details
a)	Name (s) of the Related Party and nature of relationship	Power Grid Corporation of India Limited (26% shareholder)
b)	Nature of contracts/ arrangements/ transactions	Business Support Services
c)	Duration of the contracts/ arrangements/ transactions	-
d)	Salient terms of the contracts/ arrangements/ transactions including the value, if any	Rs. 79,308/-
e)	Date (s) of approval by the Board	20-09-2013
f)	Amount paid as advances, if any	N.A.

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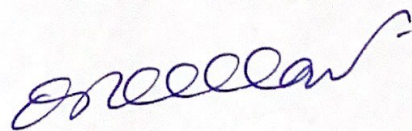
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Serial No.	Particulars	Details
a)	Name (s) of the Related Party and nature of relationship	Infrastructure Leasing & Financial Services Ltd
b)	Nature of contracts/ arrangements/ transactions	Business Support Services
c)	Duration of the contracts/ arrangements/ transactions	-
d)	Salient terms of the contracts/ arrangements/ transactions including the value, if any	Rs. 29,46,000
e)	Date (s) of approval by the Board	20-09-2013
f)	Amount paid as advances, if any	N.A.

For and on behalf of the Board of Directors

Date: October 21, 2020

Place: New Delhi



K. Sreekant

Chairman & Director

DIN: 06615674

Address: 3<sup>rd</sup> Floor, Federation of Indian

Export Organization (FIEO),

Niryat Bhawan, Rao Tula Ram

Marg, New Delhi 110057





**Annexure - II**

**Number of Board Meetings held during the FY 2019-20**

The details of meetings held during the Financial Year 2019-20 are as follows:

Date	Total number of Directors	No. of Directors Present
June 20, 2019	7	6
September 19, 2019	7	6
January 09, 2020	7	6

**Details of the Board Meetings and Attendance of the Directors during the FY 2019-20 is as follows:**

Date of the Meeting	Attended by
June 20, 2019	1. Mr. Ravi P Singh 2. Dr. R. P. Singh 3. Mr. Keshav Prasad 4. Ms. Seema Gupta 5. Mr. R.K. Bansal 6. Mr. H. L. Tayal
September 19, 2019	1. Mr. K Sreekant 2. Dr. R. P. Singh 3. Mr. Keshav Prasad 4. Ms. Seema Gupta 5. Mr. R.K. Bansal 6. Mr. H. L. Tayal
January 09, 2020	1. Mr. K Sreekant 2. Dr. R. P. Singh 3. Mr. Keshav Prasad 4. Mr. B. B. Chaudhary 5. Mr. R.K. Bansal 6. Mr. H. L. Tayal

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**Number of Committee Meetings held during the FY 2019-20**

**Corporate Social Responsibility Committee:**

There was no meeting of Corporate Social Responsibility (CSR Committee) held during the year.

CSR Committee recommended to the Board to contribute the CSR funds of Rs. 30,55,141/- for the FY 2019-20 to Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM-CARES) Fund via Circular Resolution dated March 31, 2020.

**Note:** There are no committees except the CSR Committee.

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**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2020**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company**  
**(Management & Administration) Rules, 2014.**

<b>I. REGISTRATION &amp; OTHER DETAILS:</b>		
1	CIN	U40102DL2006PLC156738
2	Registration Date	19/12/2006
3	Name of the Company	Cross Border Power Transmission Company Limited
4	Category/ Sub-category of the Company	Company Limited by Shares Indian Non-Government Company
5	Address of the Registered office & contact details	10, Community Center, 2 <sup>nd</sup> Floor, East of Kailash, New Delhi-110065 Phone: +91 124 471 6100, Fax +91 124 471 6120
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32, Gochibowli, Financial District, Nanakramguda, Hyderabad- 500032

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
(All the business activities contributing 10% or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/services	% to total turnover of the company
1	Transmission of Electric Energy	35107	NA

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>					
SN	Name and address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	IL&FS Energy Development Company Limited	U40300DL2007 PLC163679	JV Company having significant influence	38%	2(6)





2	Power Grid Corporation of India Limited	L40101DL1989 GOI038121	JV Company having significant influence	26%	2(6)
3	SJVN Limited	L40101HP1988 GOI008409	JV Company having significant influence	26%	2(6)
4	Nepal Electricity Authority, Nepal	NA	JV Company having significant influence	10%	2(6)

#### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.		4,36,58,555	4,36,58,555	90.00%		4,36,58,555	4,36,58,555	90.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	-	4,36,58,555	4,36,58,555	90.00%	-	4,36,58,555	4,36,58,555	90.00%	0.00%
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	48,50,951	48,50,951	10.00%	-	48,50,951	48,50,951	10.00%	0.00%

a



<b>Sub Total (A) (2)</b>	-	48,50,951	48,50,951	10.00%	-	48,50,951	48,50,951	10.00%	0.00%
<b>TOTAL (A)</b>	-	4,85,09,506	4,85,09,506	100.00%	-	4,85,09,506	4,85,09,506	100.00%	0.00%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds				0.00%				0.00%	0.00%
	-	-	-		-	-	-		
b) Banks / FI				0.00%				0.00%	0.00%
	-	-	-		-	-	-		
c) Central Govt				0.00%				0.00%	0.00%
	-	-	-		-	-	-		
d) State Govt(s)				0.00%				0.00%	0.00%
	-	-	-		-	-	-		
e) Venture Capital Funds				0.00%				0.00%	0.00%
	-	-	-		-	-	-		
f) Insurance Companies				0.00%				0.00%	0.00%
	-	-	-		-	-	-		
g) FIIs				0.00%				0.00%	0.00%
	-	-	-		-	-	-		
h) Foreign Venture Capital Funds				0.00%				0.00%	0.00%
	-	-	-		-	-	-		
i) Others (specify)				0.00%				0.00%	0.00%
	-	-	-		-	-	-		
<b>Sub-total (B)(1):-</b>				0.00%				0.00%	0.00%
	-	-	-		-	-	-		
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian				0.00%				0.00%	0.00%
	-	-	-		-	-	-		
ii) Overseas				0.00%				0.00%	0.00%
	-	-	-		-	-	-		
b) Individuals				0.00%				0.00%	0.00%
	-	-	-		-	-	-		
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh				0.00%				0.00%	0.00%
	-	-	-		-	-	-		

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1	IL&FS Energy Development Company Limited	1,84,33,609	38%	-	1,84,33,609	38%	-	0.00%
2	Power Grid Corporation of India Limited	1,26,12,473	26%	-	1,26,12,473	26%	-	0.00%
3	SJVN Limited	1,26,12,473	26%	-	1,26,12,473	26%	-	0.00%
4	Nepal Electricity Authority, Nepal	48,50,951	10%	-	48,50,951	10%	-	0.00%

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
					0.00%		0.00%
					0.00%		0.00%
	At the end of the year				0.00%		0.00%

**(iv) Shareholding Pattern of top**

**ten Shareholders- N.A**

*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name						

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	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%
2	Name						
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%

**(v) Shareholding of Directors and Key Managerial Personnel: N.A**

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name						
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%
2	Name						
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%

**V. INDEBTEDNESS**

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

**(Amt. Rs./Lacs)**

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Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	14715.05	-	-	14715.05
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	305.55	-	-	305.55
<b>Total (i+ii+iii)</b>	15,020.60	-	-	15,020.60
<b>Change in Indebtedness during the financial year</b>				
* Addition	1,279.57	-	-	1,279.57
* Reduction	-	-	-	-
Net Change	1,279.57	-	-	1,279.57
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	13,435.48	-	-	13,435.48
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	306.40	-	-	306.40
<b>Total (i+ii+iii)</b>	13,741.88	-	-	13,741.88

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

##### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NA

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name			(Rs/Lac)
	Designation			
1	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-

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	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act			

**B. Remuneration to other Directors:**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
					(In Rs.)
1	Independent Directors	Dr. R. P. Singh	-	-	-
	Fee for attending board/ committee meetings	60,000/-	-	-	60,000/-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board/ committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

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<b>C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD</b>					
<b>SN.</b>	<b>Particulars of Remuneration</b>	<b>Name of Key Managerial Personnel</b>			<b>Total Amount</b>
	<b>Name</b>				<b>(In Rs)</b>
	<b>Designation</b>	<b>CEO</b>	<b>CFO</b>	<b>CS</b>	
1	Gross salary	In Rs.	In Rs.	In Rs.	
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	94,12,062/-	9,65,495/-	4,14,756/-	1,07,92,313/-
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA
4	Commission - as % of profit	NA	NA	NA	NA
		NA	NA	NA	NA
	- others, specify	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA
	Total	94,12,062/-	9,65,495/-	4,14,756/-	1,07,92,313/-
<b>Note:</b>					
i.	Mr. I.N. Jha, CEO (till 31-01-2020) and Mr. Avinash M Pavgi (1-2-2020 to 31-3-2020) has been deputed from PowerGrid (Promoter) and his salaries & all other entitlements are being paid by the PowerGrid and reimbursed by the Company. For FY 2019-20, the Company has paid Rs. 94,12,062/-				
ii.	Mr. Sachin Jain was a CFO Till Aug 2019; his salaries & all other entitlements are being paid by the company. For FY 2019-20, the Company has paid Rs. 9,65,495/-				

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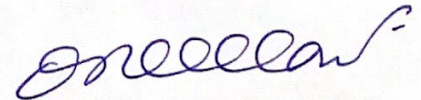
**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Date: October 21, 2020

Place: New Delhi



K. Sreekant

Chairman &amp; Director

DIN: 06615674

Address: 3<sup>rd</sup> Floor, Federation of Indian  
Export Organization (FIEO),  
Niryat Bhawan, Rao Tula Ram  
Marg, New Delhi 110057





**ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE  
BOARD'S REPORT FOR THE FY 2019-20**

1. **Brief outline:** In view of the spread of novel Corona Virus (COVID-19) in India, its declaration as pandemic by the World Health Organisation (WHO) and decision of Government of India to treat this as a notified disaster, via its General Circular No. 10/ 2020 clarified that spending of CSR Funds for COVID-19 is eligible for CSR activity to transfer the CSR funds of Rs. 30,55,141/- for the FY 2019-20 to Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM-CARES) Fund from Company's Bank Account.
2. **Composition of CSR Committee as on date:** The CSR Committee consists of Mr. Keshav Prasad, Ms. Seema Gupta and Dr. R. P. Singh
3. **Average Net Profit of the Company for the last three financial years:** Rs. 45,82,71,218
4. **Prescribed CSR Expenditure:** Rs. 30,55,141/-
5. **Details of CSR spent during the financial year.**
  - a) Total amount spent for the FY 2019-20: Rs. 30,55,141/-
  - b) Amount unspent, if any: N.A.
  - c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overhead s	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1.	Transferred to PM-CARES Fund	Natural Disaster	-	Rs. 30,55,141	-	-	Rs. 30,55,141

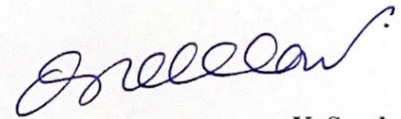
	for COVID-19						
Total amount spent							Rs. 30,55,141

6. Reason for not spending the amount: N.A.

For and on behalf of the Board of Directors

Date: October 21, 2020

Place: New Delhi



K. Sreekant

Chairman & Director

DIN: 06615674

Address: 3<sup>rd</sup> Floor, Federation of Indian

Export Organization (FIEO),

Niryat Bhawan, Rao Tula Ram

Marg, New Delhi 110057

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## INDEPENDENT AUDITOR'S REPORT

To the Members of

### Cross Border Power Transmission Company Limited Report on the Ind AS Standalone Financial Statements

We have audited the accompanying Ind AS Standalone Financial Statements of **Cross Border Power Transmission Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020 the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Ind AS Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

*Nitin*  
6/8/2020  
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## INDEPENDENT AUDITOR'S REPORT

To the Members of

### Cross Border Power Transmission Company Limited Report on the Ind AS Standalone Financial Statements

We have audited the accompanying Ind AS Standalone Financial Statements of **Cross Border Power Transmission Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020 the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Ind AS Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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



## Auditor's responsibility

Our responsibility is to express an opinion on these Ind AS Standalone Financial Statements based on our audit. In conducting 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.

We conducted our audit 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 Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Standalone 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 Standalone 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Ind AS Standalone 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 Standalone Financial Statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2020, its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure -A, which forms a part of this report, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:





- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) in our opinion, proper books of account, as required by law have been kept by the Company so far, as appears from our examination of such books.
- (c) the Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and returns;
- (d) in our opinion, the aforesaid Ind AS Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- (e) on the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.
- (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- B".

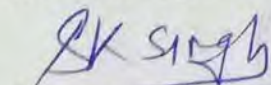
3. As required by Rule 11 of the Companies (Audit and Auditors) Rules, 2014 issued by the Central Government of India in terms of clause (j) of sub-section (3) of section 143 of the Act, in our opinion and to the best of our information and according to the explanation given to us:

- (a) the Company has disclosed the impact of pending litigations on its financial position in its Ind AS Standalone Financial Statements – Refer Note 21 to the Ind AS financial statement.
- (b) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (c) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For H K Joon & Company**

**Chartered accountants**

**ICAI firm registration number: 0022932N**



**C.A. Sudhir Kumar Singh**

**Partner**

**Membership No: 067280 Date: 04/07/2020**

**Place: New Delhi**



## ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS Standalone Financial Statements for the year ended 31<sup>st</sup> March 2020, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
(b) According to the information and explanations given to us, the fixed assets of the Company have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification as compared to the book records.  
  
(c) According to information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- ii. (a) Physical verification has been carried out by the Management in respect of inventory at reasonable intervals including as on March 31, 2020. In our opinion the frequency of verification is reasonable.  
  
(b) The Company is maintaining proper records of inventory. As per the information and explanations provided to us by the Management, the discrepancies observed on physical verification of inventory were not material and the same has been properly dealt with in the books of account.  
  
iii. According to the information and explanations given to us and based on such tests which we considered necessary, we report that the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of paragraph (iii) (a), (b) and (c) of the above order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has not made any loans, investments, or given any guarantees or provided any security pursuant to the provisions of section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of paragraph (iv) of the above order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year under audit. Therefore, directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company.

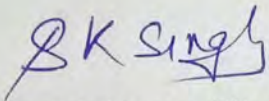


We have broadly reviewed the cost records maintained by the Company pursuant to the subsection (1) of section 148 of the Companies Act, specified by the Central Government and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Salestax, Service tax, Duty of Customs, Value Added Tax, cess and any other statutory dues with the appropriate authorities. We are informed that the provisions of Excise Duty are not applicable to the company. According to the information and explanation given to us, no undisputed amounts payable were outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, Goods and service tax.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to any financial institution, bank or Government. The Company does not have any debenture holders.
- ix. In our opinion and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- x. According to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year under review.
- xi. According to the information and explanations given to us and based on our examination of records of company, the company has paid / provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. According to the information and explanation given to us, the company is not a Nidhi Company. Therefore, the provisions of paragraph 3(xii) of the Order are not applicable.
- xiii. According to the information and explanations given to us, and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013. Further the details of the transactions have been disclosed in the Ind AS Standalone Financial Statements as required by the applicable accounting standards.

- iv. According to the information and explanations given to us, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of paragraph 3(xiv) of the Order are not applicable.
- xv. According to information and explanations given to us, and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or person connected with him. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable.
- xvi. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- xvii. As per records available with us, company has not appointed the chief financial officer as required under section 203 of companies act 2013 w.e.f 01/09/2019.

For H K Joon & Company  
Chartered accountants  
ICAI firm registration number: 0022932N



C.A. Sudhir Kumar Singh Partner  
Membership No: 067280 Date: 04/07/2020  
Place: New Delhi



## ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **Cross Border Power Transmission Company Limited** ("the Company") as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the Ind AS Standalone Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

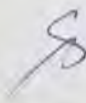
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

- a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- c. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

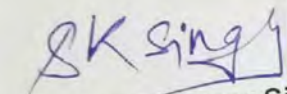
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### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For H K Joon & Company  
Chartered accountants  
ICAI firm registration number: 0022932N



C.A. Sudhir Kumar Singh

Partner

Membership No: 067280 Date: 04/07/2020

Place: New Delhi

Directions	Report
Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Not Applicable for the Company
Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	There are no applicable cases of waiver/write off of debts /loans/interest reported or observed during the year under audit.
Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	There were no funds received from Central or State agencies.



**CROSS BORDER POWER TRANSMISSION COMPANY LIMITED**  
10, COMMUNITY CENTER, 2ND FLOOR  
EAST OF KAILASH, NEW DELHI - 110065

**BALANCE SHEET AS AT MARCH 31, 2020**

		In Lakhs
	As at	As at
Note No.	31 March 2020	31 March 2019
<b>ASSETS</b>		
(1) Non-current assets		
(a) Property, plant and equipment	3A	3 35
(b) Capital work-in-progress	785.93	51.92
(c) Other intangible assets	3B	0.15
(d) Financial assets		
Service concession agreement	4	20,688.29
	<b>21,477.72</b>	<b>18,964.63</b>
(2) Current assets		
(a) Financial assets		
(i) Trade receivables	6	-
(ii) Cash and cash equivalents	7	1,889.32
(iii) Other bank balances	-	1,935.01
(iv) Loans and advances	8	5.00
(v) Service concession agreement	4	1,215.41
(vi) Other financial assets	9	4,155.01
(b) Other current assets	10	421.05
	50.03	139.95
	<b>5,225.78</b>	<b>7,871.44</b>
<b>TOTAL ASSETS</b>	<b>26,703.50</b>	<b>26,891.69</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	11A	4,850.95
(b) Other equity	11B	
(i) Retained earnings	6,146.15	3,999.32
(ii) Share application money		
<b>Total equity</b>	<b>10,997.10</b>	<b>8,850.27</b>
<b>LIABILITIES</b>		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	12	13,435.48
(b) Provisions	15	36.80
(c) Deferred tax liabilities (net)	22	435.23
(2) Current liabilities		
(a) Financial liabilities		
(i) Other financial liabilities	13	1,585.97
(b) Other current liabilities	14	1,280.38
(c) Provisions	15	0.22
<b>Total liabilities</b>	<b>15,706.40</b>	<b>18,041.42</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>26,703.50</b>	<b>26,891.69</b>

See accompanying notes to the financial statement

1-33

In terms of our report attached

For H K Joon & Co.

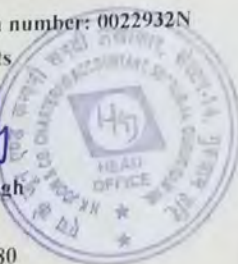
ICAI firm registration number: 0022932N

Chartered Accountants

*PK Singh*  
CA Sudhir Kumar Singh

Partner

Membership No. 067280



For and on behalf of the Board

*Keshav Prasad*  
Keshav Prasad  
Director

DIN : 07051302

*Avinash M Paygi*  
Avinash M Paygi  
Chief Executive Officer

*Hira Lal Taya*  
Hira Lal Taya  
Director

DIN : 01898200

*Anjali Singhal*  
Anjali Singhal  
Company Secretary  
Membership No.: A52858



CROSS BORDER POWER TRANSMISSION COMPANY LIMITED  
10, COMMUNITY CENTER, 2ND FLOOR  
EAST OF KAILASH, NEW DELHI - 110065

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2020

		Year Ended 31-Mar-20	In Lakhs Year Ended 31-Mar-19
	Notes		
<b>Continuing operations</b>			
Revenue from operations	16	657.87	661.98
Other income	17	622.14	2.41
Finance income	18	2,799.27	2,965.52
<b>Total income</b>		<b>4,079.27</b>	<b>3,629.91</b>
<b>Expenses</b>			
Employee benefits expense	19	114.68	138.95
Depreciation and amortisation expense	3A & 3B	2.19	2.26
Finance cost	20	1,490.13	1,607.62
Transmission, administration and other expenses	21	325.45	358.27
<b>Total expenses</b>		<b>1,932.44</b>	<b>2,107.09</b>
<b>Profit/ loss before tax from continuing operations</b>		<b>2,146.83</b>	<b>1,522.82</b>
Current tax	22	434.48	401.39
Mat credit entitlement		-434.48	-401.39
Deferred tax		-	-
Income tax expense		-	-
<b>Profit/ (loss) for the year</b>		<b>2,146.83</b>	<b>1,522.82</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		-	-
<b>Total comprehensive income/ (loss) for the year, net of tax</b>		<b>2,146.83</b>	<b>1,522.82</b>
<b>Attributable to:</b>			
Equity holders of the parent			
Non-controlling interests			
<b>Earnings per share</b>			
Basic, profit/(loss) for the year attributable to ordinary equity holders of the parent	28	4.43	3.14
Diluted, profit/(loss) for the year attributable to ordinary equity holders of the parent		4.43	3.14

See accompanying notes to the financial statement  
In terms of our report attached

For H K Joon & Co.

ICAI firm registration number: 0022932N

Chartered accountants

*S K Singh*  
CA Sudhir Kumar Singh  
Partner  
Membership No. 067280



For and on behalf of the Board

*Keshav Prasad*  
Keshav Prasad  
Director  
DIN : 07051302

*Avinash M Pavgi*  
Avinash M Pavgi  
Chief Executive Officer

*Hira Lal Taya*  
Hira Lal Taya  
Director  
DIN : 01898200

*Anjali Singhal*  
Anjali Singhal  
Company Secretary  
Membership No.: A52858



Place : New Delhi  
Date : 04 July 2020

Place : New Delhi  
Date : 04 July 2020



A. Cash flow from operating activities	31 March 2020	31 March 2019
Profit before taxation		
Adjustments for:	2,146.83	1,522.82
Opening Adjustment		
Depreciation expense		-
Interest income	2.19	2.26
Interest expense	(2,799.27)	(2,965.52)
Operating loss/ profit before working capital changes	1,490.13	1,607.62
Movement in working capital -		
Non current	839.88	167.18
Current	(1,723.66)	1,057.49
Decrease/ (Increase) in loans and advances	2,958.46	145.77
Decrease/ (Increase) in other current financial assets	(445.78)	(401.48)
Decrease/ (Increase) in other current assets	(7.64)	28.87
Increase/ (Decrease) in other financial liabilities	89.92	7.63
Increase/ (Decrease) in other current liabilities & provisions	(22.26)	(38.22)
Cash flow from/ used in operations	(1,033.19)	497.09
Net cash flow from/ used in operating activities	655.74	1,464.35
	655.74	1,464.35
B. Cash flow from investing activities		
Purchase of property, plant and equipment		
Capital work-in-progress	(1.98)	(3.06)
Interest received	(734.02)	(51.92)
Sale of asset	2,799.27	2,965.52
Net cash flow from investing activities	-	0.04
	2,063.27	2,910.59
C. Cash flow from financing activities		
Proceeds/(Payment)/ borrowings		
Dividend paid	(1,279.57)	(1,279.58)
Tax on dividend	-	(485.10)
Interest paid	-	(99.71)
Net cash flow from financing activities	(1,490.13)	(1,607.62)

CROSS BORDER POWER TRANSMISSION COMPANY LIMITED  
10, COMMUNITY CENTER, 2ND FLOOR  
EAST OF KAILASH, NEW DELHI - 110065

STATEMENT OF CHANGE IN EQUITY

Statement of changes in equity for the year ended March 31, 2020

	Share capital (A)	Share application money (B)	Retained earnings (C)	Dividend & tax on dividend (D)	Total shareholders equity (A+B+C+D)
	In Lakhs	In Lakhs	In Lakhs	In Lakhs	In Lakhs
Opening balance as at March 31, 2018	4,850.95	-	3,061.30	-	7,912.25
Share application money received during the year	-	-	-	-	-
Issue of share capital	-	-	-	-	-
Profit (loss) for the year	-	-	1,522.82	-	1,522.82
Dividend & Distribution Tax	-	-	-	584.81	-584.81
Balance as at March 31, 2019	4,850.95	-	4,584.13	584.81	8,850.27
Share application money received during the year	-	-	-	-	-
Issue of share capital	-	-	-	-	-
Profit (loss) for the year	-	-	2,146.83	-	2,146.83
Dividend & Distribution Tax	-	-	-	-	-
Balance as at March 31, 2020	4,850.95	-	2,146.83	-	10,997.10

For H K Joon & Co.

ICAI firm registration number: 0022932N

Chartered Accountants

CA Sudhir Kumar Singh  
Partner  
Membership No. 067280



For and on behalf of the Board

Keshav Prasad  
Director  
DIN : 07051302

Avinash M Pavg  
Chief Executive Officer

Hira Lal Tayal  
Director  
DIN : 01898200

Anjali Singhal  
Company Secretary  
Membership No.: A52858



Place : New Delhi  
Date : 04 July 2020

Place : New Delhi  
Date : 04 July 2020



**CROSS BORDER POWER TRANSMISSION COMPANY LIMITED**  
**Notes to the financial statements**

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**1. Corporate information**

The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at 10, Community Center, 2nd Floor, East of Kailash, New Delhi-110065.

The Company is principally engaged in establishment, operation & maintenance and transfer of Indian Portion of Indo-Nepal Cross Border Transmission Line from Muzaffarpur to Dhalkebar.

**2. Significant accounting policies**

**2.1 Basis of preparation**

**i) Compliance with Ind AS**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act), the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Act.

For all the periods upto and including the year ended March 31, 2015, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2016 are the first which the Company has prepared in accordance with Ind AS.

**ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

**iii) Functional and presentation currency**

The financial statements are presented in Indian Rupees which is Company's functional currency and all the values are rounded to the nearest rupee except when otherwise indicated.

**iv) Use of estimates**

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



## 2.2 Summary of significant accounting policies

### a. Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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 the settlement of the liability for at least twelve months after the reporting period.

All other assets are classified as Non-current.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### b. Foreign Currencies

The Company's financial statements are presented in Indian Rupees.

#### Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).



**c. Fair value measurement**

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

**d. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue relating to construction services under a service concession arrangement is recognised based on stage of completion of the work performed. Operation or service revenue is recognised in the period in which the services are provided by the Company. When the Company provides more than one service in a service concession arrangement, the consideration received is allocated by reference to the relative fair values of the services delivered.

The transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the CERC tariff regulations.

Surcharge recoverable from trade receivable are recognised when no significant uncertainty as to measurability and collectability exists.

Scraps are accounted for as and when sold

Dividend income is recognised when right to receive payment is established.

**e. Service Concession Arrangements (SCA)**

The Company has entered into concession agreement under public-to-private Service Concession Arrangements (SCA) to construct, operate and maintain infrastructural facilities. Under SCA, the Company recognises Intangible Assets and Financial Assets depending on the terms of Concession granted by the Concessionaire. Further, revenue recognition also requires estimation of construction margin, overlay expenses and operations & maintenance costs. Under SCA, where the Company has received the right to charge users of the public service, such rights are recognised and classified as Intangible Assets. Where the Company has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as Financial Assets. Such financial assets are measured at fair value upon initial recognition. Subsequent to initial recognition, the financial assets are measured at amortised cost.

If the Company is paid for construction services partly by a financial asset and partly by an intangible asset, then each component of the consideration is accounted for separately and is recognised initially at the fair value of the consideration.





**f. Receivable Under SCA**

Under a SCA, where the Company has acquired contractual rights to receive specified determinable amounts (Annuity) for use of an asset, such amounts are recognised as "Financial Assets" and are disclosed as "Receivable against Service Concession Arrangements". The value of a Financial Asset covered under a SCA includes the fair value estimate of the construction services which is estimated at the inception of the contract and is based on the fair value of the constructed asset and comprises of the actual construction cost, a margin as per the SCA, estimates of the future operating and maintenance costs, including overlay / renewal costs. The cash flow from a Financial Asset commences from the Provisional / Final Commercial Operation Date as certified by the granting authority for the SCA. The cash flow from a Financial Asset is accounted using the effective interest rate method. The intrinsic interest element in each Annuity receipt is accounted as finance income and the balance amount is accounted towards recovery of dues from the "Receivable against Service Concession Arrangements".

**g. Taxes**

**Current Income Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the balance sheet liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except, when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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 realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

**h. Property, plant and equipment**

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

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.





**CROSS BORDER POWER TRANSMISSION COMPANY LIMITED**  
**Notes to the financial statements**

After initial recognition, Property, Plant and Equipment are carried at cost less accumulated depreciation / amortization and accumulated impairment losses, if any.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the income statement when the asset is derecognised.

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

**i. Depreciation/Amortization**

Mobile phones & iphone/tablets are charged off in the year of purchase

All assets provided to employees are amortized over a period of 3 years, except mobile phones & iphone/tablets.

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

Cost of software capitalized as intangible assets is amortized over the period of legal right to use or 4 years, whichever is less with nil residual value.

Depreciation is recognised based on the cost of assets less their residual value over their useful life, using the straight line method

**j. Intangible assets**

On the date of transition to Ind AS, the Company has considered the carrying value of Intangible Assets as per previous GAAP to be the deemed cost as per Ind AS 101. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

**k. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.





**l. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**m. Provisions and contingencies**

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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

**n. Retirement and other employee benefits**

Company contribution paid/payable during the year to defined pension contribution scheme and provident fund scheme is recognized in the Statement of Profit and Loss.

The liability for Gratuity, ascertained annually on actuarial valuation at the year end

The liabilities for compensated absences, leave encashment, post-retirement medical benefits, settlement allowance and long service awards to employees are ascertained annually on actuarial valuation at the year end and provided for.

Short term employee benefits are recognized at the undiscounted amount in the Statement of Profit and Loss in the year in which the related services are rendered.

Re-measurements pertaining to defined benefit obligations are recognised immediately in the other comprehensive income (OCI) in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

**o. 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

### *Initial recognition and measurement*

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

### *Debt instruments at amortized cost*

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

### *Debt instrument at FVTOCI*

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.





#### *Debt instrument at FVTPL*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if 'accounting mismatch'. The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### *Equity investments*

All equity investments in scope of Ind AS 109 are measured at fair value. Equity investments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

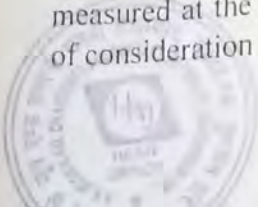
#### *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either 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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.





## **Financial Liabilities**

### ***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### ***Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below:

#### ***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss statement.

### ***Loans and borrowings***

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

### ***Derecognition***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial 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 in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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.

**p. Impairment of non-financial assets, other than inventories**

Cash generating units as defined in Ind AS 36 'Impairment of Assets' are identified at the Balance Sheet date. At the date of Balance Sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

**q. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value

**r. Earnings per Share**

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

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

**s. Cash Flow statement**

Cash flow statement is prepared as per indirect method prescribed in the relevant accounting standard

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note: 3A  
(I) TANGIBLE ASSETS

Particular	Gross Block		As at 31-March-2020	As at 01-Apr-2019	Accumulated Depreciation expense for the year	Eliminated or disposal of assets	NET BLOCK	
	As at 01-April-2019	Additions Disposals					As at 31-March 2020	As at 31-March 2019
Data processing Equipment (Computers)	8.14	1.40	9.55	4.72	1.63	-	6.35	3.42
Office equipment	1.30	0.40	1.70	1.20	0.40	-	1.60	0.10
Office equipment depreciated at the year of purchase	0.47	-	0.47	0.32	0.09	-	0.42	0.14
Office equipment depreciated @ 20%	9.91	1.80	11.71	6.25	2.12	-	8.37	3.66
Total								

Note: 3B

(II) INTANGIBLE ASSETS

Particular	Gross Block		As at 31-March-2020	As at 01-Apr-2019	Accumulated Depreciation expense for the year	Eliminated or disposal of assets	NET BLOCK	
	As at 01-April-2019	Additions Disposals					As at 31-March 2020	As at 31-March 2019
Licensed software	1.38	0.18	1.56	1.35	0.06	-	1.41	0.16
Total								

**Note 4: Service concession agreement**

Non-current		20,688.29	18,964.63
Service concession agreement			
<b>Total</b>		<b>20,688.29</b>	<b>18,964.63</b>
Current		1,196.55	4,155.01
Service concession agreement			
<b>Total</b>		<b>1,196.55</b>	<b>4,155.01</b>

**Note**

Calculation of service concession agreement (SCA) receivable as at 31.03.2020

Rs.

Opening SCA receivable		
Current (receivable in one year)	4,155.01	4,300.78
Non current (cumulative receivable after one year)	18,964.63	20,022.12
<b>Total opening SCA receivable</b>	<b>23,119.64</b>	<b>24,322.90</b>
Add: finance income on SCA receivable	2,703.29	2,878.06
Less: received from NEA against SCA receivable during the year 2019-20	3,938.09	4,081.31
<b>Total closing SCA receivable</b>	<b>21,884.84</b>	<b>23,119.64</b>
Current (receivable in one year)	1,196.55	4,155.01
Non current (cumulative receivable after one year)	20,688.29	18,964.63

The fair value of other non-current financial assets is not materially different from the carrying value present

**Note 5 : Other non current assets**

(i) Capital advances

Unsecured, considered good / Doubtful

**Total**

(ii) Deferred receivables

Unsecured, considered good / Doubtful

**Total**

**Note 6 : Trade receivables**

Outstanding for a period exceeding six months from the date they are due for payment

Unsecured, considered good / Doubtful

Less: provision for doubtful receivables

**Other receivables**

Unsecured, considered good

**Total**





	As at 31 March 2020	As at 31 March 2019
<b>Note 7: Cash and cash equivalents</b>		
Balance with banks	682.92	980.40
in current account	1,201.40	954.61
in deposit account	1,884.32	1,935.01
<b>Other bank balances</b>		
Margin money deposit (under lien)	5.00	5.00
<b>Total</b>	<b>1,889.32</b>	<b>1,940.01</b>

Note: fixed deposit of Rs. 5,00,000/- is kept with axis bank ltd. for issuance of bank gaurantee which has expired

<b>Note 8: Loans and advances</b>		
(a) Loan and advances	27.14	15.85
Unsecured, considered good	1,634.05	1,199.57
Mat credit entilement	1,661.19	1,215.41
<b>Total</b>		

<b>Note 9: Other financial assets</b>		
Unbilled revenue	428.69	421.05
<b>Total</b>	<b>428.69</b>	<b>421.05</b>

<b>Note 10: Other current assets</b>		
<b>Loans to related parties</b>		
Unsecured, considered good	50.00	50.00
(advance to powergrid under an agreement of O&M- as revolving fund)	50.00	50.00
	-	-
Less: provision for doubtful loans and advances to related parties	50.00	50.00
<b>Total</b>		

(Unsecured, considered good)	-	89.55
Advance tax, including taxes deducted at source (net of provision for taxation)	0.03	0.41
Prepaid expenses	0.03	89.95
<b>Total</b>	<b>50.03</b>	<b>139.95</b>



	As at 31 March 2020	In Lakhs As at 31 March 2019
<b>Equity share capital</b>		
Issued shares	7,500.00	7,500.00
Each share of Rs. 10 each	7,500.00	7,500.00
<b>Total</b>		
Issued, subscribed and fully paid up	4,850.95	4,850.95
Each share of Rs. 10 each fully paid	4,850.95	4,850.95
<b>Total</b>		

Reconciliation of shares outstanding at the beginning and at the end for the reporting year

Equity shares

31-Mar-20		31-Mar-19	
No.	(In Lakhs)	No.	(In Lakhs)
4,85,09,512	4,850.95	4,85,09,512	4,850.95
-	-	-	-
<b>4,85,09,512</b>	<b>4,850.95</b>	<b>4,85,09,512</b>	<b>4,850.95</b>

At the beginning of the year

Issued during the year

Outstanding at the end of the year

Terms/ rights attached to Equity shares:

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the Company

Equity shares of Rs. 10 each fully paid  
IL&FS Energy Development Company Limited  
Power Grid Corporation of India Limited  
SJVN Limited  
Nepal Electricity Authority

31-Mar-20		31-Mar-19	
No.	% holding in the class	No.	% holding in the class
1,84,33,609	38%	1,84,33,609	38%
1,26,12,473	26%	1,26,12,473	26%
1,26,12,473	26%	1,26,12,473	26%
48,50,951	10%	48,50,951	10%

Note: as per records of the Company, the above shareholding represents legal ownership of shares

Note 11B: Other equity

Reserves and surplus

(Deficit) in the statement of profit and loss  
Balance as per last financial statements  
Profit/(Loss) for the year

Total appropriations

Less:

Dividend payment

Tax on dividend

Net (deficit) in the statement of profit and loss

Total other equity

Note 12: Long term borrowings

(a) Long term loan from financial institution

The above amount includes  
Secured borrowings

Total

Note

All long term borrowings are sanctioned through Power Finance Corporation of India Ltd. (PFC) for amount of Rs. 2,07,09,00,000/- and disbursed Rs. 1,91,37,73,105/- as at 31st March, 2018.

Long term borrowings are secured by first pari passu charge on all fixed assets of the Company including lease hold rights of the Land, hypothecation of all movable assets, first charge on current assets of the Company including book debts and stock.

Interest rate applicable as notified by PFC i.e. 12% to 11.25% and with 25 bps rebate (on timely payments). From 17th November 2016, the effective rate of interest toward term loan is 9.95% p.a. (net of 0.25% rebate). Wef. 15th April 2018 the effective rate of interest toward term loan is 9.75% p.a. (net of 0.25% rebate).

The loan shall be repayable in 60 equal quarterly installments, the first repayment started from 01st Sept 2016 and repayment of Rs. 18,63,53,660/- (Rs. 2,91,98,333\*2 Qtr and Rs. 3,19,89,248\*14 Qtr).

has been repaid to PFC till date against the term loan.

Rs. 12,79,56,996/- is payable as repayment for the FY 2019-20 and therefore reclassified as short term borrowing.



	As at 31 March 2020	In Lakhs As at 31 March 2019
<b>Note 13: Other financial liabilities</b>		
(a) Current maturities of long term debt	1,279.57	1,279.57
(b) Interest accrued but not due on borrowings	306.40	328.66
<b>Total</b>	<b>1,585.97</b>	<b>1,608.23</b>

**Note 14: Other current liabilities**

(a) Unpaid dividend	-	485.10
(b) Statutory dues payable (TDS, PF, DDT etc)	6.56	102.51
(c) Payable against operating expenses	183.83	52.36
(d) Payable against capital expenditure	22.53	640.41
<b>Total</b>	<b>212.92</b>	<b>1,280.38</b>

**Note 15: Provisions**

**Non Current**

Provision for employee benefit

- Compensated absences	1.79	1.50
- Gratuity	1.62	0.81
	<b>3.40</b>	<b>2.31</b>

**Current**

Provision for employee benefit

- Compensated absences	0.30	0.22
- Gratuity	0.00	0.002
	<b>0.31</b>	<b>0.22</b>

Provision for tax (net of advance tax)

33.09	-
<b>33.09</b>	<b>2.31</b>

<b>Total</b>	<b>36.80</b>	<b>2.53</b>
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	Year Ended 31 March 2020	In Lakhs Year Ended 31 March 2019
<b>Note 16: Revenue from operations</b>		
Transmission service charges	657.87	661.98
Income from construction contract	-	-
<b>Total</b>	<b>657.87</b>	<b>661.98</b>

Note:

<b>Total amount received from NEA during the current year 2019-20 and (PY 2018-19)</b>		<b>In Lakhs</b>
Annual TSC on normative basis	4,480.37	4,598.09
Incentive	235.77	242.00
<b>Gross amount</b>	<b>4,716.14</b>	<b>4,840.09</b>
Less: rebate @ 2% (including rebate for the month of March 2020 of Rs.8,74,872/-)	94.32	96.80
<b>Net amount</b>	<b>4,621.81</b>	<b>4,743.29</b>
Less: Adjustment for True up in cost FY 2019-20	25.85	-
<b>Net amount received after adjustment</b>	<b>4,595.97</b>	<b>4,743.29</b>
<b>Net amount received after adjustment</b>	<b>4,595.97</b>	<b>4,743.29</b>
Less: amount recived for construction activity and adjusted with SCA receivable	751.90	751.90
Return on equity (post tax)	121.27	121.27
Transmission majoration factor (Post tax)	239.84	239.84
MAT	1,551.17	1,687.65
Interest on loan capital	1,273.91	1,280.65
Depreciation	3,938.09	4,081.31
<b>Sub total</b>	<b>657.87</b>	<b>661.98</b>
<b>Transmission service income</b>		

**Note 17: Other income**

Profit on sale of assets	-	0.20
Acturial gain of leave salary and gratuity	-	2.21
Amount written Back	622.14	-
<b>Total</b>	<b>622.14</b>	<b>2.41</b>

**Note 18: Finance income**

Interest income on service concession agreement*	2,703.29	2,878.06
Interest on bank deposits	84.11	87.46
Misc Income - Others	11.87	-
<b>Total</b>	<b>2,799.27</b>	<b>2,965.52</b>

\* Refer note no 4- service concession agreeent for detail calculation





Note 19: Employee benefits expenses

Deputation cost  
Salary  
Contribution to provident and other funds  
Staff welfare expenses  
Total

82.85	87.42
29.83	48.74
1.55	1.75
0.45	1.04
<u>114.68</u>	<u>138.95</u>

Note 20: Finance cost

Interest expense on term loan

1,490.13	1,607.62
----------	----------

Total

<u>1,490.13</u>	<u>1,607.62</u>
-----------------	-----------------

Note 21: Transmission, administration and other expenses

Audit fee  
Business promotion expenses  
Corporate social responsibility expenses  
Filing Fees  
Insurance expenses  
Legal and professional expenses  
Office maintenance expenses  
Operation and maintenance  
Printing and Stationery  
Rates and taxes  
Travel and conveyance  
Miscellaneous expenses

0.47	0.47
19.16	21.23
30.55	36.26
0.22	0.14
2.41	1.97
6.25	8.96
33.50	42.18
200.73	194.88
0.38	-
5.18	5.10
15.56	23.23
11.04	23.83

Total

<u>325.45</u>	<u>358.27</u>
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**CROSS BORDER POWER TRANSMISSION COMPANY LIMITED**  
10, COMMUNITY CENTER, 2ND FLOOR  
EAST OF KAILASH, NEW DELHI - 110065

**COMPUTATION FOR THE YEAR ENDED MARCH 31, 2020**

**Calculation of current tax for the FY 2019-20**

31/03/2020

In Lakhs

Business loss as per income tax act, therefore tax has to paid as per provisions of MAT u/c 115JB  
 Calculation of MAT for the FY 2019-20  
 Book profit for the assessment year 2019-20  
 Add: Book profit due to adoption of IND AS (please note amendment in section 115JB of income tax act, 1961)  
 Total book profit for calculation of MAT for the FY 2019-20  
 MAT @ 18% (FY 18.5%)  
 Surcharge @ 12%  
 SDC @ 4%  
 Total tax for the FY 2019-20

2,146.81  
 339.89  
 2,486.72  
 177.01  
 44.76  
 16.71  
 434.48

Note:

In the first year of adoption of Ind AS, the companies would prepare Ind AS financial statement for reporting year with a comparative financial statement for immediately preceding year. As per Ind AS 101, companies would make all Ind AS adjustments on the opening date of the comparative financial year. The entity is also required to present an equity reconciliation between previous Indian GAAP and Ind AS amounts, both on the opening date of preceding year as well as on the closing date of the preceding year. It is proposed that for the purposes of computation of book profit of the year of adoption and the proposed adjustments, the amounts adjusted as of the opening date of the first year of adoption shall be considered. For example, companies which adopt Ind AS with effect from 1 April 2016 are required to prepare their financial statements for the financial year 2016-17 as per requirements of Ind AS. Such companies are also required to prepare an opening balance sheet as of 01-04-2015 and restate the financial statements for the comparative period 2015-16. In such a case, the first time adoption adjustments as of 31 March 2016 shall be considered for computation of MAT liability for previous year 2016-17 (Assessment year 2017-18) and thereafter. Further, in this case, the period of five years proposed above shall be previous years 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21. As the Ind-AS is required to be adopted by certain companies for financial year 2016-17 mandatorily, these amendments will take effect from 1st April, 2017 and will, accordingly, apply in relation to the assessment year 2017-18 and subsequent assessment years.

	As per IGAAP (2006)	As per IND AS	Change in Retained Earning
Impact at retained earning due to first time adoption of IND AS	In Lakhs	In Lakhs	In Lakhs
	176.71	1,876.14	1,699.43
Retained earning as on March 31, 2016			

As per finance bill, 2017, all other adjustments in reserve and surplus (excluding capital reserve and securities premium reserve) as referred to in division II of schedule III of companies act, 2013 and which would otherwise never subsequently be reclassified to the profit and loss account, shall be included in the book profit, equally over a period of five years starting from the year of first time adoption of Ind AS.

Therefore, Rs 16,99,43,118 will be added to book profit in five years i.e. Rs 339,88,624/- will be added to the book profit of the FY 2016-17, 2017-18, 2018-19, 2019-20 & 2020-21.

Date of Completion of Project is 16/02/2016

**Calculation of deferred tax liabilities**

Particulars	Change in retained earning	Mat @ 18.5%	Surcharge @ 7%	Edu Cess @ 3%	Total deferred tax liabilities
	599.96	110.99	7.77	3.56	122.32
Change in retained earning as on 01st April 2015 due to change in law	1,534.71	283.92	19.87	9.11	312.91
Re-measurement of Income and Expenses due to change in law during the FY 2015-16					435.23
Deferred tax liabilities					

No deferred tax assets has been recognised on the unutilized tax credit as there is no evidence that sufficient taxable profit will be available in the future against which they can be utilized by the Company.





**Note 23**

There are no micro, small and medium enterprise, to whom the Company owes dues, which are outstanding for more than 45 days as at the date of the financial statements. This information is required to be disclosed under the micro, small and medium enterprise development act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

**Note 24**

In the opinion of the Directors of the Company and to the best of their knowledge and belief, the value on realisation of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the financial statement.

**Note 25 :Contingent liabilities and commitments**

There is NIL contingent liabilities and Capital commitments is Rs. 65,44, 268/- as on balance sheet as the work for 2 Bays at Site of Bihar is about to accomplish. However, there are some court cases for which monetary estimation is not possible, details mentioned below:

S.No	Name of petitioner/ nature of case/location of court/ case no	Status as on 31.03.2020
1	Surendra Sah	Pending for hearing.
2	Munshi Prasad Gupta	Hearing date was 03.04.20 but due to lock down hearing is pending.

## 27 Related Party Disclosures

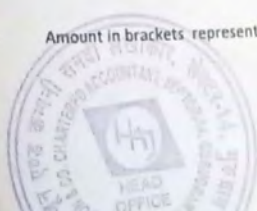
As per the Accounting Standard on 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the related parties with whom the companies has made the transactions during the period are as follows:

- Holding Company**
- a IL&FS Energy Development Company Limited (upto August 10, 2012)
- Joint Venture Companies having significant influence**
- b Power Grid Corporation of India Limited  
SJVN Limited  
IL&FS Energy Development Company Ltd. (from August 11, 2012)  
Nepal Electricity Authority
- Affiliates**
- c Power Transmission Company Nepal Limited upto August 10, 2012  
Infrastructure Leasing and Financial Service Limited
- Key Managerial Personnel**
- d -Mr. P. N. Prasad (CEO), Mr. I. N. Jha, Mr. Sandip Rai/Sachin Jain (CFO)

ii The nature and volume of transactions during the year with the above related parties were as follows:

		In Lakhs	
	Particulars	Affiliates	JV & significant influence
<b>A</b>	<b>Transactions during the year</b>		
	<b>Expenses/Income</b>		
	<b>IL&amp;FS Energy Development Company Limited</b>		
	Deputation Cost	-	8.18
	(Excluding taxes)	(-)	(3.15)
	<b>Power Grid Corporation of India Limited</b>		
	Deputation Cost	-	94.12
	(Excluding taxes)	(-)	(89.02)
	Business Support Service	-	0.79
	(Excluding taxes)	(-)	(0.79)
	Operation and Maintenance Expenses	-	170.11
	(Excluding taxes)	(-)	(165.15)
	<b>Infrastructure Leasing and Financial Service Limited</b>		
	Business Support Service	34.89	-
	(Excluding taxes)	(29.46)	(-)
	<b>Deputation Cost and Salary of KMP</b>	<b>CEO</b>	<b>CFO</b>
	Deputation cost of KMP- Mr. I. N. Jha (CEO)	79.24 (89.02)	- (-)
	Deputation cost of KMP- Mr. Avinash M. Pavgi (CEO)	14.88 (-)	- (-)
	Salary of KMP- Mr. Sandip Rai (CFO)	- (-)	- (12.13)
	Deputation cost of KMP- Mr. Sachin Jain (CFO)	- (-)	8.18 (3.15)
<b>B</b>	<b>Outstanding balances*</b>		
	<b>Other current liabilities</b>		
	IL&FS Energy Development Company Limited	- (-)	5.66 (4.02)
	Power Grid Corporation of India Limited	- (-)	68.39 (35.43)
	Infrastructure Leasing and Financial Service Limited	6.28 (-)	- (-)

Note: Amount in brackets represents previous year





**CROSS BORDER POWER TRANSMISSION COMPANY LIMITED**  
10, COMMUNITY CENTER, 2ND FLOOR  
EAST OF KAILASH, NEW DELHI-110 065

**NOTES FORMING PART OF FINANCIAL STATEMENT**

**Earnings per equity share**

Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity

Particulars	Unit	Year ended 31-Mar-2020	Year ended 31-Mar-2019
a Net profit for the year	Lakhs	2,147	1,522.82
b Weighted average of number of equity shares of Rs. 10 each	Nos.	4,85,09,512	4,85,09,512
c Basic earnings per share		4.43	3.14
d Weighted average number of shares outstanding during the period for calculation of diluted earnings per share	Nos.	4,85,09,512	4,85,09,512
e Diluted earnings/(loss) per share * In Rupees		4	3.14

\*In case the effect of potential equity shares is anti-dilutive, these have not been considered for calculation of diluted earnings per share

**29 Employee Benefits**

The Company participated in defined contribution scheme, no asset has been separately funded for the benefits. For contribution scheme, the amount charged to the profit and loss is the total contribution payable in the year.

**a. Defined Contribution Plan**

The Company makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the employees provident fund is deposited with the regional provident fund commissioner. Under the scheme, the company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

The Company recognised Rs 155,338/- for provident fund contribution in the statement of profit and loss account. The Contribution payable to the plan by the Company is at the rate specified in the rules to the scheme

**b. Defined benefit Plan- Gratuity Plan**

The Gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn basic salary) for each computed year of service subject to completion of five year of service.

**c. Principal actuarial assumptions:**

Principal actuarial assumption used to determine the present value of benefit obligation are as follows.

S.No	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
i	Discount rate (p.a)	6.83%	7.79%
ii	Rate of return on assets (p.a)	0%	0%
iii	Salary escalation rate (p.a)	6%	6%
iv	Attrition Rate	2%	2%
v	Leave accounting & consumption technique	LIFO	LIFO
vi	Proportion of leave availment	5%	5%
vii	Proportion of encashment on separation	95%	95%

**Note**

- 1 The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of obligations
- 2 The Company has not made any assets, therefore NIL rate of return has been taken for consideration
- 3 The estimates of future increases considered takes into account the inflation, seniority, promotion and other relevant factors.



Changes in benefit obligations:

i	Present value of obligations at the beginning of the year	0.82	2.69
ii	Current service cost	0.47	0.37
iii	Past service cost	-	-
iv	Interest cost	0.06	0.21
v	Actuarial gain/(loss) on obligation	0.28	(2.45)
vi	Benefits paid	-	-
vii	Acquisition adjustment	-	-
viii	Present value of obligation at the end of the year	1.62	0.82

e. Expenses recognised in the statement of profit and loss account

(In Lakhs)

S.No	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Expenses recognised in the statement of profit and loss account			
	Current service cost	0.47	0.37
	Interest cost	0.06	0.21
	Immediate recognition of (Gain)/Losses-other long term benefits	-	-
	<b>Net charges/(credit)</b>	<b>0.52</b>	<b>0.58</b>



30 - Financial instruments

30(i) Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Company consists of net debt of Rs. 1,47,15,00,463 (borrowing as detailed in notes 12 and 13) offset by cash and bank balances of Rs. 18,89,32,330 as detailed in note 11 and total equity of Rs. 1,09,92,84,695.

30(ii) Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

	As at 31.03.2020	In Lakhs As at 31.03.2019
Debt (see note 1 below)	13,435.48	15,994.67
Cash and bank balances (see note (ii) below)	1,889.32	1,915.01
<b>Net debt</b>	<b>11,546.15</b>	<b>14,059.60</b>
<b>Total equity</b>	<b>10,997.10</b>	<b>8,850.77</b>
Net debt to equity ratio	105%	159%

Note

- (i) Debt is defined as long term and short term borrowings (including current maturity of long term borrowings) as described in note 12 and 13.  
(ii) Cash and bank balance includes cash and cash equivalent and bank balance held as margin money with lenders as described in note 7.

30 (iii) Categories of financial instruments

	As at 31.03.2020	In Lakhs As at 31.03.2019
<b>Financial assets (at amortised cost)</b>		
Service concession agreement (non current)	20,688	18,964.63
Service concession agreement (current)	1,197	4,155.01
Trade receivables		
Cash and cash equivalents	1,889	1,915.01
Bank balances (other than above)		
Others financial assets	429	421.05
<b>Financial liabilities (at amortised cost)</b>		
Borrowings (including current maturities of long term borrowings)	13,435	15,994.62
Other financial liabilities (excluding current maturities of long term borrowings)	306	328.66

30 (iv) Interest rate risk management

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company's interest rate risk arises from borrowings in the form of term loans taken from the banks. The Company does not account for any fixed rate financial assets or liabilities at fair value through profit or loss.

The Company has borrowing on account of term facility from banks. The borrowings are based on applicable floating rates as stated in Note 12. The sensitivity analysis is based on a reasonably possible change in the market interest rates computed from historical data.

30 (v) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure and the credit worthiness of its counterparties are continuously monitored.

The Company has entered into Implementation and Transmission Service Agreement (ITSA) with the NEA (Nepal Electricity Authority). There is no substantial evidence of default from NEA.

	In Lakhs	
	Carrying amount 31.03.2020	Carrying amount 31.03.2019
The maximum exposure to NEA is		
Financial assets (at amortised cost)	20,688.29	18,964.63
Service concession agreement (current)	1,196.55	4,155.01
<b>Total</b>	<b>21,884.84</b>	<b>23,119.64</b>

