

KALLAM TRANSMISSION LIMITED
ANNUAL REPORT
2021

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KALLAM TRANSMISSION LIMITED
Registered Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003
CIN: U40106DL2020GOI364104

NOTICE

Notice is hereby given that First (1st) Annual General Meeting of **Kallam Transmission Limited** will be held on **Tuesday, November 30th, 2021 at 12:00 P.M. at shorter notice at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003** to transact the following businesses:-

ORDINARY BUSINESS

- 1) To receive, consider, approve and adopt the Audited Financial Statements of the Company for the period ended March 31, 2021, along with the Report of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri Jatin Kumar Nayak (DIN: 06940432), who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To fix the remuneration of Statutory Auditors for the financial year 2021-22.

SPECIAL BUSINESS

- 4) To appoint Shri P. Baburaj (DIN: 03299857) as Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:-

"RESOLVED THAT pursuant to the provisions of Section 152, 160, 161 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and as per the Articles of Association of the Company, Shri P. Baburaj (DIN: 03299857) who was appointed as an Additional Director of the Company with effect from March 8, 2021 and holds office upto the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and the Company has received a notice in writing from him under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, and shall liable to retire by rotation."

- 5) To appoint Shri Kuldeep Rai (DIN: 08203134) as Director of the Company.

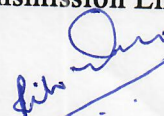
To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:-

"RESOLVED THAT pursuant to the provisions of Section 152, 160, 161 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and as per the Articles of Association of the Company, Shri Kuldeep Rai (DIN: 08203134) who was appointed as an Additional Director of the Company with effect from March 8, 2021 and holds office upto the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and the Company has received a notice in writing from him under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, and shall liable to retire by rotation."

By order of the Board of Directors
For Kallam Transmission Limited

Place: New Delhi

Date: November 26, 2021


(Ritu Madan Arora)
Authorised Signatory

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll, if any, instead of himself/herself and such proxy need not be a Member of the Company. The proxy form duly completed and signed must be received at the Registered Office of the Company, not less than forty eight (48) hours before the commencement of the AGM. Blank proxy form and route map of the venue of the Meeting is attached.
2. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of Special Business, as set out above is annexed hereto. The Board of Directors of the Company in its Meeting held on September 28, 2021 considered that the items of Special Business at Sl. No. 4 and 5 of the Notice, being unavoidable in nature, shall be transacted at the 1st AGM of the Company.

4. Corporate Members are requested to send/attach a duly certified copy of the Board Resolution/Authority Letter authorizing their representative to attend and vote on their behalf at the Annual General Meeting, along with the Proxy Form/Attendance Slip.
5. Pursuant to Section 139 of the Companies Act, 2013, the Auditors of a Government Company are appointed/re-appointed by the Comptroller & Auditor General of India (C&AG). M/s Suman Jeet Agarwal & Co., Chartered Accountants, has been appointed as Statutory Auditors of the Company for the Financial Period 2020-21 by the Comptroller & Auditor General of India (C&AG).
6. In pursuance of Section 142 of Companies Act, 2013, the Board has the power to fix the remuneration for the first auditors of the Company. Accordingly, the Board of Directors in its Meeting held on October 29, 2020 has approved the remuneration of ₹35,000/- plus tax including local travel expenses and other incidental out of pocket expenses is proposed for consideration from the date of incorporation of the company till 31st March, 2021 for the Statutory Audit of Company.
7. The appointment of the Statutory Auditor M/s Goel Mintri & Associates for the financial year 2021-22 is made by the Comptroller and Auditor General (C&AG) of India vide its letter dated August 26, 2021. Further, the Members are requested to authorise the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company, as it deems fit, for the financial year 2021-22.
8. Members desirous of getting any information on any item(s) of business of this meeting are requested to address their queries to the Authorized Signatory at the Registered Office of the Company prior to the date of the Annual General Meeting, so that the information required can be made available at the time of the meeting.
9. The Register of Directors and their Shareholding maintained under Section 170 of the Companies Act, 2013, Register of contracts and arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to, in the Notice will be available for inspection by the Members at the Registered Office of the Company on all working days during business hours and at the time of AGM of the Company at the venue of the Meeting.

* Proxy Form is enclosed

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

THE FOLLOWING STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS SET OUT IN THE NOTICE

Item No. 4

Shri P. Baburaj (DIN: 03299857) was appointed as Additional Director on the Board of the Company w.e.f. March 8, 2021. Consequent to his appointment as Additional Director in the Company in terms of provisions of Section 161 of the Companies Act, 2013, read with rules made thereunder and also in terms of Article 58 of Article of Association of the Company, he holds office upto the date of ensuing Annual General Meeting and be eligible for appointment/re-appointment by the Company in ensuing Annual General Meeting. Further, in terms of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing from him, signifying his candidature for the office of Director of the Company and the same is available on the website of the Company. Accordingly, appointment of Shri P. Baburaj as Director may be considered by the shareholders at this AGM. Further, Shri P. Baburaj is not disqualified to be a Director of the Company in terms of the provisions of Section 164 of the Companies Act, 2013, to the extent applicable to the Company.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 P.M. to 4.30 P.M. up to the date of the Meeting. Further, the brief resume of Shri P. Baburaj giving the nature of his expertise in specific functional areas, remuneration paid, number of meetings attended during the period etc. forms part of this Notice.

The Board of Directors of your Company recommends his appointment as a Director for approval by the shareholders of the Company.

None of the Directors of the Company or their relatives except Shri P. Baburaj is in any way, concerned or interested, financially or otherwise, in passing of the said resolution set out at item No. 4 of the Notice.

In view of the above, you are requested to grant your consent to the Ordinary Resolution as set out at item no.4 of this Notice.

Item No. 5

Shri Kuldeep Rai (DIN: 08203134) was appointed as Additional Director on the Board of the Company w.e.f. March 8, 2021. Consequent to his appointment as Additional Director in the Company in terms of provisions of Section 161 of the Companies Act, 2013, read with rules made thereunder and also in terms of Article 58 of Article of

Association of the Company, he holds office upto the date of ensuing Annual General Meeting and be eligible for appointment/re-appointment by the Company in ensuing Annual General Meeting. Further, in terms of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing from him, signifying his candidature for the office of Director of the Company and the same is available on the website of the Company. Accordingly, appointment of Shri Kuldeep Rai as Director may be considered by the shareholders at this AGM. Further, Shri Kuldeep Rai is not disqualified to be a Director of the Company in terms of the provisions of Section 164 of the Companies Act, 2013, to the extent applicable to the Company.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 P.M. to 4.30 P.M. up to the date of the Meeting. Further, the brief resume of Shri Kuldeep Rai giving the nature of his expertise in specific functional areas, remuneration paid, number of meetings attended during the period etc. forms part of this Notice.

The Board of Directors of your Company recommends his appointment as a Director for approval by the shareholders of the Company.

None of the Directors of the Company or their relatives except Shri Kuldeep Rai is in any way, concerned or interested, financially or otherwise, in passing of the said resolution set out at item No. 5 of the Notice.

In view of the above, you are requested to grant your consent to the Ordinary Resolution as set out at item no.5 of this Notice.

**BRIEF RESUME OF THE DIRECTOR SEEKING RE-APPOINTMENT AND
REGULARISATION AT THE 1st ANNUAL GENERAL MEETING;**

Name	Shri Jatin Kumar Nayak (DIN: 06940432)
Date of Birth	June 2, 1969
Date of Appointment	Since Incorporation i.e. May 28, 2020
Qualifications	M.Com., CMA,CS
Expertise in specific Functional area	<p>Shri Jatin Kumar Nayak is Director on the Board of Kallam Transmission Limited since incorporation i.e. May 28, 2020. He is holding the position of Senior General Manager in REC Limited.</p> <p>He has rich experience in the field of Rising of Resources, Treasury Management, Corporate Accounts, Inventory Management, Cost Ascertainment and Cost Control, Loan Disbursement and Accounting and Recovery of Loans etc.</p>
Directorship held in other Companies	<ul style="list-style-type: none"> • Gadag Transmission Limited • Bidar Transmission Limited • Rajgarh Transmission Limited • MP Power Transmission Package-I Limited • ER NER Transmission Limited
Membership/ Chairmanship of Committees across all Public Companies other than Kallam Transmission Limited	Nil
Number of equity shares held in the Company	Nil
Relationship with other Directors	Shri Jatin Kumar Nayak does not have <i>inter-se</i> relationship with any Director, Manager and other Personnel of the Company.
Details of Remuneration paid	All the Non-Executive Directors on the Board of the Company are nominated by the holding company; therefore, they are not entitled to any remuneration from the Company.
Number of meetings of the Board attended during the period.	Shri Jatin Kumar Nayak has attended all the Five (5) Board Meetings held during the financial period 2020-21.

Name	Shri P. Baburaj (DIN: 03299857)
Date of Birth	May 17, 1962
Date of Appointment	March 8, 2021
Qualifications	B.Sc Engineering (Electrical), ICWA inter (SIRC) completed. MBA (Finance), Calicut University LL.B, CCS university, Meerut
Expertise in specific Functional area	<p>Shri P. Baburaj has 35 years of experience in the field of thermal Power system and EHV power transmission system. He joined NTPC as Executive trainee in 1986 and underwent training on all aspects of thermal plant design, operation and maintenance. He also had extensive training on Design, construction and operation on EHV transmission. He served NTPC for 9 years in the area of design of transformers and protection systems.</p> <p>In 1995, he joined with Power Grid Corporation and worked for 22 years in the field of Design & Construction of 400kv /220 Kv Substation and Transmission line and its commissioning. During that period, he was directly involved in the construction of 4 nos. of transmission line of 400 KV level (both double ckt and single ckt), one Double ckt 220 kv line. Two nos of 400 KV/220KV Substations and 6 no of Bays extension works at different powergrid substations were carried out in these 22 years including commissioning works.</p> <p>In the year 2007, he joined REC Limited as DGM in Generation Division. He handled assessment, Appraisal of loan application of state sector and private sector entities along with the sanction of loan for setting up of thermal plants, disbursement of loan, its construction monitoring and commission in coordinated manner along with other lenders in consortium.</p> <p>Presently as Chief General Manager, he is unit in-charge of Stressed Asset Management Division, for reviving the non-performing loan assets to standard accounts, thereby reducing the NPAs of REC.</p>
Directorship held in other Companies	<ul style="list-style-type: none"> • Gadag Transmission Limited • Bidar Transmission Limited • Rajgarh Transmission Limited • MP Power Transmission Package -I Limited • Meenakshi Energy Limited
Membership/	Nil

Chairmanship of Committees across all Public Companies other than Kallam Transmission Limited	
Number of equity shares held in the Company	Nil
Relationship with other Directors	Shri P. Baburaj does not have <i>inter-se</i> relationship with any Director, Manager and other Personnel of the Company.
Details of Remuneration paid	All the Non-Executive Directors on the Board of the Company are nominated by the holding company; therefore, they are not entitled to any remuneration from the Company.
Number of meetings of the Board attended during the period.	Not Applicable.

Name	Shri Kuldeep Rai (DIN: 08203134)
Date of Birth	November 15, 1968
Date of Appointment	March 8, 2021
Qualifications	B.Tech (Electrical Engg.), PGDBM
Expertise in specific Functional area	<p>1. Damodar Valley Corporation (DVC)- Coal Based Thermal Power Plant : Operations and Maintenance Project and Contract Management Erection & Commissioning DVC - Transmission Grid Management: O & M and Load Schedule Management within DVC 220 KV and 132 Grid in co-ordination with ERLDC</p> <p>2. Maithon Power Limited (JV with Tata Power): Entire set of Activities for Setting up a Green Filed Project from Project conceptualisation stage- DPR formulation to Bidding through ICB Route and detailed Engg. Interface with various Consultants, Concerned Ministries and Power Sector Stakeholders.</p> <p>3. REC Limited: Business Strategy and Corporate Planning Activities from SPV formation to handover post selection of Bidder through TBCB Route for Transmission Projects (Both Inter and Intra State). Techno-Financial Risk and Credit Appraisal of Private Sector Projects including Conventional Generation, Transmission and Renewable Energy and State Sector Transmission & Distribution Projects posed for Lending Preposition.</p> <p>Overall Experience in Power Sector – 29 years</p>
Directorship held in other Companies	<ul style="list-style-type: none"> • Gadag Transmission Limited • Bidar Transmission Limited • Rajgarh Transmission Limited • MP Power Transmission Package -I Limited • ER NER Transmission Limited • Nagai Power Private Limited • Hiranmaye Energy Limited
Membership/ Chairmanship of Committees across all Public Companies other	Nil

than Kallam Transmission Limited	
Number of equity shares held in the Company	1 Equity share as nominee of RECPDCL
Relationship with other Directors	Shri Kuldeep Rai does not have <i>inter-se</i> relationship with any Director, Manager and other Personnel of the Company.
Details of Remuneration paid	All the Non-Executive Directors on the Board of the Company are nominated by the holding company; therefore, they are not entitled to any remuneration from the Company.
Number of meetings of the Board attended during the period.	Not Applicable.

BOARD'S REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting the First (1st) Annual Report together with the Financial Statements of your Company for the period ended March 31, 2021.

1. REVIEW OF OPERATIONS

Kallam Transmission Limited has been incorporated as a Special Purpose Vehicle (SPV), to undertake activities for development of various elements covered under "Transmission system for evacuation of power from RE projects in Osmanabad area (1 GW) in Maharashtra".

By virtue of the scheme of amalgamation as approved by MCA vide its order dated 5th February, 2021, the Special Purpose Vehicles (SPVs) which were wholly owned subsidiaries of RECTPCL have now become the subsidiaries of REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited).

A Single Stage Two Envelope Request for Proposal (RfP) has been adopted in accordance with tariff based competitive bidding guidelines of Ministry of Power, GOI for selection of developer as Transmission Service Provider. The RFP for the project has been issued w.e.f. March 05, 2020. The bidding process is expected to be concluded in FY 2021-2022.

2. FINANCIAL PERFORMANCE

The summary of Financial Performance of the company for the period ended on March 31, 2021 is as under:

Particulars	For the period ended 31/03/2021(in thousands)
Total Revenue	3000.00
Profit/Loss Before Tax	(951.56)
Profit/Loss after Tax	(951.56)

3. TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve.

4. DIVIDEND

No dividend has been recommended by the Board of Directors during the period ended March 31, 2021.

5. SHARE CAPITAL

The Paid-up share capital of the company as on March 31, 2021 was ₹5,00,000/- (Rupees Five Lakhs Only) divided into 50,000 equity shares of ₹ 10/- each. In pursuance of Scheme of Amalgamation as approved by Ministry of Corporate Affairs vide its Order dated February 5, 2021, RECTPCL has been amalgamated with RECPDCL. Further, the Special Purpose Vehicles (SPVs) which were subsidiaries of amalgamated company have now become subsidiaries of RECPDCL. Therefore, the entire Share Capital of the Company is held by the holding company REC Power Development and Consultancy Limited (formerly known as REC Power Distribution Company Limited) and its nominees.

6. BOARD OF DIRECTORS

As per Article 58 of Articles of Association of Company, the number of Directors of the Company shall not be less than 3 and not more than 15. As on March 31, 2021, the Company has three Directors on its Board as per details mentioned below:

Sl. No.	Name	Director Identification Number (DIN)	Designation	Date of Last Appointment/ Re-appointment	Date of Cessation
1.	Shri P.S.Hariharan	08657652	Chairman and Non-Executive Director	28.05.2020	09.03.2021
2.	Shri P. Baburaj	03299857	Chairman and Non-Executive Director	08.03.2021	Continuing
3.	Shri Kuldeep Rai	08203134	Non-Executive Director	08.03.2021	Continuing
4.	Shri Arun Kumar Tyagi	06940393	Non-Executive Director	28.05.2020	09.03.2021
5.	Shri Jatin Kumar Nayak	06940432	Non-Executive Director	28.05.2020	Continuing

The Company has all Non-Executive Directors on its Board. During the period under review, Shri P. Baburaj and Shri Kuldeep Rai have been appointed as Additional Directors w.e.f. March 8, 2021 and Shri P.S. Hariharan and Shri Arun Kumar Tyagi ceased to be the Directors of the Company with effect from March 9, 2021. As per the Articles of Association of Company, the appointment of Directors including the Chairman, Managing Director, Whole time Director, Part time Director shall be in the General Meeting in accordance with the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder and shall be eligible for re-appointment.

Shri Jatin Kumar Nayak (DIN: 06940432), shall retire by rotation in the ensuing 1st Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

7. NUMBER OF MEETINGS OF THE BOARD

During the period under review, Five (5) meetings of the Board of Directors of the Company were held viz. (i) June 26, 2020; (ii) July 27, 2020; (iii) October 29, 2020 (iv) January 28, 2021 and (v) March 8, 2021. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The Company is also complying with the Secretarial Standards issued by the Institute of Company Secretaries of India w.e.f. July 1, 2015 and also the revised Secretarial Standard issued w.e.f. October 1, 2017 in respect of Board Meetings (SS-1) and General Meetings (SS-2).

During the period ended March 31, 2021, the attendance of the Directors in the Board Meetings is as under:

Sl. No.	Name of Director	Board Meetings			Attendance at Last AGM	As on March 31, 2021 No. of other Directorships
		Held during the tenure	Attended	Percentage of Attendance		
1.	Shri P.S. Hariharan	5	5	100	Not Applicable	2
2.	Shri Arun Kumar Tyagi	5	3	60	Not Applicable	Nil
3.	Shri Jatin Kumar Nayak	5	5	100	Not Applicable	5
4.	Shri P. Baburaj*	-	-	-	Not Applicable	6
5.	Shri Kuldeep Rai*	-	-	-	Not Applicable	7

*Shri P.S. Hariharan and Shri Arun Kumar Tyagi ceased to be Directors of the Company w.e.f. March 9, 2021.

** Shri P. Baburaj and Shri Kuldeep Rai have been appointed as Additional Directors w.e.f. March 8, 2021.

There have been no Extraordinary General Meetings during the period. Further, no resolutions have been passed by Postal Ballot during the period.

8. GENERAL BODY MEETINGS

The Company was incorporated on May 28, 2020. The period of the first financial year is from May 28, 2020 (i.e. date of incorporation) to March 31, 2021, therefore, the ensuing Annual General Meeting is the first Annual General Meeting of the Company.

9. GENERAL SHAREHOLDER INFORMATION

The date, time and venue of First Annual General Meeting is as under:-

Day and Date	Time	Venue
Tuesday, November 30 , 2021	12:00 P.M.	Core-4, SCOPE Complex,7, Lodhi Road, New Delhi-110003

10. STATUTORY AUDITORS

M/s Suman Jeet Agarwal & Co., Chartered Accountants, New Delhi was appointed as Statutory Auditors of the Company for the financial year 2020-21 by the Comptroller & Auditor General of India. The Statutory Auditors have audited the Financial Statements of the Company for the period ended March 31, 2021. The Audited Financial Statements, Cash Flow Statement and the required annexure together with the Auditor's Report thereon are annexed to this Report. There is no qualification, reservations or adverse remark or disclaimer in the Statutory Auditor's Report on the Financial Statements of the Company.

11. COMMENTS OF THE C&AG OF INDIA

The Comptroller & Auditor General (C&AG) of India vide letter dated August 26, 2021 have decided not to conduct the supplementary audit of financial statements of the Company for the period ended March 31, 2021 under Section 143(6)(a) of the Companies Act, 2013 and as such have no comments to make under Section 143(6)(b) of the Companies Act, 2013. The copy of same forms part of this Annual Report.

12. PERSONNEL

Your Company has not appointed any permanent employees. Some of the employees of main holding company i.e. REC Limited have been assigned the additional duty to carry out the day to day work of REC Power Development and Consultancy Limited (formerly known as REC Power Distribution Company Limited), the holding company of Kallam Transmission Limited.

13. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

There are no significant particulars, relating to conservation of energy, technology absorption under Rule 8(3) of Companies (Accounts) Rules, 2014.

14. PARTICULARS REGARDING EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO

No such expenditure was incurred during the period. Further, no Export initiatives were carried out during the period and the Company has no earning or outgo in foreign exchange as per Rule 8(3) of Companies (Accounts) Rules, 2014.

15. DEPOSIT

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

16. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

The arrangements/ transactions during the period ended March 31, 2021 with related parties were in the ordinary course of business and on an arm's length basis. Disclosures of related party transactions and particulars of contracts or arrangements referred to in Section 188(1) of Companies Act, 2013, in prescribed **Form AOC-2 as per Rule 8(2) of Companies (Accounts) Rules, 2014**, is appended as **Annexure** to this Board's report.

17. MATERIAL CHANGES BETWEEN THE END OF THE FINANCIAL PERIOD AND THE DATE OF THE DIRECTOR'S REPORT

There is no significant event occurred after Balance Sheet date till the date of Directors Report.

18. RISK MANAGEMENT POLICY

Presently a separate risk management policy for the company has not been developed.

19. DISCLOSURES

- a. There are no instances regarding non- compliance, penalties, strictures imposed on the company by any statutory authority since incorporation.
- b. The Company is a Special Purpose Vehicle (SPV) and a wholly owned subsidiary of REC Power Development and Consultancy Limited (Formerly known as REC Power Distribution Company Limited) subsidiary of REC Limited and accordingly Presidential Directives issued by the Central Government to the extent applicable on the Company are being complied since incorporation.
- c. There is no expenditure debited in Books of accounts, which is not for the purpose of the business.
- d. There is no expense incurred which are personal in nature and incurred for the Board of Directors and Top Management.
- e. The holding company i.e. REC Power Development and Consultancy Limited (formerly known as REC Power Distribution Company Limited) bears all the expenditures on behalf of this company along with all other fellow subsidiaries.
- f. There was no change in the nature of Business of the Company during the period ended March 31, 2021.
- g. No significant and material orders have been passed by the Regulators or Courts or Tribunals which would affect the going concern status and Company's operations in future.
- h. There are no loans given, investments made, guarantees given and securities provided by the company as per Section 186 of the Companies Act, 2013 during the period under review.
- i. The Central Government has not prescribed the maintenance of cost records for the products/services of the Company under Companies (Cost Records and Audit) Rules, 2014, read with Companies (Cost Records and Audit) Amendment Rules, 2014 prescribed by the Central Government under Section 148 of the Companies Act, 2013. Accordingly, Cost Accounts and Records are not required to be maintained by the Company.

- j. The Company is a Special Purpose Vehicle (SPV) and a wholly owned subsidiary of RECPDCL in terms of the provisions of Companies Act, 2013. However, the company is managed as per the mandate from Government of India (GoI)/ State Governments and RECPDCL does not have the ability to direct the relevant activities of the company unilaterally. RECPDCL therefore, considers its investment in SPV as associates having significant influence.

20. ANNUAL RETURN

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at <https://www.recpdcl.in/>.

21. DIRECTORS' RESPONSIBILITY STATEMENT AS PER THE PROVISIONS OF COMPANIES ACT, 2013

Pursuant to the relevant provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts for the period ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.
- (b) such accounting policies have been applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2021 and of the profit of the company for the period ended on that date.
- (c) they have taken proper and sufficient care for the 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 fraud and other irregularities.
- (d) the financial statements have been prepared on a 'going concern' basis.
- (e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

22. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

RECPDCL (the holding company) has a committee under chairmanship of senior women official under the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, which also looks after complaint(s) regarding sexual harassment of women in subsidiary companies. During the year ended March 31, 2021, there were no complaints received by the Committee.

23. ACKNOWLEDGEMENT

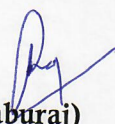
The Directors are grateful to the Ministry of Power for its continued co-operation and support. The Directors also place on record their sincere appreciation for the continued support of Shareholders, other Stakeholders, Banker, the holding company i.e. REC

Power Development and Consultancy Limited (formerly known as REC Power Distribution Company Limited), the main holding company i.e. REC Limited, Statutory Auditors of the Company and the Comptroller & Auditor General (C&AG) of India.

For and on behalf of the Board of the Directors

Place: New Delhi

Date: November 24, 2021


(P. Baburaj)
Chairman
DIN:03299857

Form No. 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:

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
NIL	NIL	NIL	NIL	NIL	NIL	NIL	Not Applicable

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2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
REC Power Development and Consultancy Limited (formerly known as REC Power Distribution Company Limited) (Holding Company of Kallam Transmission Limited)	Reimbursement of expenses	On-going transactions	₹ 52.55 Lakhs during the financial year 2020-21.	-	₹ 40.20 Lakhs during the financial year 2020-21.

(P. Baburaj)
Chairman
DIN:03299857



INDEPENDENT AUDITOR'S REPORT

To the Members of Kallam Transmission Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Kallam Transmission Limited** (A wholly owned subsidiary of REC Power Distribution Company Limited), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

- (1) Reversal of Business Support Service Charges through Credit Note Rs 1,73,083/-
(Refer Note no 21.05 attached to financial statement)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key matters which are to be communicated in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.



516, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi - 110001

Tel. : 011-43549486, 43549487, Mobile : 9811017538

E-mail : sumanjeet@sumanjeet.com

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub section (5) of Section 143 of the Companies Act 2013, the compliance of which is set out in "Annexure B".
3. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) Vide Notification No. G.S.R. 463(E) dated 5 June, 2015 issued by Ministry of Corporate Affairs, Government Companies have been exempted from applicability of the provisions 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 C**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact on its financial position in its standalone financial statements.
 - The Company did not have any long term contracts including derivative contracts for which there were material foreseeable losses.
 - There has no amount which were required to be transferred, to the investor Education and Protection Fund by the Company.

For Suman Jeet Agarwal & Co

Chartered Accountants

Firm's Registration Number: 011945N

Suman Jeet Agarwal
Partner

Membership Number: 091017

UDIN: 21091017AAAACO4854



Place: New Delhi

Date: 30-07-2021

Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Kallam Transmission Limited for the financial year ended on 31st March 2021)

- 1) In respect of the Company's fixed assets:
 - a) The Company does not have any fixed assets. Accordingly, paragraph 3(i) (a) & (i) (b) of the Order is not applicable.
 - b) According to the information and explanations given to us, the Company does not have any immovable property.
- 2) The Company does not have any physical inventory at the reporting period, thus, the paragraph 3(ii) of the Order is not applicable to the Company.
- 3) The Company has not granted any loans, secured or unsecured to any companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- 4) In our opinion and according to the information and explanations given to us, the Company has not given any loans, investments guarantees and security to the parties covered under section 185 & 186 of the Companies Act, 2013.
- 5) In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public. Thus the provision of clause (v) of paragraph 3 of the Order is not applicable to the company.
- 6) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- 7) According to the information and explanations given to us, in respect of statutory dues:
 - a) According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues the Company is regular in depositing undisputed statutory dues including income-tax, GST, cess and any other statutory dues with the appropriate authorities. There are no dues of provident fund and employee's state insurance payable by the Company.
 - b) According to the information and explanations given to us, there is no arrears of outstanding statutory dues as at last day of the financial year concerned for a period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us, there are no material dues on account of income tax or GST or wealth tax or duty of customs or cess, which have not been deposited on account of any dispute
- 8) According to the records of the Company examined by us and the information and the explanation given to us, the Company has not taken any loan or borrowing from any financial institution or Bank, or Government or issued any debentures. Accordingly, paragraph 3(viii) of the Order is not applicable.
- 9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- 10) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.



- 11) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration to its Directors. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- 14) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its directors or persons connected with him.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Suman Jeet Agarwal & Co

Chartered Accountants

Firm's Registration Number: 011945N

Suman Jeet Agarwal
Partner

Membership Number: 091017

UDIN: 21091017AAAACO4854



Place: New Delhi

Date: 30-07-2021

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Kallam Transmission Limited for the financial year ended on 31st March 2021)

S. No.	Directions	Our Report
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has proper system in place to process all the accounting transactions through IT system (Tally ERP.9). The company does not have any processing outside IT system of accounting transactions.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off 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.	According to information and explanations given to us, there are no cases of restructuring /waiver / write off debts / loans / interest made by a lender to the company due to company's inability to repay the loan.
3.	Whether funds received /receivable for specific schemes from central / state agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	According to the information and explanations given to us, the company does not have any funds received/receivable for specific schemes from central/state agencies.



Annexure - C to the Independent Auditors' Report

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Kallam Transmission Limited for the financial year ended on 31st March 2021)

Report on the Internal Financial Control 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 **Kallam Transmission Limited** ("the Company") as on March 31, 2021, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial 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 issued by the Institute of Chartered Accountants of India. 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 respective 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 internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in



accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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.

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 March 31, 2021, 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 Suman Jeet Agarwal & Co

Chartered Accountants

Firm's Registration Number: 011945N


Suman Jeet Agarwal
Partner
Membership Number: 091017
UDIN: 21091017AAAACO4854



Place: New Delhi

Date: 30-07-2021



Compliance Certificate

We have conducted the audit of annual accounts of **Kallam Transmission Limited** for the year ended 31st March 2021 in accordance with the directions/sub-direction issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all Directions/Sub-directions issued to us.

For Suman Jeet Agarwal & Co

Chartered Accountants

Firm's Registration Number 011945N



Suman Jeet Agarwal
(Partner)

Membership No. 091017

Place: New Delhi

Date: 30-07-2021

KALLAM TRANSMISSION LIMITED

CIN U40106DL2020GOI364104

Balance Sheet as at 31 March 2021

(All amounts in rupees thousands, unless stated otherwise)

	Notes	As at 31 March 2021
ASSETS		
Non-current assets		
Capital work in progress	4	363.59
Total non-current assets		363.59
Current assets		
Financial assets		
Cash and cash equivalents	5	20.00
Other current assets	6	230.43
Total current assets		250.43
TOTAL ASSETS		614.02
EQUITY AND LIABILITIES		
Equity		
Equity share capital	7	500.00
Other equity	8	(951.56)
Total equity		(451.56)
Current liabilities		
Financial liabilities		
Other financial liabilities	9	1,062.08
Other Current Liabilities	10	3.50
Total current liabilities		1,065.58
TOTAL EQUITY AND LIABILITIES		614.02

Summary of significant accounting policies 1 to 3

The accompanying notes from 4 to 21 are integral part of the financial statements.

This is the balance sheet referred to in our report.

For Suman Jeet Agarwal & Co

Chartered Accountants

FRN No. 011945N


Suman Jeet Agarwal
Partner
Membership No.091017



For and on behalf of Board of Directors of
KALLAM TRANSMISSION LIMITED


Poyilakavil Baburaj
Director
DIN No.: 03299857


Jatin Kumar Nayak
Director
DIN No.: 06940432

Place: New Delhi

Date: 30/07/2021





UDIN: 21091017 AAAACD4854

Place: New Delhi

Date: 30/07/2021

Place: New Delhi

Date: 30/07/2021

KALLAM TRANSMISSION LIMITED		
CIN U40106DL2020GOI364104		
Statement of Profit and Loss for the period ended 31 March 2021 (All amounts in rupees thousands, unless stated otherwise)		
Particulars	Notes	For the period from 28 May 2020 to 31 March 2021
Revenue		
Revenue from operations		-
Other income	11	3,000.00
Total income		3,000.00
Expenses		
Finance Cost	12	-
Other Expenses	13	3,951.56
Total expenses		3,951.56
Profit / (Loss) before tax		(951.56)
Tax expense	14	
Current tax		-
Deferred tax expense/(credit)		-
Net profit / (loss) for the period		(951.56)
Other comprehensive loss		
Items that will not be reclassified to profit or loss		
Re-measurement gains/(losses) on defined benefit plans		-
Income tax relating to these items		-
Other comprehensive Income/(loss) for the period		-
Total comprehensive income / (loss) for the period		(951.56)
Earnings per equity share		
Basic/diluted loss per share (Rs.)	15	(19.03)
(EPS for the relevant period not annualised)		
Summary of significant accounting policies 1 to3		
The accompanying notes from 4 to 21 are integral part of the financial statements.		
This is the Statement of Profit and Loss referred to in our report.		
For Suman Jeet Agarwal & Co Chartered Accountants FRN No. 011945N		For and on behalf of Board of Directors of KALLAM TRANSMISSION LIMITED
 Suman Jeet Agarwal Partner Membership No.091017		 Poyilikavil Baburaj Director DIN No.: 03299857
 Jatin Kumar Nayak Director DIN No.: 06940432		
Place: New Delhi Date: 30/07/2021	Place: New Delhi Date: 30/07/2021	Place: New Delhi Date: 30/07/2021
UDIN: 21091017AAAA04854		

KALLAM TRANSMISSION LIMITED

CIN U40106DL2020GOI364104

Statement of Cash Flow for the period ended 31 March 2021
(All amounts in rupees thousands, unless stated otherwise)

For the period from
28 May 2020 to
31 March 2021

A. CASH FLOW FROM OPERATING ACTIVITIES

Profit before tax	(951.56)
Changes in working capital:	
<i>Adjustments in operating assets and liabilities:</i>	
Other current liabilities	3.50
Other current assets	(230.43)
Other financial assets	
Other Financial Liabilities	1,062.08
Cash generated from operations	(116.41)
Less: Income tax paid	-
Net cash flow from operating activities (A)	(116.41)

B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment (including capital work-in-progress and intangibles)	(363.59)
Net cash used in investing activities (B)	(363.59)

C. CASH FLOWS FROM FINANCING ACTIVITIES

Issue of share capital	500.00
Net cash flow from financing activities (C)	500.00
Net increase in cash and cash equivalents (A+B+C)	20.00
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	20.00
Reconciliation of cash and cash equivalents as per the statement	20.00

Summary of significant accounting policies 1 to 3

The accompanying notes from 4 to 21 are integral part of the financial statements.

This is the Statement of Cash Flow referred to in our report.

For Suman Jeet Agarwal & Co

Chartered Accountants

FRN No. 011945N



Suman Jeet Agarwal

Partner

Membership No.091017

Place: New Delhi

Date: 30/07/2021

For and on behalf of Board of Directors of
KALLAM TRANSMISSION LIMITED



Poyilikavil Baburaj
Director
DIN No.: 03299857

Place: New Delhi

Date: 30/07/2021



Jatin Kumar Nayak
Director
DIN No.: 06940432

Place: New Delhi

Date: 30/07/2021

KALLAM TRANSMISSION LIMITED

CIN U40106DL2020GOI364104

Statement of changes in Equity for the period ended 31 March 2021

(All amounts in rupees thousands, unless stated otherwise)

A Equity share capital

	Amount
Equity raised during the period	500.00
Balance as at 31 March 2021	500.00

B Other equity

	Retained earnings	Total
Profit / (Loss) for the period from 28 May 2020 to 31 March 2021	(951.56)	(951.56)
Addition to the capital reserve	-	-
Balance as at 31 March 2021	(951.56)	(951.56)

Summary of significant accounting policies 1 to 3

The accompanying notes from 4 to 21 are integral part of the financial statements.

This is the Statement of Changes in Equity referred to in our report.

For Suman Jeet Agarwal & Co

Chartered Accountants

FRN No. 011945N

**Suman Jeet Agarwal**

Partner

Membership No.091017

Place: New Delhi

Date: 30/07/2021

For and on behalf of Board of Directors of

KALLAM TRANSMISSION LIMITED

Poyilikavil Baburaj
Director

DIN No.: 03299857

Place: New Delhi

Date: 30/07/2021

Jatin Kumar Nayak
Director

DIN No.: 06940432

Place: New Delhi

Date: 30/07/2021

1. COMPANY OVERVIEW

Kallam Transmission Limited ("the Company") was incorporated on 28.05.2020 at New Delhi. The Company is a wholly owned subsidiary of erstwhile REC Transmission Projects Company Limited (RECTPCL). The Company is a special purpose vehicle incorporated for "Transmission system for evacuation of power from RE projects in Osmanabad area (1 GW) in Maharashtra". The Government of India has appointed erstwhile REC Transmission Projects Company Limited as Bid Process Co-coordinator for selection of the developer for the project. On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities. As this is the first year of operation, the accounts have been prepared for the period from 28th May 2020 to 31st March 2021. Hence, previous year figures are not available.

REC Transmission Projects Company Limited (RECTPCL) was wholly owned subsidiary of REC Limited, a Government of India Enterprise which has been amalgamated with REC Power Distribution Company Limited (RECPDCL), another wholly owned subsidiary of REC Limited as per MCA order no.24/1/2020-CL-III dated 05.02.2021. Hence, the company, Kallam Transmission Limited is now a wholly owned subsidiary of REC Power Distribution Company Limited (REC PDCL).

2. BASIS OF PREPERATION AND SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation and measurement****(i) Statement of compliance with Indian Accounting Standards (Ind AS)**

These standalone financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented in these financial statements.

These financial statements for the period ended March 31, 2021 are the first financial statements of the Company.

(ii) Functional and presentation currency:

These financials have been presented in Indian Rupees (INR), which is also the Company's functional currency, all amounts have been rounded off to the nearest thousands (up to two digits), unless otherwise indicated.

(iii) Going concern and basis of measurement

The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis.



2.2 Significant accounting policies

(i) Revenue recognition

Revenue is recognised as per the five step model laid down under Ind AS 115 to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

(ii) Property, Plant and Equipment

Property Plant and Equipment are carried at cost less accumulated amortization and impairment losses, if any. The cost of Property Plant and Equipment comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Expenditure incurred during the development period/project implementation period, are treated as Capital work in progress. Accordingly, expenditure incurred on Administration/Interest etc. has been treated as Capital work in progress.

(iii) 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 recognized initially at fair value plus, 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. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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, as appropriate.



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

Subsequent measurement

Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

De-recognition

A financial liability is de-recognised 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 de-recognition 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 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.

(iv) Fair value measurement

The Company measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(v) Taxation

Current tax is the amount of tax payable in respect of taxable income for the period and is computed in accordance with the provisions of Income Tax Act, 1961. Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). The current tax is calculated using the tax rate that have been enacted or subsequently enacted by the end of the reporting period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

(vi) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(vii) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term balances, as defined above, net of outstanding cash credits as they are considered an integral part of the Company's cash management.

(viii) Borrowing costs

Borrowing costs that are directly attributable to the acquisition and/ or construction of a qualifying asset, till the time such a qualifying asset becomes ready for its intended use sale, are capitalized. Borrowing costs consist of interest and other costs that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use. All other borrowing costs are



charged to the Statement of Profit and Loss on an accrual basis as per the effective interest rate method.

(ix) Expenditure incurred by Holding Company

All the direct expenses incurred by holding company for SPV has been directly booked to the SPV. All Indirect / Common Expenses are allocated to SPV on the proportionate basis from the month of issue of RFQ / RFP (If RFQ stage is not adopted in the Bidding Process) or incorporation of SPV, whichever is earlier, till the month in which tenth day from the date of issue of Letter of Intent (LOI) for the transfer of the SPV falls. Part of the month, if any, is considered as full month for cost allocation. The holding company has charged interest @13.00% p.a. (FY 2020-21) on the funds deployed by it based on the REC interest rate circular for T & D loans for ungraded organisations, as on the beginning of the period. If bid process activity relating to any SPV is kept in abeyance, due to any reason, no cost allocation for such period of abeyance is made to such SPV and no interest is charged. For direct expenses, interest is charged from the month in which the expenditure is incurred whereas for indirect expenses interest is charged for the average period of deployment of funds. Such interest is calculated on monthly basis but recognised at the end of the period.

Expenditure incurred for the SPV by Holding Company on behalf of the Company is considered as "other financial liabilities" (Current). Also, interest is charged on such expenditure financed by Holding Company and such interest is also included in other financial liabilities.

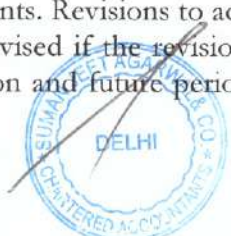
The Company is obtaining various licenses with respect to the project such as licenses under section 68, forest clearance and other clearance etc. from agencies concern. Expenses incurred in obtaining the license i.e. all direct expenditures and indirect expenditure are shown under Capital Work In Progress (CWIP) and Statement of Profit and Loss. In the opinion of management, 10% of the indirect expenses are estimated to be incurred in obtaining the license and hence capitalised.

Further, wherever, payments relating to the Company are made by the Holding Company and the ultimate Holding Company, procedural and statutory requirements with regard to deduction of Tax at Source and deposit thereof as applicable are also complied with by the Holding Company and the ultimate Holding Company against payments released on their account. As per the policy of Holding Company the invoice for the services provided is raised at the end of the financial period or on the date of the transfer of the SPV or on the receipt of acquisition price, whichever is earlier

2.3 Significant management judgment in applying accounting policies and estimation of uncertainty

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Such estimates & assumptions are based on management evaluation of relevant facts & circumstances as on date of financial statements. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.



3. Significant estimates and judgment's

The preparation of the Company's financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgments

Evaluation of indicators for impairment of assets – The evaluation of the applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Significant estimates

Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. In case of non-availability of market-observable data, Level 2 & Level 3 hierarchy is used for fair valuation.

Income Taxes – Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions and also in respect of expected future profitability to assess deferred tax asset.



KALLAM TRANSMISSION LIMITED

Notes forming part of Financial Statements for the period ending 31 March 2021

(All amounts in rupees thousands, unless stated otherwise)

		As at 31 March 2021
4 Capital work in progress		
<u>Business Support Expenses Allocated by Holding Co.</u>		
RFP and other expenses	128.68	
Salary & Establishment Expenses	234.91	363.59
Total		363.59
5 Cash and cash equivalents		
Balance with bank in current account		20.00
		20.00
6 Other current assets		
Balances with statutory and government authorities (CGST Input and SGST Input)		230.43
		230.43



KALLAM TRANSMISSION LIMITED

Notes forming part of Financial Statements for the period ending 31 March 2021

(All amounts in rupees thousands, unless stated otherwise)

7 Equity share capital

	As at 31 March 2021
Authorised equity share capital	
50,000 Equity shares of Rs 10 each	500.00
	500.00
Issued, subscribed and paid up equity share capital	
50,000 Equity shares of Rs 10 each	500.00
	500.00

i) Rights, preferences and restrictions 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.

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.

ii) Reconciliation of equity shares outstanding at the end of the period

	31 March 2021	
	No. of shares	Amount
Equity share capital of Rs. 10 each fully paid up		
Issued during the period	50,000	500.00
Balance at the end of the period	50,000	500.00

iii) Shareholders holding more than 5% of shares of the Company as at balance sheet date:

	As on 31 March 2021	
	No. of shares	% holding
49,994 Equity Shares held by REC Power Distribution Company Limited (erstwhile REC Transmission Projects Company Limited) And Balance 6 Equity Shares through other nominee of REC-PDCL Ltd.	50,000	100.00%

iv) Shares held by holding company:

	As at 31 March 2021	
	No. of shares	% holding
49,994 Equity Shares held by REC Power Distribution Company Limited (erstwhile REC Transmission Projects Company Limited) And Balance 6 Equity Shares through other nominee of REC-PDCL Ltd.	50,000	100.00%

- v) The Company has neither issued equity shares pursuant to contract without payment being received in cash or any bonus shares nor has there been any buy-back of shares since its incorporation.

8 Other equity

	As at 31 March 2021
Retained earnings	(951.56)
Total Reserves and surplus	(951.56)



KALLAM TRANSMISSION LIMITED

Notes forming part of Financial Statements for the period ending 31 March 2021

(All amounts in rupees thousands, unless stated otherwise)

	As at 31 March 2021
9 Other financial liabilities (Current)	
Sundry payable to Holding Company*	1,030.58
Audit Fees Payable	31.50
	1,062.08

* Refer note no 16 on related party transactions.

10 Other Current Liabilities

Statutory Payable	3.50
	3.50



KALLAM TRANSMISSION LIMITED

Notes forming part of Financial Statements for the period ending 31 March 2021

(All amounts in rupees thousands, unless stated otherwise)

	For the period from 28 May 2020 to 31 March 2021
11 Other income	
Income from sale of RFP documents	3,000.00
	3,000.00
12 Finance Cost	
Interest expense on financial liabilities measured at amortised cost	-
	-
13 Other Expenses	
Auditors' Remuneration	35.00
Business Support Services #	3,916.56
	3,951.56

#Business Support Services pertains to reimbursement of expenses to holding company(RECPDCL)

Salary & Establishment Expenses	2114.16
Advertisement Expenses	356.41
Consultancy Fees	207.20
Survey Charges	5.60
Legal & Professional Expenses	64.26
Common Expenses Allocated by Holding Co.	1158.20
Miscellaneous Expenses	10.73
Total	3,916.56

14 Tax expense	
Current tax	-
Tax on current year profits	-
Earlier Year Tax/(Refunds)	-
Deferred tax	-
	-

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate and the reported tax expense in statement of profit and loss, is as follows:-

Profit / (Loss) before tax	(951.56)
Domestic tax rate	26%
Expected tax expense [A]	(247.40)
Permanent differences	-
Deductible temporary differences / unused tax losses/ unused tax credits for which no deferred tax asset has been recognized	247.40
Total adjustments [B]	247.40
Actual tax expense [C=A+B]	-
Tax expense comprises:	
Current tax expense	-
Tax expense recognized in profit or loss [D]	-

15 Earnings per share (Rs.)	
Profit for the period	(951.56)
Weighted average number of equity shares for EPS	50,000
Par value per share (Rs)	10.00
Earnings per share - Basic and diluted (Rs)	(19.03)



KALLAM TRANSMISSION LIMITED

Notes forming part of Financial Statements for the period ending 31 March 2021

(All amounts in rupees thousands, unless stated otherwise)

16 Related Party transactions

In accordance with the requirements of Indian Accounting Standard – 24 the names of the related parties where control/ability to exercise significant influence exists, along with the aggregate amount of transactions and period end balances with them as identified and certified by the management are given below:

a. Details of related parties:

Description of relationship	Names of related parties
Holding company	REC Power Distribution Company Limited (RECPDCL) (Erstwhile REC Transmission Projects Company Limited)
Ultimate Holding company	REC Limited

Key management personnel (KMP)

The Company is a wholly owned subsidiary of REC Power Distribution company Limited (RECPDCL) (Erstwhile REC Transmission Projects Company Limited (RECTPCL)), which is further wholly owned by REC Limited. The Key Managerial Personnel of the Company are employees of REC, deployed on part time basis. No managerial remuneration is paid to them by the Company. The details of such Key Managerial Personnel are as follows:

S.No.	Name	Designation	Date of Appointment	Date of separation
1	Puthiyarkattu Shivaraman Hariharan	Chairman and Director	28.05.2020	09.03.2021
2	Jatin Kumar Nayak	Director	28.05.2020	
3	Arun Kumar Tyagi	Director	28.05.2020	09.03.2021
4	Poyilkavil Baburaj	Director	08.03.2021	
5	Kuldeep Rai	Director	08.03.2021	

b. Transactions with Holding Company are as under:**RECPDCL (Erstwhile RECTPCL)****(i) Transactions during the period**

Business Support Services*	5,254.82
Interest	-
	<u>5,254.82</u>

For the period from
28 May 2020 to
31 March 2021

(ii) Outstanding Balances**RECPDCL (Erstwhile RECTPCL)**

Balance payable to Holding Co.	
Business Support Services	1,030.58
Interest	-
	<u>1,030.58</u>

As at
31 March 2021

*As per allocation policy, the holding company i.e. RECPDCL raises invoice against the expenses allocated to Kallam Transmission Limited. It has been noticed that there that the invoice raised by holding company(RECPDCL) for the FY 2020-21 is Rs 4453.23 thousands plus GST whereas the allocation based on the approved accounting policy is Rs. 4280.15 thousands resulting in difference of Rs 173.08 thousands. Hence holding Co. is intimated regarding the difference and accordingly the said amount is taken into consideration while preparing accounts.



KALLAM TRANSMISSION LIMITED

Notes forming part of Financial Statements for the period ending 31 March 2021

(All amounts in rupees thousands, unless stated otherwise)

21 Other notes to accounts

- 21.01 No Provision for Current Income tax has been made during the year as the company incurred losses, are in accordance with the provisions of Income Tax Act, 1961.

21.02 Payment to Auditors:

Particulars	31-Mar-21
Audit Fees	35,000/-
Total	35,000/-

- 21.03 According to the information and explanations given to us, there is no dues payable as at 31st March, 2021 to enterprises covered under "the Micro, Small and Medium Enterprises Development Act, 2006"
- 21.04 In the opinion of the management there are no contingent liabilities which are requires to be disclosed.
- 21.05 A credit note of Rs 1,73,083 plus GST issued by the holding company(RECPDCL) on 08-Jun-2021 in respect of business support services, however the company has taken effect of credit note of Rs 1,73,083 plus GST in the current financial year 2020-21.
- 21.06 The ledger balance with holding company(RECPDCL) as on 31-03-2021 are subject to reconciliation and subsequent confirmation by the holding company.
- 21.07 The Company is operating in a single segment and therefore disclosure requirements under Ind AS 108 is not applicable.
- 21.08 There is no employee in the roll of the Company. Employees working for the Company are in the roll of the ultimate holding company i.e. REC Limited. The employee expenses including contributions in respect of liabilities for employee benefit expense towards leave, provident fund, superannuation and all other benefits as applicable are accounted for by the ultimate holding company. Hence, disclosure requirements under Ind AS 19 is not applicable.
- 21.09 Provision for all known liabilities has been made in preparing the financial statements.
- 21.10 Due to lack of virtual certainty of future profits, no deferred tax assets has been created on the accumulated losses in view of the provisions of Indian Accounting Standard (Ind AS) 12 on "Income Taxes" issued by the ICAI.
- 21.11 There is no foreign currency transaction during the year ended 31st March, 2021.
- 21.12 **Disclosure Pursuant to Indian Accounting Standard – 24: - Transaction with Related Parties**
In accordance with the requirements of Indian Accounting Standard – 24 the names of the related parties where control/ability to exercise significant influence exists, along with the aggregate amount of transactions and period end balances with them as identified and certified by the management are given in note no 16 on related party transactions.

For Suman Jeet Agarwal & Co

Chartered Accountants

FRN No. 011945N

Suman Jeet Agarwal

Partner

Membership No.091017

Place: New Delhi

Date: 30/07/2021



For and on behalf of Board of Directors of

KALLAM TRANSMISSION LIMITED

Poyilikavil Baburaj

Director

DIN No.: 03299857

Place: New Delhi

Date: 30/07/2021

Jatin Kumar Nayak

Director

DIN No.: 06940432

Place: New Delhi

Date: 30/07/2021

UDIN: 21091017AAAA04854



भारतीय लेखापरीक्षा एवं लेखा विभाग
कार्यालय महानिदेशक लेखापरीक्षा (ऊर्जा)
दिल्ली

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

दिनांक/ Dated: 26.08.2021

सेवा में,

निदेशक

कल्लम ट्रांसमिशन लिमिटेड

नई दिल्ली

विषय: 31 मार्च 2021 को समाप्त अवधि के लिए कल्लम ट्रांसमिशन लिमिटेड, नई दिल्ली के वार्षिक लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, कल्लम ट्रांसमिशन लिमिटेड, नई दिल्ली के 31 मार्च 2021 को समाप्त अवधि के लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

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

भवदीय,

संलग्नक:- यथोपरि।

(डॉ. के. शेखर)

महानिदेशक

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF KALLAM TRANSMISSION LIMITED FOR THE PERIOD
ENDED 31 MARCH 2021**

The preparation of financial statements of Kallam Transmission Limited for the period ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(7) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 July 2021.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Kallam Transmission Limited for the period ended 31 March 2021 under Section 143(6)(a) of the Act.

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

(D. K. Sekar)

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

**Place: New Delhi
Dated: 26 August 2021**

KALLAM TRANSMISSION LIMITED
Registered Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003
CIN: U40106DL2020GOI364104

PROXY FORM (Form no. MGT-11)

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s):	Folio No./
Registered Address:	
No. of Shares held:	Email ID:

I/We, being the member (s) of shares of the above named company, hereby appoint:

1	Name:		
	Address:		Signature:-
	E-mail Id:		

or failing him / her

2	Name:		
	Address:		Signature:-
	E-mail Id:		

or failing him / her

3	Name:		
	Address:		Signature:-
	E-mail Id:		

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 1st Annual General Meeting of the Company, to be held on **Tuesday, November 30, 2021 at 12:00 P.M.** at the Registered Office of the Company at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003 and at any adjournment thereof in respect of such businesses as are indicated below:

Sl. No	Particulars
Ordinary Business	
1.	To receive, consider, approve and adopt the Audited Financial Statements of the Company for the period ended March 31, 2021, along with the Report of the Board of Directors and Auditors thereon.
2.	To appoint a Director in place of Shri Jatin Kumar Nayak (DIN: 06940432), who retires by rotation and being eligible, offers himself for re-appointment.
3.	To fix the remuneration of Statutory Auditors for the financial year 2021-22.
Special Business	
4.	To appoint Shri P. Baburaj (DIN: 03299857) as Director of the Company.
5.	To appoint Shri Kuldeep Rai (DIN: 08203134) as Director of the Company.

Signed this..... day of..... 2021

Signature of ShareholderSignature of Proxy holder(s)

Affix Revenue Stamp of Rs.1/-
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