

COMPLIANCE CERTIFICATE

We have conducted audit of annual accounts of KODERMA TRANSMISSION LIMITED for the year ending 31.03.2022, in accordance with the directions /sub directions issued by C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/sub directions issued to us.

For K K Soni & Co.
Chartered Accountants
FRN: 000947N



(CA. Sant Sujat Soni)
Partner
M.No. : 094227



Place: New Delhi

Dated: 10/05/2022

KODERMA TRANSMISSION LIMITED

CIN U40300DL2018GOI331192

Balance Sheet as at 31 March, 2022

(All amounts in ₹ thousands, unless stated otherwise)

Particulars	Notes	As at 31 March, 2022	As at 31 March, 2021
ASSETS			
Non-current assets			
Capital Work in progress	4	1,930.45	1,930.45
Total non current assets		1,930.45	1,930.45
Current assets			
Financial assets			
Cash and cash equivalents	5	20.00	20.00
Other current assets	6	1,609.39	1,597.37
Total current assets		1,629.39	1,617.37
TOTAL ASSETS		3,559.84	3,547.82
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	500.00	500.00
Other equity	8	(19,729.43)	(19,697.32)
Total equity		(19,229.43)	(19,197.32)
Current liabilities			
Financial liabilities			
Other financial liabilities	9	22,782.02	22,741.64
Other current liabilities	10	7.24	3.50
Total current liabilities		22,789.26	22,745.14
Total liabilities		22,789.26	22,745.14
TOTAL EQUITY & LIABILITIES		3,559.84	3,547.82

Summary of significant accounting policies 1 to 3

The accompanying notes from 1 to 20 are integral part of the financial statements.

These are the financial statements referred to in our report of even date.

For K K Soni & Company

Chartered Accountants

ICAI Firm Registration No. : 000947N

CA Sant Sujat Soni

Partner

Membership no. 094227

Place: New Delhi

Date: 10/05/2022



For and on behalf of Board of Directors of

KODERMA TRANSMISSION LIMITED

Sanjay Shilendra Kumar Kulshrestha

Director

DIN No.: 06428038

Place: New Delhi

Date: 10/05/2022

Mohan Lal Kumawat

Director

DIN No.: 07682898

Place: New Delhi

Date: 10/05/2022

KODERMA TRANSMISSION LIMITED

CIN U40300DL2018GOI331192

Statement of Profit and Loss for the year ended 31 March, 2022

(All amounts in ₹ thousands, unless stated otherwise)

Particulars	Notes	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Income			
Other income	11	5.70	-
Total Income		5.70	-
Expenses			
Finance costs		-	-
Other expenses	12	37.81	101.00
Total expenses		37.81	101.00
Loss before tax		(32.11)	(101.00)
Tax expense	13		
Current tax		-	-
Deferred tax expense/(credit)		-	-
Total tax expenses		-	-
Net Loss for the year		(32.11)	(101.00)
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		-	-
Income tax relating to these items		-	-
Other comprehensive income/(loss) for the year		-	-
Total comprehensive income/(loss) for the year		(32.11)	(101.00)
Loss per equity share			
Basic/diluted earnings/ (loss) per share (In ₹)	14	(0.64)	(2.02)

Summary of significant accounting policies 1 to 3

The accompanying notes from 1 to 20 are integral part of the financial statements.

These are the financial statements referred to in our report of even date.

For K K Soni & Company

Chartered Accountants

ICAI Firm Registration No. : 000947N



CA Sant Sujat Soni



Partner

Membership no. 094227

Place: New Delhi

Date: 10/05/2022

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



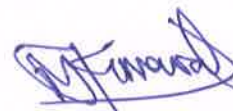
Sanjay Shilendra Kumar
Kulshrestha

Director

DIN No.: 06428038

Place: New Delhi

Date: 10/05/2022



Mohan Lal Kumawat

Director

DIN No.: 07682898

Place: New Delhi

Date: 10/05/2022

KODERMA TRANSMISSION LIMITED

CIN U40300DL2018GOI331192

Statement of changes in equity for the year ended 31 March, 2022

(All amounts in ₹ thousands, unless stated otherwise)

A Equity share capital

Particular	Amount
Balance as at 1 April, 2020	500.00
Changes in equity share capital during the year	-
Balance as at 31 March, 2021	500.00
Balance as at 1 April, 2021	500.00
Changes in equity share capital during the year	-
Balance as at 31 March, 2022	500.00

B Other equity

Particulars	31 March 2022	
	Retained earnings	Total
Balance as at 1 April, 2021	(19,697.32)	(19,697.32)
Loss for the year	(32.11)	(32.11)
Balance as at 31 March, 2022	(19,729.43)	(19,729.43)

Particulars	31 March 2021	
	Retained earnings	Total
Balance as at 1 April, 2020	(19,596.32)	(19,596.32)
Loss for the year	(101.00)	(101.00)
Balance as at 31 March, 2021	(19,697.32)	(19,697.32)

Summary of significant accounting policies 1 to 3

The accompanying notes from 1 to 20 are integral part of the financial statements.

These are the financial statements referred to in our report of even date.

For K K Soni & Company

Chartered Accountants

ICAI Firm Registration No.: 000947N

CA Sant Sujat Soni

Partner

Membership no. 094227

Place: New Delhi

Date: 10/05/2022



For and on behalf of Board of Directors of

KODERMA TRANSMISSION LIMITED

Sanjay Shilendra Kumar Kulshrestha

Director

DIN No.: 06428038

Place: New Delhi

Date: 10/05/2022

Mohan Lal Kumawat

Director

DIN No.: 07682898

Place: New Delhi

Date: 10/05/2022

KODERMA TRANSMISSION LIMITED

CIN U40300DL2018GOI331192

Statement of Cash Flows for the year ended 31 March, 2022

(All amounts in ₹ thousands, unless stated otherwise)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(32.11)	(101.00)
Operating profit before working capital changes	(32.11)	(101.00)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Other current assets	(12.01)	(26.58)
Adjustments for increase/ (decrease) in operating liabilities:		
Other financial liabilities (current)	40.38	371.27
Other current liabilities	3.74	(243.69)
Movement in operating assets and liabilities	32.11	101.00
Cash generated from operations	0.00	-
Less: Tax paid	-	-
Net cash flow from operating activities (A)	0.00	-
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Sale/(Purchase) of property, plant and equipment (including capital work-in-progress and intangibles)	-	-
Net cash used in investing activities (B)	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of share capital	-	-
Net cash flows from financing activities (C)	-	-
Net increase/decrease in cash and cash equivalents (A+B+C)	0.00	-
Cash and cash equivalents at the beginning of the year	20.00	20.00
Cash and cash equivalents at the end of the year	20.00	20.00
Reconciliation of cash and cash equivalents as per the cash flow statement	-	-

Explanatory notes -

Cash and Cash equivalents consists of Bank Balance . The details of Cash and Cash equivalents is as under

	As at 31st March 2022	As at 31st March 2021
Balance held with schedule bank		
-in current account	20.00	20.00

Summary of significant accounting policies 1 to 3

The accompanying notes from 1 to 20 are integral part of the financial statements.

These are the financial statements referred to in our report of even date.

For K K Soni & Company

Chartered Accountants

ICAI Firm Registration No.: 000947N

CA Sant Sujat Soni

Partner

Membership no. 094227

Place: New Delhi

Date: 10/05/2022



**For and on behalf of Board of Directors of
KODERMA TRANSMISSION LIMITED**

Sanjay Shilendra Kumar Kulshrestha

Director

DIN No.: 06428038

Place: New Delhi

Date: 10/05/2022

Mohan Lal Kumawat

Director

DIN No.: 07682898

Place: New Delhi

Date: 10/05/2022

KODERMA TRANSMISSION LIMITED

Summary of Significant Accounting Policies and other explanatory information for the year ended 31 March 2022
(All amounts in rupees thousand, unless stated otherwise)

1. COMPANY OVERVIEW

Koderma Transmission Limited ("the Company") was incorporated on **19th March 2018** at New Delhi. The Company is a wholly owned subsidiary of REC Power Development & Consultancy Limited (RECPDCL). Government of Jharkhand vide notification no. 03/06/17/2648 dated 21 August 2017 appointed REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited) as a Bid Process Co-coordinator for selection of the developer for different transmission projects. 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.

Government of Jharkhand vide its letter dated 30.09.2020, has decided to reinitiate the bidding process. Hence, the project has been kept in abeyance w.e.f. 01.10.2020.

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES

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.

The financial statements for the year ended March 31, 2022 were authorized and approved for issue by the Board of Directors on 10th May 2022.

(ii) Functional and presentation currency:

These financials are presented in Indian Rupees (INR), which is also the Company's functional currency, all amounts have been rounded off to nearest thousands (upto 2 digits), unless otherwise indicated.

(iii) Going concern and basis of measurement

The financial statements have been prepared on 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



KODERMA TRANSMISSION LIMITED

Summary of Significant Accounting Policies and other explanatory information for the year ended 31 March 2022 **(All amounts in rupees thousand, unless stated otherwise)**

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

iii) Financial instruments

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

Financial assets:

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified, at initial recognition at fair value through profit or loss, loans and borrowings, payables, as appropriate.

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

Subsequent measurement

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



KODERMA TRANSMISSION LIMITED

Summary of Significant Accounting Policies and other explanatory information for the year ended 31 March 2022

(All amounts in rupees thousand, unless stated otherwise)

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iv) Fair value measurement

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

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

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

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

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

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

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



KODERMA TRANSMISSION LIMITED

Summary of Significant Accounting Policies and other explanatory information for the year ended 31 March 2022 **(All amounts in rupees thousand, unless stated otherwise)**

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 year 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 year attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the year.

vii) Cash and cash equivalents

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

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

viii) Borrowing costs

Borrowing costs that are directly attributable to the acquisition and/ or construction of a qualifying asset, till the time such a qualifying asset becomes ready for its intended use sale, are capitalized. Borrowing costs consist of interest and other costs that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss on an accrual basis as per the effective interest rate method.



KODERMA TRANSMISSION LIMITED

Summary of Significant Accounting Policies and other explanatory information for the year ended 31 March 2022

(All amounts in rupees thousand, unless stated otherwise)

ix) Expenditure incurred by Holding Company

All the direct expenses incurred by RECPDCL 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. 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. The holding company charges interest on the funds deployed by it for the current year based on the REC interest rate circular for T & D loans for ungraded organisations, as on the beginning of the year. 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 year.

Government of Jharkhand vide its letter dated 30.09.2020, has decided to reinstate the bidding process. Hence, the project has been kept in abeyance w.e.f. 01.10.2020. Accordingly, Administration and salary expenses have not been done by Holding Co. for the FY 2021-22. Further, interest has not been charged by the Holding Co. for the year ended 31.03.2022.

Expenditure incurred for the SPV by REC Power Development and Consultancy Limited (formerly REC Power Distribution Co. Ltd.), Holding Company, on behalf of the Company is considered as "other financial liabilities" (Current).

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

Further, wherever, payments relating to the Company are made by the Holding Company and the ultimate Holding Company, procedural and statutory requirements with regard to deduction of Tax at Source and deposit thereof as applicable are also complied with by the Holding Company and the ultimate Holding Company against payments released on their account.

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.



KODERMA TRANSMISSION LIMITED

Summary of Significant Accounting Policies and other explanatory information for the year ended 31 March 2022
(All amounts in rupees thousand, unless stated otherwise)

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.



KODERMA TRANSMISSION LIMITED

Notes forming part of Financial Statements for the year ending 31 March 2022

(All amounts in ₹ thousands, unless stated otherwise)

4 Capital work in progress

Particulars	As at 31 March, 2022	As at 31 March, 2021
Opening Balance	1,930.45	1925.02
Expenses Allocated by Holding Co.		
Salary Expenses Allocated by Holding Company	0.00	5.43
Closing Balance	1,930.45	1,930.45

CWIP Ageing Schedule: -

Less than 1 year	0.00
1-2 years	5.43
2-3 years	431.22
More than three years	1493.80
	1930.45

All the above CWIP are temporarily suspended due to hold of bidding process.

5 Cash and cash equivalents

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balances with banks:		
- in current accounts	20.00	20.00
	20.00	20.00

6 Other current assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balances with statutory and government authorities*	1,609.39	1,597.37
	1,609.39	1,597.37

* Balances with statutory and government authorities includes GST input tax credit, which is reversed in the GST Return due to non payment of liability as per the provisions of GST Act 2017. The same shall be re- claimed upon payment of the liability as per the provisions of GST Act 2017.



KODERMA TRANSMISSION LIMITED

Notes forming part of Financial Statements for the year ending 31 March 2022

(All amounts in ₹ thousands, unless stated otherwise)

7 Equity share capital

Particulars	As at 31 March, 2022	As at 31 March, 2021
Authorized equity share capital		
50,000 Equity shares of Rs 10 each	500.00	500.00
	500.00	500.00
Issued, subscribed and paid up equity share capital		
50,000 Equity shares of Rs 10 each	500.00	500.00
	500.00	500.00

i) Terms & Rights attached to equity shares:

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

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 beginning and at the end of the year

	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	(₹ thousand)	No. of shares	(₹ thousand)
Equity share capital of ₹ 10 each fully paid up				
Balance at the beginning of the year	50,000	500.00	50,000	500.00
Add: Issued during the year				
Balance at the end of the year	50,000	500.00	50,000	500.00

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

	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	% holding	No. of shares	% holding
49,994 Equity Shares held by REC Power Development & Consultancy Limited (erstwhile REC Power Distribution Company Limited) And Balance 6 Equity Shares through other nominee of REC-PDCL Ltd.	50,000	100.00%	50,000	100.00%

iv) Shares held by promoter :

	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	% holding	No. of shares	% holding
49,994 Equity Shares held by REC Power Development & Consultancy Limited (erstwhile REC Power Distribution Company Limited) And Balance 6 Equity Shares through other nominee of REC-PDCL Ltd.	50,000	100.00%	50,000	100.00%

There is no change in holding of promoter during the financial year 2021-22.

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 incorporation.

8 Other equity

Particulars	As at 31 March, 2022	As at 31 March, 2021
Retained earnings		
Balance at the beginning of the year	(19,697.32)	(19,596.32)
Add : Transferred from statement of profit and loss	(32.11)	(101.00)
Closing Balance at the end of the year	(19,729.43)	(19,697.32)
Total other equity	(19,729.43)	(19,697.32)

Loss incurred by the company during the year is transferred to retained earning from Statement of Profit and Loss.



KODERMA TRANSMISSION LIMITED

Notes forming part of Financial Statements for the year ending 31 March 2022

(All amounts in ₹ thousands, unless stated otherwise)

9 Other financial liabilities (Current)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance from holding company*	22,750.52	22,710.14
Audit fees payable @	31.50	31.50
	22,782.02	22,741.64

* Refer note 16 on related party transactions

@ Audit Fees (in Rs)	35,000.00	35,000.00
TDS deducted (in Rs)	(3,500.00)	(3,500.00)
Net Audit Fees payable (in Rs)	31,500.00	31,500.00

10 Other current liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Statutory dues (TDS payable)	7.24	3.50
	7.24	3.50



KODERMA TRANSMISSION LIMITED

Notes forming part of Financial Statements for the year ending 31 March 2022

(All amounts in ₹ thousands, unless stated otherwise)

11 Other income

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Liabilities/ Expenses written off	5.70	-
	5.70	-

12 Other expenses

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Legal & Professional Expenses/MCA & ROC Filings	2.81	16.30
* Auditors remuneration	35.00	35.00
Miscellaneous Expenses	0.00	0.82
Administration Expenses Allocated by Holding Company	-	-
Salary Expenses Allocated by Holding Company	-	48.88
	37.81	101.00

*Comprises of following:

As auditors- statutory audit	35.00	35.00
	35.00	35.00

13 Tax expense

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Current tax		
Tax pertaining to current year	-	-
Tax pertaining to earlier years	-	-
Deferred tax expense/(credit)	-	-

	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Tax expense		
(i) Current tax		
Tax pertaining to current year	0.00	0.00
Tax pertaining to earlier years	0.00	0.00
(ii) Deferred tax expense/(credit)	0.00	0.00
	0.00	0.00

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 26% .

Accounting Loss before income tax	(32.11)	(101.00)
At country's statutory income tax rate of 26%	0.00	0.00
Adjustments in respect of taxes earlier years		
(i) Non-deductible expenses for tax purposes	0.00	0.00
(ii) Non-taxable incomes	0.00	0.00
(iii) Earlier year taxes	0.00	0.00
(iv) Deferred tax on allowable provisional expenditure of earlier year	0.00	0.00
(v) Deferred tax change due to rate change	0.00	0.00
	0.00	0.00

In accordance with the notified Indian Accounting Standard 12, "Income Taxes", deferred tax assets on carried forward losses, unabsorbed depreciation and other timing differences have not been accounted in the books. However in the absence of virtual certainty as to its realisation of deferred tax assets (DTA), DTA has not been created

14 Basic/diluted earnings/ loss per share

Net profit/(loss) for the year (in Rs thousands)	(32.11)	(101.00)
Weighted average number of equity shares for EPS (in numbers)	50,000	50,000
Par value per share (in ₹)	10	10
Earnings per share - Basic and diluted (in ₹)	(0.64)	(2.02)



KODERMA TRANSMISSION LIMITED

Notes forming part of Financial Statements for the year ending 31 March 2022

(All amounts in ₹ thousands, unless stated otherwise)

15 Related party transactions

Related Parties as per Indian Accounting Standard – 24 :

a. Details of related parties:

Description of relationship	Names of related parties
Holding company	REC Power Development & Consultancy Limited (formerly REC Power Distribution Company Limited (RECPDCL))
Parent's Holding company	REC Limited

Key management personnel (KMP)

The Company is a wholly owned subsidiary of REC Power Development & Consultancy Limited (formerly REC Power Distribution Company Limited RECPDCL), which is further wholly owned by REC Limited. The Key Managerial Personnel of the Company are employees of REC Limited, deployed on part time basis. No managerial remuneration is paid to them by the Company. The details of such Key Managerial Personnel are as below.

Name	Designation	Remarks
Valli Natarajan	Chairman and Director	(till 26.03.2021)
Sanjay Shilendrakumar Kulshrestha	Director	Continuing
	Chairman	(24.01.2022 to 03.08.2021)
Mohan Lal Kumawat	Director	Continuing
Saurabh Rastogi	Director	(w.e.f. 25.03.2021)
	Chairman & Director	(w.e.f. 04.08.2021)

KMPs / Directors Remuneration	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	0.00	0.00
Remuneration to KMP's		

b. Transactions with Holding Company (RECPDCL) are as under:

	Year ended	Holding Company
(i) Transactions during the year		
Interest	Year ended 31 March, 2022	0.00
	Year ended 31 March, 2021	0.00
Reimbursement of expenses	Year ended 31 March, 2022	44.11
	Year ended 31 March, 2021	376.71
(ii) Outstanding Balances at year end		
Advance from Holding Co.	Year ended 31 March, 2022	22,750.52
	Year ended 31 March, 2021	22,710.14



KODERMA TRANSMISSION LIMITED

Notes forming part of Financial Statements for the year ending 31 March, 2022

(All amounts in ₹ thousands, unless stated otherwise)

16 Financial instruments**i) Financial instruments by category measured at amortized cost:**

Particulars	As at 31 March, 2022	As at 31 March, 2021
Financial assets		
Cash and cash equivalents	20.00	20.00
Total	20.00	20.00
Financial liabilities		
Other financial liabilities	22,782.02	22,741.64
Other current liabilities	7.24	3.5
Total	22,789.25	22,745.14

The carrying amounts of financial assets and liabilities are considered a reasonable approximation of their fair values.

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.

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

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

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

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

17 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

The Financial liabilities of the Company comprises of :

- Audit Fees payable - which is paid by Holding Co. on behalf of this Co. and
- Liabilities payable to Holding Co. - The same is discharged by the selected bidder(through TBCB process conducted by Holding Co) which purchases the company by taking over all assets and liabilities of the company .However expected date of the same is not determinable.

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 risk.

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.

18 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.



KODERMA TRANSMISSION LIMITED

Notes forming part of Financial Statements for the year ending 31 March, 2022

(All amounts in ₹ thousands, unless stated otherwise)

19 Ratios Analysis

Ratio	31 March, 2022			31 March, 2021			Analysis	
	Numerator	Denominator	Ratios	Numerator	Denominator	Ratios	% Variance	Reason for Variance
Current Ratio	1,629.39	22,789.26	0.07	1,617.37	22,745.14	0.07	0.00	NA
Return on Equity Ratio	(32.11)	(19,213.37)	0.00	(101.00)	(19,146.82)	0.01	(0.68)	Lower amount of expenses booked as compared to FY 2020-21.
Trade Receivables Turnover Ratio	NA							
Trade Payables Turnover Ratio	NA							
Net capital Turnover Ratio	5.70	(21,159.87)	0.00	0	(21,127.77)	0.00	0.00	NA
Net Profit Ratio	(32.11)	5.70	(5.63)	(101.00)	0.00	0.00	0.00	NA
Return on Capital employed	(32.11)	(19,229.43)	0.00	(101.00)	(19,197.32)	0.01	(68.26)	Lower amount of expenses booked as compared to FY 2020-21.

Current ratio - Numerator includes current assets and Denominator includes current liabilities.

Return on Equity ratio - Numerator includes Net profit/(loss) after taxes and Denominator includes average shareholders equity.

Net capital turnover ratio - Numerator includes total other income and Denominator includes working capital.

Net profit ratio - Numerator includes profit / (loss) after tax and Denominator includes total income.

Return on capital employed - Numerator includes earning before interest and taxes and Denominator includes capital employed (network).

20 Other notes to accounts

- 20.1 As per the policy of Holding Company the invoice for the services provided is raised at the end of the financial year or on the date of the transfer of the SPV or on the receipt of advance/acquisition price, whichever is earlier.
- 20.2 There is no employee in the roll of the Company. Employees working for the Company are in the roll of the holding company i.e. RECPDCL and 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 holding company and ultimate holding company. Hence, disclosure requirements under Ind AS 19 is not applicable.
- 20.3 The code on social security 2020 (Code) relating to employee benefit during employment and post employment benefit received presidential assent in September 2020. The code has been published in the Gazette of India. However, the date on which the code will come in to effect has not been notified. However, there are no employees on roll of company.
- 20.4 The Company is operating in a single segment and therefore disclosure requirements under Ind AS 108 is not applicable.
- 20.5 The capital commitments, contingent liabilities and claims against the company not acknowledged as debt is nil as on 31.03.2022 (previous year nil as on 31.03.2021).
- 20.6 The Company has no outstanding liability towards Micro, Small and Medium Enterprises.
- 20.7 The company has no non material adjustment event after reporting period.
- 20.8 There are no foreign currency transactions during the year. Therefore no disclosures are required under Schedule III of the Companies Act, 2013.
- 20.9 The figures have been regrouped / reclassified / rearranged, wherever necessary for better presentation and to make them comparable.
- 20.10 Negative figures have been shown in bracket.

For K K Soni & Company

Chartered Accountants

ICAI Firm Registration No.: 000947N

CA Sant Sujat Soni

Partner

Membership no. 094227

Place: New Delhi

Date: 10/05/2022


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

Sanjay Shilendra Kumar Kulshrestha

Director

DIN No.: 06428038

Place: New Delhi

Date: 10/05/2022

Mohan Lal Kumawat

Director

DIN No.: 07682898

Place: New Delhi

Date: 10/05/2022