



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MP POWER TRANSMISSION PACKAGE I LIMITED:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MP POWER TRANSMISSION PACKAGE I LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2022, 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, 2022, 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's thereon

The company's board of directors is responsible for preparation of other information. The other Information comprises the information in the board report including annexure to the board 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 SA will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered as material if individually or in aggregate they could reasonably be expected to influence the economic decisions of the 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.

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



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 the governance with a statement that we have complied with the relevant ethical requirements, with the independence and to communicate with them all relationship and other matters that may reasonably be thought to bear on our independence and wherever applicable related safeguards.

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



Emphasis of Matter

1. According to the information and explanation given to us, 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 REC Power Development & Consultancy Limited (formerly REC Power Distribution Company Limited (REC PDCL). 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"

All the direct expenses incurred by holding company for Special purpose vehicle (SPV) has been directly booked to the Special purpose vehicle (SPV). All Indirect / Common Expenses are allocated to Special purpose vehicle (SPV) on the proportionate basis.

During the year under Audit, the company has booked 10%(on adhoc basis) of the total expenditure incurred during construction stage to Capital work in progress amounting to Rs.1602.04 thousands and charged the balance amount of expenses to Profit & Loss account.

In the opinion of management, 10% of the indirect expenses are estimated to be incurred in obtaining the license and hence capitalized (*Refer Note no-4 to Financial Statements*). No document could be provided to us regarding the approval /resolution of booking of 10%.

2. The holding company has charged interest @10.50% p.a. (FY 2021-22) on the funds deployed by it based on the REC interest rate circular for T & D loans for ungraded organizations, as on the beginning of the period (*Refer note no 4 &12 of the financial Statements*). Nothing regarding the same could be found in the terms and conditions of the assignment in the appointment letter no 04-02/PSP-213-D/650 dated 12.05.2020.
3. The books of accounts are being maintained by the company in Tally accounting package and the financials are prepared in excel from the data extracted from Tally .The same is prone to human error. Though, all necessary checks are being maintained to avoid such errors but it is not fool proof.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 CAG we have obtained and provided the details in "**Annexure-II**" in accordance with the directions issued under section 143(5) of the Act.
3. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, 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 the relevant rule thereunder, except for the Expenditure incurred during the development period/project implementation period, which are treated as Capital work in progress. Accordingly, expenditure incurred on Administration/Interest etc. has been treated as Capital work in progress. The company has booked 10% of the total cost (on adhoc basis) to capital work in progress without any basis.
- (e) As informed to us, the company does not have any branch in India or abroad, hence, requirement of branch audit is not applicable to the company.
- (f) On the basis of the written representations received from the company as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) Vide Notification No. G.S.R. 463(E) dated 5 June, 2015 issued by Ministry of Corporate Affairs, Government Companies have been exempted from applicability of the provisions of Section 164(2) of the Companies Act, 2013
- (h) 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-III".
- (i) 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 as on 31st March 2022.
- II. The company does not have any long term contract including the derivative contract for which there may be any material foreseeable losses, if any, in its financial Statements.
- III. As explained, there is no requirement of transferring of fund to Investor Education and Protection Fund by the company therefore disclosure to this effect is not required by the company.



ANNEXURE-I TO THE AUDITOR'S REPORT

THE ANNEXURE REFERRED TO UNDER THE HEADING 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT ON THE FINANCIAL STATEMENTS OF MP POWER TRANSMISSION PACKAGE I LIMITED FOR THE PERIOD ENDED 31.03.2022, WE REPORT THAT:

In respect of the Fixed Assets

- 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.1602.04/- (in Thousand). In the opinion of management, 10% of the indirect expenses are estimated to be incurred in obtaining the license and hence capitalized (*Refer Note no-4 to Financial Statements*). No document could be provided to us regarding the approval /resolution of booking of 10%.

(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 has not revalued its assets during the year.
- iii) The company does not have any inventory as on the date of report. Therefore, the reporting under the clause is not applicable.
- iv) The company is not holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- v) No working Capital limit has been sanctioned to the company.
- vi) 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.
- vii) 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.
- viii) 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.



- ix) 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.
- x) (a) According to the records, the company is regular in depositing the undisputed statutory dues including income tax GST and other statutory dues applicable to the company. However, the provident Fund, Employees state insurance, Sales tax ,duty of excise, Value added tax and cess are not applicable.
- (b) According to the information and explanations given to us, there are no amounts due in respect of income tax or sales tax or duty of customs or duty of excise or Goods and service Tax as at 31st March 2022.
- xi) According to the information given to us and as per the books of accounts produced before us, no transactions have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.
- xii) 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.
- xiii) (a) 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.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debenture during the year.
- xiv) 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.
- According to the information and explanations given to us, no whistle-blower complains received during the year by the company.
- xv) 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.
- xvi) The company is not a Nidhi Company and therefore the reporting clause is not applicable.
- xvii) The company has not appointed any internal auditor during the year.



- xviii) 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.
- xix) According to the information and explanation given to us and based on our examination of the records of the company, the company has not entered into non cash transaction with the persons and directors connected with it as referred in section 192 of the companies Act 2013. Accordingly Paragraph 3(XV) of the order is not applicable.
- xx) According to the information and explanation given to us company is not required to be registered under section 45 IA of the Reserve Bank of India Act 1934. Paragraph 3(xvi) of the order is not applicable.
- xxi) Based on the representation given by the management, the company has not incurred any cash losses during the financial year and immediately preceding financial year.
- xxii) No statutory auditors has resigned during the year.
- xxiii) The company has not spent any funds under section 135 of the Act

For Goel Mintri & Associates
Chartered Accountants
(Firm Regn Number :013211N)



CA Dikshita Sharma
(Partner)

Membership No-501659
UDIN : 22501659AIYVBE3991
Place: Delhi
Date:11.05.2022

ANNEXURE- II TO THE AUDITOR'S REPORT

THE ANNEXURE UNDER THE HEADING 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION REFERRED TO IN INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COMPANY ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.3.2022, WE REPORT THAT:

Compliance of the directions under section 143(5) of the companies Act 2013 for the Financial Year 2021-22 in case of MP Power Transmission Package I Limited.

1. Whether the company has system in place to process all the accounting transactions through IT system? If yes, implications of processing of accounting transaction outside IT system on the integrity of accounts along with the financial implications, if any, may be stated.

Reply: According to information and explanation given to us the company has system to process all the accounting transactions through accounting package Tally software on computers. Accounting package work on Single system and no other person other than authorized person can access the systems. Since all the transactions are made in accounting package in IT system through authorized access only, therefore accounting process is made in the safe environment. However, the Financials are made in excel with the data extracted from Tally only the same is prone to human error.

2. Whether there is any restructuring of existing loan, or the cases of waiver/ write off of the debts/loan/interests etc. made by a lender to the company due to company's inability to repay the loan, if yes, financial impact may be stated.

Reply: as per information & explanation given to us, there is no such case in the organization during the year.

3. Whether the funds received / receivable for specific scheme from central /state agencies were properly accounted for /utilized as per terms and conditions? List the cases of deviation.

Reply: According to the explanation & information given to us, no such case in the organization during the year.

For Goel Mintri & Associates
Chartered Accountants
(Firm Regn Number :013211N)


CA Dikshita Sharma
(Partner)

Membership No-501659
UDIN :22501659AIYVBE3991
Place: Delhi
Date: 11.05.2022

ANNEXURE- III TO THE AUDITOR'S REPORT

ANNEXURE UNDER THE HEADING 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION REFERRED TO IN OUR REPORT TO THE MEMBERS OF "M/S MP POWER TRANSMISSION PACKAGE I LIMITED" ON THE ACCOUNTS FOR THE PERIOD ENDED 31.03.2022.

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 31.03.2022, 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 Audit evidence we have obtained is sufficient to provide the basis for our audit opinion on the company's internal financial control 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 31st March 2022, 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 Goel Mintri & Associates
Chartered Accountants
(Firm Regn Number :013211N)



CA Dikshita Sharma
(Partner)

Membership No-501659
UDIN : 22501659AIYVBE3991
Place: Delhi
Date:11.05.2022



GOEL MINTRI & ASSOCIATES

CHARTERED ACCOUNTANTS

COMPLIANCE CERTIFICATE

We have conducted the audit of annual accounts of MP Power Transmission Package I Limited for the year ended 31st March 2022 in accordance with the directions /sub-directions issued by the 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.

Place: Delhi

Date: 11/05/22

For Goel Mintri & Associates
Chartered Accountants
(FRN:013211N)



CA Dikshita Sharma
(Partner)

Membership No-501659

MP POWER TRANSMISSION PACKAGE I LIMITED

CIN U40108DL2020GOI367417

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	1,602.04	961.07
Total non current assets		1,602.04	961.07
Current assets			
Financial assets			
Cash and cash equivalents	5	20.00	20.00
Other current assets	6	2,962.51	1,645.14
Total current assets		2,982.51	1,665.14
TOTAL ASSETS		4,584.55	2,626.21
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	500.00	500.00
Other equity	8	(16,726.44)	(8,693.28)
Total equity		(16,226.44)	(8,193.28)
Current liabilities			
Financial liabilities			
Other financial liabilities	9	19,934.66	10,768.01
Other current liabilities	10	876.33	51.48
Total current liabilities		20,810.99	10,819.49
Total liabilities		20,810.99	10,819.49
TOTAL EQUITY & LIABILITIES		4,584.55	2,626.21

Summary of significant accounting policies 1 to 3

The accompanying notes from 4 to 20 are integral part of the financial statements.

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

For Goel Mintri & Associates

Chartered Accountants

ICAI Firm Registration No.: 013211N

**Dikshita Sharma**

Partner

Membership no. 501659

Place: New Delhi

Date: 11/05/22

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: 10/05/2022

Jatin Kumar Nayak

Director

DIN No.: 06940432

Place: New Delhi

Date: 10/05/2022

UDIN: 22501659A14VBE3991

MP POWER TRANSMISSION PACKAGE I LIMITED

CIN U40108DL2020GOI367417

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 period from 4 August, 2020 to 31 March, 2021
Income			
Other income	11	-	2,500.00
Total Income		-	2,500.00
Expenses			
Finance costs	12	1,300.09	431.78
Other expenses	13	6,733.07	10,761.50
Total expenses		8,033.16	11,193.28
Profit/(Loss) before tax		(8,033.16)	(8,693.28)
Tax expense	14		
Current tax		-	-
Deferred tax expense/(credit)		-	-
Earlier year taxes/(refunds)		-	-
Total tax expenses		-	-
Net profit/(loss) for the year / period		(8,033.16)	(8,693.28)
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 / period		-	-
Total comprehensive income/(loss) for the year / period		(8,033.16)	(8,693.28)
Earnings/(Loss) per equity share			
Basic/diluted earnings/ (loss) per share (In ₹)	15	(160.66)	(173.87)

Summary of significant accounting policies 1 to 3

The accompanying notes from 4 to 20 are integral part of the financial statements.

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

For Goel Mintri & Associates

Chartered Accountants

ICAI Firm Registration No. :013211N



Dikshita Sharma

Partner

Membership no. 501659

Place: New Delhi

Date: 11/05/22

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: 10/05/2022


Jatin Kumar Nayak
Director

DIN No.: 06940432

Place: New Delhi

Date: 10/05/2022

MP POWER TRANSMISSION PACKAGE I LIMITED

CIN U40108DL2020GOI367417

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 period from 4 August, 2020 to 31 March, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(8,033.16)	(8,693.28)
Operating profit before working capital changes	(8,033.16)	(8,693.28)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Other current assets	(1,317.37)	(1,645.14)
Adjustments for increase/ (decrease) in operating liabilities:		
Other financial liabilities (current)	9,166.65	10,768.01
Other current liabilities	824.85	51.48
Movement in operating assets and liabilities	8,674.13	9,174.35
Cash generated from operations	640.97	481.07
Less: Tax paid	-	-
Net cash used in operating activities (A)	640.97	481.07
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Sale/(Purchase) of property, plant and equipment (including capital work-in-progress and intangibles)	(640.97)	(961.07)
Net cash flow from investing activities (B)	(640.97)	(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/decrease in cash and cash equivalents (A+B+C)	0.00	20.00
Cash and cash equivalents at the beginning of the year / period	20.00	-
Cash and cash equivalents at the end of the year / period	20.00	20.00
Reconciliation of cash and cash equivalents as per the cash flow statement	-	20.00

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 4 to 20 are integral part of the financial statements.

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

For **Goel Mintri & Associates**

Chartered Accountants

ICAI Firm Registration No.:013211N



Dikshita Sharma

Partner

Membership no. 501659

Place: New Delhi

Date: 11/05/22

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: 10/05/2022

Jatin Kumar Nayak

Director

DIN No.: 06940432

Place: New Delhi

Date: 10/05/2022

MP POWER TRANSMISSION PACKAGE I LIMITED

CIN U40108DL2020GOI367417

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 4 August, 2020	-
Equity raised during the period from 04.08.2020 to 31.03.2021	500.00
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	March 2022	
	Retained earnings	Total
Balance as at 1 April, 2021	(8,693.28)	(8,693.28)
Profit/(Loss) for the year	(8,033.16)	(8,033.16)
Balance as at 31 March, 2022	(16,726.44)	(16,726.44)

Particulars	March 2021	
	Retained earnings	Total
Balance as at 4 August, 2020	-	-
Profit/(Loss) for the period from 04.08.2020 to 31.03.2021	(8,693.28)	(8,693.28)
Balance as at 31 March, 2021	(8,693.28)	(8,693.28)

Summary of significant accounting policies 1 to 3

The accompanying notes from 4 to 20 are integral part of the financial statements.

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

For Goel Mintri & Associates

Chartered Accountants

ICAI Firm Registration No.: 013211N

**Dikshita Sharma**

Partner

Membership no. 501659

Place: New Delhi

Date: 11/05/22

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: 10/05/2022

Jatin Kumar Nayak

Director

DIN No.: 06940432

Place: New Delhi

Date: 10/05/2022

MP POWER TRANSMISSION PACKAGE I LIMITED

Summary of Significant accounting policies & other information for the year ending 31st March 2022
(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 REC Power Development & Consultancy Limited (formerly REC Power Distribution Company Limited (REC PDCL). 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 RECPDCL 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.

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.

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

(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.



MP POWER TRANSMISSION PACKAGE I LIMITED

Summary of Significant accounting policies & other information for the year ending 31st March 2022
(All amounts in Rupees Thousands, unless stated otherwise)

(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;
- 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



MP POWER TRANSMISSION PACKAGE I LIMITED

Summary of Significant accounting policies & other information for the year ending 31st March 2022

(All amounts in Rupees Thousands, unless stated otherwise)

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.

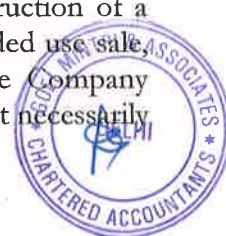
(vii) Cash and cash equivalents

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.

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, 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



MP POWER TRANSMISSION PACKAGE I LIMITED

Summary of Significant accounting policies & other information for the year ending 31st March 2022
(All amounts in Rupees Thousands, unless stated otherwise)

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 @10.50% p.a. (FY 2021-22) 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 year / 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 year / 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



MP POWER TRANSMISSION PACKAGE I LIMITED

Summary of Significant accounting policies & other information for the year ending 31st March 2022
(All amounts in Rupees Thousands, unless stated otherwise)

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 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	961.07	0.00
Expenses Allocated by Holding Co.		
- Salary allocated expense	363.47	587.33
- Administration allocated expense	133.04	325.75
- Interest *	144.46	47.98
Closing Balance	1,602.04	961.07

*Interest has been capitalised @10.50% per annum for FY 2021-22.

*Interest has been capitalised @13.00% per annum for FY 2020-21.

5 Cash and cash equivalents

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balances with banks:		
- with bank 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*	2,962.51	1,645.14
	2,962.51	1,645.14

* Balances with statutory and government authorities includes input tax credit under GST



MP POWER TRANSMISSION PACKAGE I 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 & Right 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	(₹ thousands)	No. of shares	(₹ thousands)
Equity share capital of ₹ 10 each fully paid up				
Balance at the beginning of the year	50,000	500.00	-	-
Add: Issued during the period from 04.08.2020 to 31.03.2021		-	50,000	500.00
Balance at the end of the period	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 (formerly 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 holding company:

	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 (formerly 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%

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

Particulars	As at 31 March, 2022	As at 31 March, 2021
Retained earnings		
Balance at the beginning of the period / year	(8,693.28)	-
Add : Transferred from statement of profit and loss	(8,033.16)	(8,693.28)
Closing Balance at the end of the period / year	(16,726.44)	(8,693.28)
Total other equity	(16,726.44)	(8,693.28)

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



MP POWER TRANSMISSION PACKAGE I 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*	19,903.16	10,736.50
Audit fees payable @	31.50	31.50
	19,934.66	10,768.01

* 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)	876.33	51.48
	876.33	51.48



MP POWER TRANSMISSION PACKAGE I 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 period from 4 August, 2020 to 31 March, 2021
Income from sale of RFP documents	-	2,500.00
	-	2,500.00

12 Finance costs

Particulars	For the year ended 31 March, 2022	For the period from 4 August, 2020 to 31 March, 2021
Interest expense on financial liabilities measured at amortised cost	1,300.09	431.78
Other interest expenses	-	-
	1,300.09	431.78

13 Other expenses

Particulars	For the year ended 31 March, 2022	For the period from 4 August, 2020 to 31 March, 2021
Printing and stationary	-	-
Advertisement	1940.02	1,433.04
Consultancy	0.00	592.00
Survey	0.00	420.80
Legal & Professional Expenses/MCA & ROC Filings	11.56	11.40
Auditors' remuneration	35.00	35.00
Tour & Travel Expenses	26.26	37.23
Common Expenses Allocated by Holding Company	1197.33	2,931.75
Salary Expenses allocated by Holding Company	3,271.36	5,286.10
Technical / IT Expenses	250.00	-
Miscellaneous Expenses	1.55	14.18
	6,733.07	10,761.50

*Comprises of following:

As auditors- statutory audit	35.00	35.00
	35.00	35.00

14 Tax expense

Particulars	For the year ended 31 March, 2022	For the period from 4 August, 2020 to 31 March, 2021
Current tax	-	-
Tax pertaining to current period	-	-
Tax pertaining to earlier years	-	-
Deferred tax expense/(credit)	-	-

For the year ended 31 March, 2022 For the period from 4 August, 2020 to 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	(8,033.16)	(8,693.28)
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.

15 Basic/diluted earnings/ loss per share

Net profit/(loss) for the year	(8,033.16)	(8,693.28)
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 ₹)	(160.66)	(173.87)



MP POWER TRANSMISSION PACKAGE I LIMITED

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

(All amounts in ₹ thousands, unless stated otherwise)

16 Related party transactions

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

a. Details of related parties:

Description of relationship	Names of related parties
Holding company	REC Power Development & Consultancy Limited (RECPDCL) (formerly REC Power Distribution Company Limited)
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	Date of Appointment	Date of resignation
Puthiyarkattu Shivaraman Hariharan	Chairman and Director	04.08.2020	09.03.2021
Jatin Kumar Nayak	Director	04.08.2020	-
Arun Kumar Tyagi	Director	04.08.2020	09.03.2021
Poyilikavil Baburaj	Director	08.03.2021	-
	Chairman and Director	04.08.2021	-
Kuldeep Rai	Director	08.03.2021	-

KMP's / Directors Remuneration	For the year ended 31 March, 2022	For the period from 4 August, 2020 to 31 March, 2021
Remuneration to KMP's	0.00	0.00

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

	Year ended	Holding Company
(i) Transactions during the year / period		
Interest	Year ended 31 March, 2022 Period ended 31 March, 2021	1,444.55 479.75
Reimbursement of expenses	Year ended 31 March, 2022 Period ended 31 March, 2021	8,594.95 13,284.72
(ii) Outstanding Balances at year period end		
Advance from Holding Company	Year ended 31 March, 2022 Period ended 31 March, 2021	19,903.16 10,736.50



MP POWER TRANSMISSION PACKAGE I LIMITED

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

(All amounts in ₹ thousands, unless stated otherwise)

17 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	19,934.66	10,768.01
Total	19,934.66	10,768.01

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.

18 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.

19 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 year ending 31 March, 2022

(All amounts in ₹ thousands, unless stated otherwise)

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 The holding company has charged interest @ 10.50% p.a. (FY 2021-22) on the funds deployed by it based on the REC interest rate circular for T & D loans for ungraded organizations, as on the beginning of the period (as per significant accounting policy no.2.2(ix)). The interest rate for private sector borrowers IR 5 for Transmission is considered. Interest rate for private sector grade IR5 shall be higher by 50 bps than the interest rate applicable to IR3. Hence, interest rate of 10.50% is considered. The same policy has also been approved by Board of Directors in the meeting dated 4th August 2021.
- 20.3 Wherever, payments relating to the Company are made by the Holding Company and the ultimate Holding Company, procedural and statutory requirements with regard to deduction of Tax at Source and deposit thereof as applicable are also complied with by the Holding Company and the ultimate Holding Company against payments released on their account (as per significant accounting policy no. 2.2 (ix)). The payment includes direct payments like Advertisement Expenses, Consultancy Expenses, Survey Expenses, MCA / ROC filing fees and other miscellaneous expenses and indirect allocated expenses payments like salary, rent, electricity and other administrative expenses etc.
- 20.4 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 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 holding company and ultimate holding company. Hence, disclosure requirements under Ind AS 19 is not applicable.
- 20.5 The Company is operating in a single segment and therefore disclosure requirements under Ind AS 108 is not applicable.
- 20.6 The Company has no outstanding liability towards Micro, Small and Medium Enterprises.
- 20.7 The capital commitments and contingent liabilities of the company is nil.
- 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 Negative figures have been shown in bracket.
- 20.10 The figures have been regrouped / rearranged / recast, wherever necessary for better presentation and to make them comparable.

For Goel Mintri & Associates
Chartered Accountants
ICAI Firm Registration No. 013241N

Dikshita Sharma
Partner
Membership no. 501659
Place: New Delhi
Date: 11/05/22

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

Poyilakavil Baburaj
Director
DIN No.: 03299857
Place: New Delhi
Date: 10/05/2022

Jatin Kumar Nayak
Director
DIN No.: 06940432
Place: New Delhi
Date: 10/05/2022