

**MP POWER TRANSMISSION  
PACKAGE-I LIMITED**

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**NOTICE**

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Notice is hereby given that First (1<sup>st</sup>) Annual General Meeting of **MP Power Transmission Package-I Limited** will be held on **Wednesday, September 8, 2021 at 4:00 PM** 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 be 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 be liable to retire by rotation."

By order of the Board of Directors  
For MP Power Transmission Package-I Limited



(Ritu Madan Arora)  
Authorized Signatory

Place: New Delhi  
Date: 07/09/2021

**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 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 August 4, 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 1<sup>st</sup> 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 K Kumar Gupta & Associates, 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 31<sup>st</sup> March, 2021 for the Statutory Audit of Company.
7. The appointment of the Statutory Auditor for the financial period 2021-22 is yet to be made by the Comptroller and Auditor General (C&AG) of India. 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 period 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 Company Secretary 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.

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.

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 AT THE 1<sup>st</sup> ANNUAL GENERAL MEETING;**

<b>Name</b>	<b>Shri Jatin Kumar Nayak (DIN: 06940432)</b>
<b>Date of Birth</b>	June 2, 1969
<b>Date of Appointment</b>	Since Incorporation i.e. August 4, 2020
<b>Qualifications</b>	M.Com., CMA, CS
<b>Expertise in specific Functional area</b>	<p>Shri Jatin Kumar Nayak is non-executive Director (appointed by REC) on the Board of MP Power Transmission Package-I Limited since incorporation i.e. August 4, 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>
<b>Directorship held in other Companies</b>	<ul style="list-style-type: none"> <li>• Kallam Transmission Limited</li> <li>• Gadag Transmission Limited</li> <li>• Bidar Transmission Limited</li> <li>• Rajgarh Transmission Limited</li> <li>• MP Power Transmission Package-II Limited</li> </ul>
<b>Membership/ Chairmanship of Committees across all Public Companies other than MP Power Transmission Package-I Limited</b>	Nil
<b>Number of equity shares held in the Company</b>	Nil
<b>Relationship with other Directors</b>	Shri Jatin Kumar Nayak does not have <i>inter-se</i> relationship with any Director and other Key Managerial Personnel of the Company.
<b>Details of Remuneration paid</b>	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.
<b>Number of meetings of the Board attended during the period.</b>	Shri Jatin Kumar Nayak has attended all the Five (5) Board Meetings held during the financial period 2020-21.

<b>Name</b>	<b>Shri P. Baburaj (DIN: 03299857)</b>
<b>Date of Birth</b>	May 17, 1962
<b>Date of Appointment</b>	March 8, 2021
<b>Qualifications</b>	B.Sc Engineering (Electrical), ICWA inter (SIRC) completed. MBA (Finance), Calicut University LL.B, CCS university, Meerut
<b>Expertise in specific Functional area</b>	<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 &amp; Construction of 400kv /220 Kv Substation and Transmission line and its commisiong . 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>
<b>Directorship held in other Companies</b>	<ul style="list-style-type: none"> <li>• Kallam Transmission Limited</li> <li>• Gadag Transmission Limited</li> <li>• Bidar Transmission Limited</li> <li>• Rajgarh Transmission Limited</li> <li>• MP Power Transmission Package-II Limited</li> <li>• Meenakshi Energy Limited</li> </ul>

<b>Membership/ Chairmanship of Committees across all Public Companies other than MP Power Transmission Package-I Limited</b>	Nil
<b>Number of equity shares held in the Company</b>	Nil
<b>Relationship with other Directors</b>	Shri P. Baburaj does not have <i>inter-se</i> relationship with any Director and other Key Managerial Personnel of the Company.
<b>Details of Remuneration paid</b>	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.
<b>Number of meetings of the Board attended during the period.</b>	Not Applicable.

<b>Name</b>	<b>Shri Kuldeep Rai (DIN: 08203134)</b>
<b>Date of Birth</b>	November 15, 1968
<b>Date of Appointment</b>	March 8, 2021
<b>Qualifications</b>	B.Tech (Electrical Engg.), PGDBM
<b>Expertise in specific Functional area</b>	<p>1. Damodar Valley Corporation (DVC)- Coal Based Thermal Power Plant :</p> <p>Operations and Maintenance  Project and Contract Management  Erection &amp; Commissioning  DVC - Transmission Grid Management:  O &amp; 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 &amp; Distribution Projects posed for Lending Preposition.</p> <p>Overall Experience in Power Sector – 29 years</p>
<b>Directorship held in other Companies</b>	<ul style="list-style-type: none"> <li>• Kallam Transmission Limited</li> <li>• Gadag Transmission Limited</li> <li>• Bidar Transmission Limited</li> <li>• Rajgarh Transmission Limited</li> <li>• MP Power Transmission Package-II Limited</li> <li>• Nagai Power Private Limited</li> <li>• Hiranmaye Energy Limited</li> </ul>
<b>Membership/ Chairmanship of Committees across all Public Companies other than MP Power Transmission Package-I</b>	Nil

<b>Limited</b>	
<b>Number of equity shares held in the Company</b>	1 Equity share as nominee of RECPDCL
<b>Relationship with other Directors</b>	Shri Kuldeep Rai does not have <i>inter-se</i> relationship with any Director and other Key Managerial Personnel of the Company.
<b>Details of Remuneration paid</b>	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.
<b>Number of meetings of the Board attended during the period.</b>	Not Applicable.

## BOARD'S REPORT

To,  
The Shareholders,

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

### **1. REVIEW OF OPERATIONS**

MP Power Transmission Package-I Limited, a wholly owned subsidiary of RECPDCL was incorporated as a Special Purpose Vehicle (SPV) on August 4, 2020, to undertake activities for development of various elements covered under "Development of Intra-State Transmission work in M.P. through tariff based competitive bidding: Package – I".

A two stage Bidding process featuring separate Request for Qualification (RfQ) and 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 RfQ for the project has been issued on June 04, 2020. Five bidders have participated at the RfQ stage and all five bidders have qualified to participate in next stage of bidding i.e. RfP. The RfP for the project has been issued on November 02, 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:

<b>Particulars</b>	<b>For the period ended 31/03/2021 (₹in thousands)</b>
Total Revenue	2500.00
Profit/Loss Before Tax	(8693.28)
Profit/Loss after Tax	(8693.28)

### **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:

<b>Sl. No.</b>	<b>Name</b>	<b>Director Identification Number (DIN)</b>	<b>Designation</b>	<b>Date of Last Appointment/ Re-appointment</b>	<b>Date of Cessation</b>
1.	Shri P.S.Hariharan	08657652	Chairman and Non-Executive Director	04.08.2020	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	04.08.2020	09.03.2021
5.	Shri Jatin Kumar Nayak	06940432	Non-Executive Director	04.08.2020	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 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 1<sup>st</sup> 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) September 2, 2020; (ii) September 30, 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	Yes	2
2.	Shri Arun Kumar Tyagi	5	3	60	Yes	Nil
3.	Shri Jatin Kumar Nayak	5	5	100	Yes	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 August 4, 2020. The period of the first financial year is from August 4, 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
Wednesday, September 8, 2021	4 : 00 P.M.	Core-4, SCOPE Complex,7, Lodhi Road, New Delhi-110003

#### **10. STATUTORY AUDITORS**

M/s K Kumar Gupta & Associates, 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 July 12, 2021 have stated that they 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)(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 MP Power Transmission Package-I 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) which in itself is a wholly owned 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: August 4, 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 the 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

**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 the 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 MP Power Transmission Package-I Limited)	Interest and Reimbursement of expenses	On-going transactions	₹137.64 lacs during the financial year 2020-21	-	₹29.80 lacs during the financial year 2020-21

  
**(P. Baburaj)**  
Chairman  
DIN:03299857



**K KUMAR GUPTA & ASSOCIATES**  
CHARTERED ACCOUNTANTS

Registered Office :  
20/2780, 2nd Floor, Beadon Pura,  
Ajmal Khan Road, Karol Bagh,  
New Delhi-110005  
Tel. : 011-45049221  
(M) 9811356376, 8383802520  
E-mail : fcakkgtaxplanner@gmail.com  
cakkgupta@yahoo.com  
Website: www.cakkgupta.com

**INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF **MP POWER TRANSMISSION PACKAGE I LIMITED:**

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

We have audited the financial statements of **MP POWER TRANSMISSION PACKAGE I Limited** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2021, and the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flows for the period ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, and the loss, and changes in equity and its cash flows for the period ended on that date.

**Basis for Opinion**

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

**Information Other than the Financial Statements and Auditor's Thereon**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information in the Board report including Annexure to Board's Report and shareholder's Information, but does not include the financial statements and our auditor's report thereon.



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

In connection with our audit of the audit 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.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

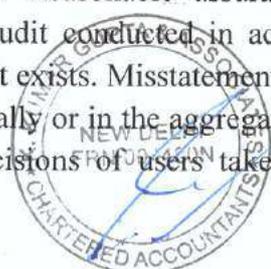
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

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

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



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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, 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.

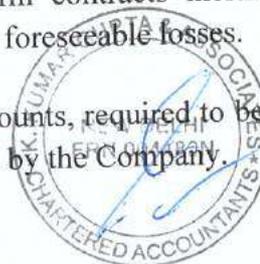


## Key Audit Matters

We have determined that there are no key audit matters to communicate in our reports for the MP POWER TRANSMISSION PACKAGE I Limited.

## Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, statement of change in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - (d) In our opinion, the aforesaid 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) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (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-II".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

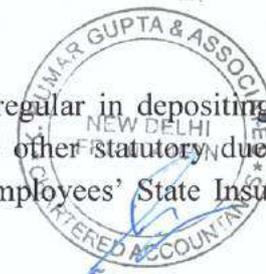


## ANNEXURE-I TO THE AUDITOR'S REPORT

THE ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF **MP POWER TRANSMISSION PACKAGE I LIMITED** FOR THE PERIOD ENDED 31.03.2021, WE REPORT THAT:

*The matters contained in paragraph 3 of the Companies (Auditor's Report) Order, 2016, are as follows:*

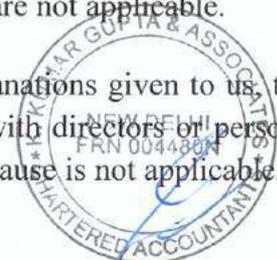
- i) (a) The company does not have any fixed asset as on the date of report as it is in the initial stage of set up. However, 10% of the expenditure incurred during construction stage has been booked to Capital Work in Progress (CWIP) amounting to Rs.961.07/-(in Thousand).Therefore the reporting under the clause is not applicable.  
  
(b) In view of reply at (a) above, the same is not applicable.  
  
(c) In view of reply at (a) above, the same is not applicable.
- ii) The company does not have any inventory as on the date of report. Therefore, the reporting under the clause is not applicable.
- iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In view of above, sub clause (a), (b) and (c) is not applicable.
- iv) In our opinion and according to the information and explanations given to us, the company has not dealt with any loans, investments, guarantees, and security under section 185 and 186 of the Companies Act, 2013 during the period of audit. Therefore, the reporting under the clause is not applicable.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public as per provisions of Section 73 to 76 of Companies Act, 2013 and Company (Acceptance of Deposits) Rules, 2014, therefore the reporting under the clause is not applicable.
- vi) As per the provision of sub section (1) of section 148 of the Companies Act, 2013 maintenance of cost records prescribed by the Central Government is not applicable to the company, therefore the reporting under the clause is not applicable.
- vii) (a) According to the records, the company is regular in depositing undisputed statutory dues including Income Tax, GST and other statutory dues applicable over the company. However Provident Fund, Employees' State Insurance, Sales



Tax, Duty of Customs, duty of Excise, Value added Tax and Cess are not applicable.

Further there are no arrears of outstanding statutory dues as at the last date of the reporting period concerned for a period of more than six months from the date, they became due.

- (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax or sales tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute, therefore reporting of amounts involved and forum where dispute is pending is not applicable.
- viii) The company has no loan or borrowings during the period of audit. Hence the default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders is not applicable; therefore, the reporting under the clause is not applicable.
- ix) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the period of audit; therefore, reporting under the clause is not applicable.
- x) There is no fraud by the company or any fraud on the Company by its officers or employees noticed or reported during the period of audit, therefore the reporting under the clause is not applicable.
- xi) Since section 197 of the Companies Act, 2013 is not applicable to the Company on account of it being a Government Company in accordance with the Ministry of Corporate Affairs Notification F.No.1/2/2014-CL.-V dated 05.06.2015, hence the provisions regarding managerial remuneration as per clause 3(xi) of the Order are not applicable.
- xii) The company is not a Nidhi Company and therefore the reporting clause is not applicable.
- xiii) Yes, all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.
- xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and therefore the reporting under the clause is not applicable.



xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore the reporting under the clause is not applicable.

**FOR K KUMAR GUPTA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. 004480N



**K K GUPTA**  
(Partner)

Membership No. 080511

Place: New Delhi  
Date: 31.05.2021

UDIN: 21080511AAAAAP7962

## ANNEXURE- II TO THE AUDITOR'S REPORT

Annexure referred to in our report of even date to the members of "M/s MP POWER TRANSMISSION PACKAGE I LIMITED" on the accounts for the period ended 31.03.2021.

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

We have audited the internal financial controls over financial reporting of "MP POWER TRANSMISSION PACKAGE I LIMITED" ("the Company") for the period ended 31.03.2021, in conjunction with our audit of the financial statements of the Company for the period ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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



### **Meaning of Internal Financial Controls over Financial Reporting**

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

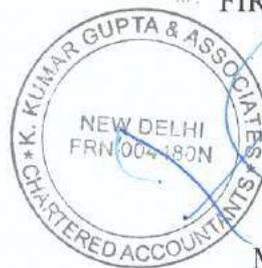
### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future period 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2021, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

**FOR K KUMAR GUPTA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. 004480N



**K K GUPTA**  
(Partner)

Membership No. 080511

Place: New Delhi

Date: 31.05.2021

UDIN: 21080511AAAAAP7962

**MP POWER TRANSMISSION PACKAGE I LIMITED**

CIN U40108DL2020GOI367417

Balance Sheet as at 31 March 2021

(All amounts in rupees thousands, unless stated otherwise)

	Notes	As at 31 March 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Capital work in progress	4	961.07
<b>Total non-current assets</b>		<b>961.07</b>
<b>Current assets</b>		
Financial assets		
Cash and cash equivalents	5	20.00
Other current assets	6	1,645.14
<b>Total current assets</b>		<b>1,665.14</b>
<b>TOTAL ASSETS</b>		<b>2,626.21</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	7	500.00
Other equity	8	(8,693.28)
<b>Total equity</b>		<b>(8,193.28)</b>
<b>Current liabilities</b>		
Financial liabilities		
Other financial liabilities	9	10,768.01
Other Current Liabilities	10	51.48
<b>Total current liabilities</b>		<b>10,819.49</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,626.21</b>

Summary of significant accounting policies

The accompanying notes are integral part of the financial statements.

This is the balance sheet referred to in our report.

For **K. K. Gupta & Associates**

Chartered Accountants

FRN No. 004480N

**K. K. Gupta**

Partner

Membership No. 080511

Place: New Delhi

Date: 31/05/2021

UDIN: 21080511AAAAA7962

For and on behalf of Board of Directors of  
**MP POWER TRANSMISSION PACKAGE I LIMITED****Poyilikavil Baburaj**

Director

DIN No.: 03299857

Place: New Delhi

Date: 24/05/2021

**Jatin Kumar Nayak**

Director

DIN No.: 06940432

Place: New Delhi

Date: 24/05/2021

**MP POWER TRANSMISSION PACKAGE I LIMITED**

CIN U40108DL2020GOI367417

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 04 August 2020 to 31 March 2021
<b>Revenue</b>		
Revenue from operations		-
Other income	11	2,500.00
<b>Total income</b>		<b>2,500.00</b>
<b>Expenses</b>		
Finance Cost	12	431.78
Employee Benefit Expense	13	5,286.10
Other expenses	14	5,475.40
<b>Total expenses</b>		<b>11,193.28</b>
<b>Profit before tax</b>		<b>(8,693.28)</b>
<b>Tax expense</b>	15	
Current tax		-
Deferred tax expense/(credit)		-
<b>Net profit / (loss) for the period</b>		<b>(8,693.28)</b>
<b>Other comprehensive loss</b>		
Items that will not be reclassified to profit or loss		
Re-measurement gains/(losses) on defined benefit plans		-
Income tax relating to these items		-
<b>Other comprehensive Income/(loss) for the period</b>		<b>-</b>
<b>Total comprehensive income / (loss) for the period</b>		<b>(8,693.28)</b>
<b>Earnings per equity share</b>		
Basic/diluted loss per share (Rs.)	16	(173.87)
(EPS for the relevant period not annualised)		

Summary of significant accounting policies

The accompanying notes are integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report.

**For K K Kumar Gupta & Associates**

Chartered Accountants

FRN No. 004480N



**K K Gupta**

Partner

Membership No. 080511

Place: New Delhi

Date: 31/05/2021

UDIN: 21080511AAAAA P7962

For and on behalf of Board of Directors of  
**MP POWER TRANSMISSION PACKAGE I LIMITED**

**Poyilkavil Baburaj**

Director

DIN No.: 03299857

Place: New Delhi

Date: 24/05/2021

**Jatin Kumar Nayak**

Director

DIN No.: 06940432

Place: New Delhi

Date: 24/05/2021

**MP POWER TRANSMISSION PACKAGE I LIMITED**

CIN U40108DL2020GOI367417

Statement of Cash Flow for the period ended 31 March 2021

(All amounts in rupees thousands, unless stated otherwise)

For the period from  
04 August 2020 to  
31 March 2021**A. CASH FLOW FROM OPERATING ACTIVITIES**

Profit before tax (8,693.28)

**Changes in working capital:***Adjustments in operating assets and liabilities:*

Other current liabilities 51.48

Other current assets (1,645.14)

Other financial assets -

Other Financial Liabilities 10,768.01

**Cash generated from operations 481.07**

Less: Income tax paid -

**Net cash flow from operating activities (A) 481.07****B. CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property, plant and equipment (including capital work-in-progress and intangibles) (961.07)

**Net cash used in investing activities (B) (961.07)****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

The accompanying notes are integral part of the financial statements.

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

**For K Kumar Gupta & Associates**

Chartered Accountants

FRN No. 004480N

NEW DELHI  
FRN 004480N

K K Gupta

Partner

Membership No. 080511

K K Gupta

Partner

Membership No. 080511

Place: New Delhi

Date: 31/05/2021

UDIN: 21080511AAAAAP7962

For and on behalf of Board of Directors of  
**MP POWER TRANSMISSION PACKAGE I LIMITED**Poyilikavil Baburaj  
Director  
DIN No.: 03299857Place: New Delhi  
Date: 24/05/2021Jatin Kumar Nayak  
Director  
DIN No.: 06940432Place: New Delhi  
Date: 24/05/2021

**MP POWER TRANSMISSION PACKAGE I LIMITED**

CIN U40108DL2020GOI367417

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
<b>Balance as at 31 March 2021</b>	<b>500.00</b>

**B Other equity**

	Retained earnings	Total
Profit / (Loss) for the period from 4 August 2020 to 31 March 2021	(8,693.28)	(8,693.28)
Addition to the capital reserve	-	-
<b>Balance as at 31 March 2021</b>	<b>(8,693.28)</b>	<b>(8,693.28)</b>

Summary of significant accounting policies

The accompanying notes are integral part of the financial statements.

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

For **K Kumar Gupta & Associates**

Chartered Accountants

FRN No. 004480N

**K K Gupta**

Partner

Membership No. 080511

Place: New Delhi

Date: 31/05/2021

UDIN: 2108051AAAAA7962

For and on behalf of Board of Directors of  
**MP POWER TRANSMISSION PACKAGE I LIMITED****Poyilikavil Baburaj**

Director

DIN No.: 03299857

Place: New Delhi

Date: 24/05/2021

**Jatin Kumar Nayak**

Director

DIN No.: 06940432

Place: New Delhi

Date: 24/05/2021

# MP POWER TRANSMISSION PACKAGE I LIMITED

Summary of Significant accounting policies & other information for the period ending 31st March 2021

(All amounts in Rupees Thousands, unless stated otherwise)

## 1. COMPANY OVERVIEW

MP Power Transmission Package I Limited ("the Company") was incorporated on 04.08.2020 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 "Development of intra state transmission work and transmission system strengthening works in Madhya Pradesh in two packages". The Government of Madhya Pradesh 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 4<sup>th</sup> August 2020 to 31<sup>st</sup> 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, MP Power Transmission Package I 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 (upto 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.

**(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**

**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;



## MP POWER TRANSMISSION PACKAGE I LIMITED

Summary of Significant accounting policies & other information for the period ending 31st March 2021  
(All amounts in Rupees Thousands, unless stated otherwise)

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

The Basic Earnings per equity share ('EPS') is computed by dividing the net profit or loss after tax before other comprehensive income for the period attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the period.

### (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.



## MP POWER TRANSMISSION PACKAGE I LIMITED

Summary of Significant accounting policies & other information for the period ending 31st March 2021  
(All amounts in Rupees Thousands, unless stated otherwise)

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 capitalized.

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.



### 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 judgment's, 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*

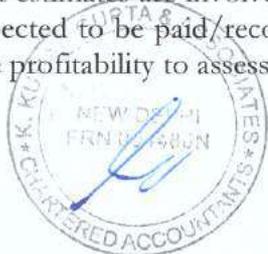
**Evaluation of indicators for impairment of assets** – The evaluation of the applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

#### *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.

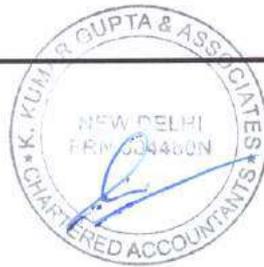


**MP POWER TRANSMISSION PACKAGE I LIMITED**

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
<b>4 Capital work in progress</b>	
Expenses Allocated by Holding Co.	
RFP and other expenses	325.75
Interest*	47.98
Salary & Establishment Expenses	587.33
<b>Closing Balance</b>	<b>961.07</b>
*Interest has been capitalised @13.00% per annum for FY 2020-21 .	
<b>5 Cash and cash equivalents</b>	
Balance with bank in current account	20.00
	<b>20.00</b>
<b>6 Other current assets</b>	
Balances with statutory and government authorities	1,645.14
(CGST Input and SGST Input)	<b>1,645.14</b>



**MP POWER TRANSMISSION PACKAGE I 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
<b>Authorised equity share capital</b>	
50,000 Equity shares of Rs 10 each	500.00
	<b>500.00</b>
<b>Issued, subscribed and paid up equity share capital</b>	
50,000 Equity shares of Rs 10 each	500.00
	<b>500.00</b>

**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
<b>Equity share capital of Rs. 10 each fully paid up</b>		
Issued during the period	50,000	500.00
<b>Balance at the end of the period</b>	<b>50,000</b>	<b>500.00</b>

**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	(8,693.28)
<b>Total Reserves and surplus</b>	<b>(8,693.28)</b>



**MP POWER TRANSMISSION PACKAGE I LIMITED**

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

(All amounts in rupees thousands, unless stated otherwise)

	<u>As at</u> <u>31 March 2021</u>
<b>9 Other financial liabilities (Current)</b>	
Advance from holding Company*	10,736.50
Audit Fees Payable	31.50
	<u>10,768.01</u>

\* Refer note no 17 on related party transactions.

**10 Other Current Liabilities**

Statutory Payable	51.48
	<u>51.48</u>

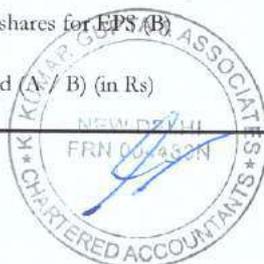


**MP POWER TRANSMISSION PACKAGE I LIMITED**

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 04 August 2020 to 31 March 2021
<b>11 Other income</b>	
Income from sale of RFP documents	2,500.00
	<u>2,500.00</u>
<b>12 Finance Cost</b>	
Interest expense on financial liabilities measured at amortised cost	431.78
	<u>431.78</u>
<b>13 Employee Benefit Expense</b>	
Salaries and Wages	5,286.10
	<u>5,286.10</u>
<b>14 Other expenses</b>	
Advertisement	1,433.04
Consultancy	592.00
Survey	420.80
Legal & Professional Expenses	11.40
Auditor's fee	35.00
Tour & Travel Expenses	37.23
Common Expenses Allocated by Holding Company	2,931.75
Miscellaneous Expenses	14.18
	<u>5,475.40</u>
<b>15 Tax expense</b>	
Current tax	-
Tax on current year profits	-
Earlier Year Tax/(Refunds)	-
Deferred tax	-
	<u>-</u>
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 before tax	(8,693.28)
Domestic tax rate	26%
<b>Expected tax expense [A]</b>	<u>(2,260.25)</u>
Permanent differences	-
Deductible temporary differences / unused tax losses/ unused tax credits for which no deferred tax asset has been recognized	2,260.25
<b>Total adjustments [B]</b>	<u>2,260.25</u>
<b>Actual tax expense [C=A+B]</b>	-
Tax expense comprises:	
Current tax expense	-
<b>Tax expense recognized in profit or loss [D]</b>	<u>-</u>
<b>16 Earnings per share (Rs.)</b>	
Profit /(Loss) for the period (A)	(8,693.28)
Weighted average number of equity shares for EPS (B)	50,000
Par value per share (in Rs.)	10.00
Earnings per share - Basic and diluted (A/ B) (in Rs)	<u>(173.87)</u>



**MP POWER TRANSMISSION PACKAGE I LIMITED**

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

(All amounts in rupees thousands, unless stated otherwise)

**17 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
<b>Holding company</b>	REC Power Distribution Company Limited (RECPDCL) (Erstwhile REC Transmission Projects Company Limited )
<b>Ultimate Holding company</b>	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	04.08.2020	09.03.2021
2	Jatin Kumar Nayak	Director	04.08.2020	
3	Arun Kumar Tyagi	Director	04.08.2020	09.03.2021
4	Poyilikavil Baburaj	Director	08.03.2021	
5	Kuldeep Rai	Director	08.03.2021	

**b. Transactions with Holding Company are as under:**

	For the period from 04 August 2020 to 31 March 2021
<b>RECPDCL (Erstwhile RECTPCL)</b>	
<b>(i) Transactions during the period</b>	
Reimbursement of expenses.	13,284.72
Interest	479.75
Advance	(29.80)
	<u>13,764.48</u>
<b>(ii) Outstanding Balances</b>	<b>As at</b>
<b>RECPDCL (Erstwhile RECTPCL)</b>	<b>31 March 2021</b>
Balance payable to Holding Co.	10,304.72
Reimbursement of expenses	431.78
Interest	10,736.50

**18 Financial instruments****i) Financial instruments by category measured at amortised cost:**

	As at 31 March 2021
<b>Financial assets</b>	
Cash and cash equivalents	20.00
	<u>20.00</u>
<b>Financial liabilities</b>	
Other financial liabilities	10,768.01
	<u>10,768.01</u>

Note: The carrying amounts of financial assets are considered a reasonable approximation of their fair values.



**MP POWER TRANSMISSION PACKAGE I LIMITED**

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

(All amounts in rupees thousands, unless stated otherwise)

**ii) Fair values hierarchy**

The Company does not have any financial assets or financial liabilities carried at fair value.

The carrying amounts of other financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values.

**19 Financial risk management**

**i) Risk management**

The main types of risks to which the Company is exposed in relation to financial instruments are as follows:

**A) Credit risk**

The Company only possess cash and cash equivalents as financial asset as on closing dates, hence and credit risk relating to cash and cash equivalents is considered to be negligible as counterparties are banks. The management considers the credit quality of deposits/balances with such banks to be good and reviews the banking relationships on an on-going basis.

**B) Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows, and by anticipating the maturity profiles of financial liabilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Further the Holding Company also incurs all the expenses on behalf of the Company and provides and unconditional liquidity support as an ongoing mechanism basis.

**Maturities of financial liabilities**

All the financial liabilities of the Company are current and are payable within one year.

**C) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises of currency risk, interest rate risk and price risk.

**Currency risk**

The company does not have any foreign currency transactions, hence, it is not exposed to currency

**Interest rate risk**

As the Company does not have any third party borrowings outstanding, it is not exposed to interest rate risk.

**Price risk**

The company does not have any financial instrument which exposes it to price risk.

**20 First Year of operation**

As this is the first year of operation, the accounts have been prepared for the period from 04.08.2020 to 31.03.2021. Hence, previous year figures have not been given.

**21 Capital management policies and procedures**

The Company's capital includes issued share capital and all other distributable reserves (except for specific restricted reserves). The primary objective of the Company's capital management is to maximise shareholder value and to maintain an optimal capital structure to reduce the cost of capital. The Company does not have any non-current borrowings and all its capital needs are met by capital or shareholders only.



**MP POWER TRANSMISSION PACKAGE I LIMITED**

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

(All amounts in rupees thousands, unless stated otherwise)

**22 Other notes to accounts**

- 22.1 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.
- 22.2 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.
- 22.3 The Company is operating in a single segment and therefore disclosure requirements under Ind AS 108 is not applicable.
- 22.4 The Company has no outstanding liability towards Micro, Small and Medium Enterprises.
- 22.5 The Contingent Liability of Company is Nil.
- 22.6 Consequent to the outbreak of COVID-19 pandemic, the Indian government had announced a lockdown in March 2020. Subsequently, the lockdown has been lifted by the government outside containment zones during the year. Further the second wave of COVID-19 pandemic started somewhere in the end of March 2021 and various State Governments imposed lockdown depending on the gravity of the situation and the situation is still continuing. The Company has assessed the impact of pandemic on its financial position based on the internal and external information available up to the date of approval of these financials. The Company continues to monitor the economic effects of the pandemic while taking steps to improve its execution efficiencies and the financial outcome.

**For K Kumar Gupta & Associates**

Chartered Accountants

FRN No. 004480N

**K K Gupta**

Partner

Membership No. 080511

Place: New Delhi

Date: 24/05/2021

UDIN: 21080511AAAAA7962

For and on behalf of Board of Directors of  
**MP POWER TRANSMISSION PACKAGE I LIMITED**

**Poyilikavil Baburaj**

Director

DIN No.: 03299857

Place: New Delhi

Date: 24/05/2021

**Jatin Kumar Nayak**

Director

DIN No.: 06940432

Place: New Delhi

Date: 24/05/2021



सत्यमेव जयते

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

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

दिनांक/ Dated: 12.07.2021

सेवा में,

निदेशक

एम. पी. पावर ट्रांसमिशन पैकेज I लिमिटेड

नई दिल्ली

विषय: 31 मार्च 2021 को समाप्त अवधि के लिए एम. पी. पावर ट्रांसमिशन पैकेज I 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, एम. पी. पावर ट्रांसमिशन पैकेज I 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 प्राप्त की पावती भेजी जाए।

भवदीय,

संलग्नक:- यथोपरि।

(डी. 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 MP POWER TRANSMISSION PACKAGE I LIMITED FOR THE  
PERIOD ENDED 31 MARCH 2021**

The preparation of financial statements of MP Power Transmission Package I 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 31 May 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 MP Power Transmission Package I 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: 12 July 2021**

**MP POWER TRANSMISSION PACKAGE-I LIMITED**  
**Registered Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003**

**CIN: U40108DL2020GOI367417**

**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 1<sup>st</sup> Annual General Meeting of the Company, to be held on **Wednesday, September 8, 2021 at 4:00 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
<b>Ordinary Business</b>	
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.
<b>Special Business</b>	
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 Shareholder .....Signature of Proxy holder(s) .....

Affix Revenue Stamp of Rs.1/-
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