

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Mandar Transmission Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Mandar Transmission Limited ("the Company"), which comprise the balance sheet as at 31st March 2022, the statement of profit and loss, the statement of changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein 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 standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and the loss, and changes in equity and its cash flows for the year 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. 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### Other Information

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

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

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



## **Responsibilities of Management for the Financial Statements**

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### **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 A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 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.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i). The Company does not have any pending litigations as on March 31, 2022 which would impact its financial position.
  - ii). The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii). There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- h) As per directions issued by CAG of India under section 143(5) of Companies Act 2013, we report that:
- i). The Company is the newly setup SPV and has accounting transaction relating to setting up of company. All these accounting transactions are recorded in tally system. There are no accounting transactions outside IT system.
  - ii). There is no restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan.
  - iii). There are no funds received/ receivable for specific schemes from Central/ State agencies.

**For Narendra Singhania & Co.**  
**Chartered Accountants**  
**Firm Registration No. 009781N**

  
**Mayank Goel**  
**Partner**  
**Membership No.: 079910**



Place: New Delhi

Date: 10-08-2022

UDIN: 22079910APXCEC7628



## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date to the Members of Mandar Transmission Limited ("the Company") on the standalone financial statements as of and for the year ended March 31, 2022)

- i). (a) (1) The Company does not have any Property, Plant & Equipment as on the date of report as it is in the initial stage of setup. However, there is a Capital Work in Progress (CWIP) amounting to Rs. 1917.49/- (in Thousands). Therefore, the reporting under this clause is not applicable.  
  
(2) As informed to us, the Company does not have any intangible assets.  
  
(b) In the view of reply at (a) above, the same is not applicable.  
  
(c) In the view of reply at (a) above, the same is not applicable.  
  
(d) In the view of reply at (a) above, the same is not applicable.  
  
(e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii). (a) In our opinion and according to the information and explanations given to us, the nature of business activities of the company does not give rise to any inventory and hence reporting under clause under clause 3(ii)(a) of the Order is not applicable.  
  
(b) In our opinion and according to the information and explanations given to us, The Company has not been sanction working capital limits in excess of Rs. 5 crore, in aggregate, at any points of time during the year, from banks or financial institution on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii). In our opinion and according to the information and explanations given to us, 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 Companies Act, 2013 ("the Act"). Therefore, sub - clauses (iii) (a), (iii) (b), (iii) (c), (iii) (d), (iii) (e) & (iii) (f) of paragraph 3 of the Order are not applicable to the company.
- iv). In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or made any investments, or provided any guarantee or security to the parties covered under section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iv) of the Order are not applicable to the Company
- v). In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of section 73 to 76 of the Companies Act, 2013 and Company (Acceptance and Deposits) Rules, 2014. Therefore, reporting under this clause is not applicable.
- vi). In our opinion, and according to the information and explanations provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act for the business carried on by the Company.
- vii). (a) According to the information and explanations given to us, the Company has generally been regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of



customs, goods and services tax, cess and any other material statutory dues applicable to it. Further, no undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, duty of customs, goods and services tax, cess and any other statutory dues which have not been deposited on account of any dispute.

- viii). According to the information and explanations given to us, and based on our examination of the records of the Company, there are no transactions which have not been recorded in the books of accounts and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961,
- ix). According to the information and explanations given by the management, there are no dues to banks, financial institutions or debenture holders. The sub clause (ix) (b), (ix) (c), (ix) (d), (ix) (e) & (ix) (f) of paragraph 3 of the Order are not applicable to the Company.
- x). (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, Clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanation given to us, the provisions of clause (x) of paragraph 3 of the Order related to preferential allotment or private placement of shares is not applicable to the Company.
- xi). Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that no fraud by the Company or no fraud on the Company by its officers and employees has been noticed or reported during the year. The sub-clause (xi) (b) & (xi) (c) of paragraph 3 of the Order are not applicable to the Company.
- xii). In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of Clause (xii) of paragraph 3 of the said Order are not applicable to the Company.
- xiii). According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with the related parties, as disclosed in the financial statements, are in compliance with Section 188 of the Act and have been disclosed in the financial statements as required by the applicable Indian Accounting Standards. The provisions of Section 177 of the Act are not applicable to the Company.
- xiv). According to the information and explanations given to us, the clause (xiv) (a) and (xiv) (b) pursuant to Internal audit is not applicable to the Company.
- xv). According to the information and explanations given to us, the provisions of clause (xv) of paragraph 3 of the Order related to non-cash transactions with directors is not applicable to the Company.
- xvi). (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause (xvi) (a) of the Order is not applicable.
- (b) The Company has not conducted non-banking financial/ housing finance activities during the year. Accordingly, Clause 3(xvi)(b) of the Order is not applicable.





(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, Clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations given to us, the Company does not have any CICs, which are part of the Group. Accordingly, Clause 3(xvi)(d) of the Order is not applicable.

- xvii). According to the information and explanations given to us and based on our examination of the records of the Company, The Company has incurred cash losses in the financial year amounting to Rs. 32.11/- (in thousand) and in the immediately preceding financial year amounting to Rs. 101/- (in thousand).
- xviii). There has been change in statutory auditors by the Comptroller & Auditor General of India (CAG) for the FY 2021-22 vide letter No. CA.V/COY/CENTRAL GOVERNMENT, MANTL(1)/2023, dated 19 May 2022. There were no negative observations by the ongoing auditor.
- xix). According to the information and explanations given to us and on the basis of financial ratios (refer note 19), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx). In our opinion and according to the information and explanations given to us, the provision of sub section (5) of Section 135 of the Companies Act, 2013 pursuant to CSR project not applicable to the Company. Accordingly, Clauses (xx) (a) and (xx) (b) of the order are not applicable.

**For Narendra Singhania & Co.**  
**Chartered Accountants**  
**Firm Registration No. 009781N**

  
**Mayank Goel**

**Partner**

**Membership No.: 079910**



Place: New Delhi

Date: 10-08-2022

UDIN: 22079910APXCEC7628

## **ANNEXURE "B" TO INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2(f) under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date to the Members of Mandar Transmission Limited ("the Company") on the standalone financial statements as of and for the year ended March 31, 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 **M/s MANDAR TRANSMISSION LIMITED ("the Company")** as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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





## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, to the best of our information, and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For Narendra Singhania & Co.**  
**Chartered Accountants**  
**Firm Registration No. 009781N**

  
**Mayank Goel**

**Partner**

**Membership No.: 079910**



Place: New Delhi

Date: 

UDIN: 22079910APXCEC7628

**MANDAR TRANSMISSION LIMITED**

CIN U40101DL2018GOI331526

**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
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capital Work in progress	4	1,917.49	1,917.49
<b>Total non current assets</b>		<b>1,917.49</b>	<b>1,917.49</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	5	20.00	20.00
Current assets	6	1,536.61	1,524.60
<b>Total current assets</b>		<b>1,556.61</b>	<b>1,544.60</b>
<b>TOTAL ASSETS</b>		<b>3,474.10</b>	<b>3,462.09</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7	500.00	500.00
Other equity	8	(19,246.83)	(19,214.72)
<b>Total equity</b>		<b>(18,746.83)</b>	<b>(18,714.72)</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
	9	22,217.19	22,173.30
Other current liabilities	10	3.74	3.50
<b>Total current liabilities</b>		<b>22,220.93</b>	<b>22,176.80</b>
<b>Total liabilities</b>		<b>22,220.93</b>	<b>22,176.80</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>3,474.10</b>	<b>3,462.09</b>

Summary of significant accounting policies 1 to 3

The accompanying notes from 4 to 22 are integral part of the financial statements.

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

For Narendra Singhania & Co.

Chartered Accountants

Firm Registration No. 009781N

Mayank Goel

Partner

Membership no.: 079910

Place: New Delhi

Date: 10-08-2022



For and on behalf of Board of Directors of

**MANDAR TRANSMISSION LIMITED**

Saurabh Rastogi

Director

DIN No.: 05317155

Place: New Delhi

Date: 10-08-2022

Mohan Lal Kumawat

Director

DIN No.: 07682898

Place: New Delhi

Date: 10-08-2022

UDIN: 22079910APXCECT628



**MANDAR TRANSMISSION LIMITED**

CIN U40101DL2018GOI331526

**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
<b>Revenue</b>			
Other income	11	5.70	-
<b>Total Revenue</b>		<u>5.70</u>	<u>-</u>
<b>Expenses</b>			
Finance costs		-	-
Other expenses	12	37.81	101.00
<b>Total expenses</b>		<u>37.81</u>	<u>101.00</u>
<b>Loss before tax</b>		<b>(32.11)</b>	<b>(101.00)</b>
<b>Tax expense</b>	13		
Current tax		-	-
Deferred tax expense/(credit)		-	-
<b>Total tax expenses</b>		<u>-</u>	<u>-</u>
<b>Net Loss for the year</b>		<u><b>(32.11)</b></u>	<u><b>(101.00)</b></u>
<b>Other comprehensive loss</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		-	-
Income tax relating to these items		-	-
<b>Other comprehensive income/(loss) for the year</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income/(loss) for the year</b>		<u><b>(32.11)</b></u>	<u><b>(101.00)</b></u>
<b>Loss per equity share</b>	14	<b>(0.64)</b>	<b>(2.02)</b>

Summary of significant accounting policies 1 to 3

The accompanying notes from 4 to 22 are integral part of the financial statements.

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

For Narendra Singhania & Co.

Chartered Accountants

Firm Registration No. 009781N

  
Mayank Goel

Partner

Membership no.:079910

Place: New Delhi

Date: 10-08-2022



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

  
Saurabh Rastogi

Director

DIN No.: 05317155

Place: New Delhi

Date: 10-08-2022

  
Mohan Lal Kumawat

Director

DIN No.: 07682898

Place: New Delhi

Date: 10-08-2022

**MANDAR TRANSMISSION LIMITED**  
CIN U40101DL2018GOI331526  
**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
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	(32.11)	(101.00)
Operating profit before working capital changes	<u>(32.11)</u>	<u>(101.00)</u>
<b>Changes in working capital:</b>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Other current assets	(12.01)	(26.59)
<i>Adjustments for increase/ (decrease) in operating liabilities:</i>		
Other financial liabilities (current)	43.88	365.08
Other current liabilities	0.24	(237.49)
Movement in operating assets and liabilities	<u>32.11</u>	<u>101.00</u>
Cash generated from operations	0.00	-
Less: Tax paid	-	-
Net cash flow from operating activities	<u>(A) 0.00</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale/(Purchase) of property, plant and equipment (including capital work-in-progress and intan	-	-
Net cash used in investing activities	<u>(B) -</u>	<u>-</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of share capital	-	-
Net cash flows from financing activities	<u>(C) -</u>	<u>-</u>
Net increase/decrease in cash and cash equivalents	<u>(A+B+C) 0.00</u>	<u>-</u>
Cash and cash equivalents at the beginning of the year	20.00	20.00
Cash and cash equivalents at the end of the year	<u>20.00</u>	<u>20.00</u>
Reconciliation of cash and cash equivalents as per the cash flow statement	<u>-</u>	<u>-</u>

**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 22 are integral part of the financial statements.  
These are the financial statements referred to in our report of even date.

For Narendra Singhania & Co.  
Chartered Accountants  
Firm Registration No. 009781N

  
Mayank Goel  
Partner  
Membership no.:079910



Place: New Delhi  
Date: 10-08-2022

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

  
Saurabh Rastogi  
Director  
DIN No.: 05317155

Place: New Delhi  
Date: 10-08-2022

  
Mohan Lal Kumawat  
Director  
DIN No.: 07682898

Place: New Delhi  
Date: 10-08-2022



**MANDAR TRANSMISSION LIMITED**

CIN U40101DL2018GOI331526

**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 due to prior period errors	-
<b>Restated Balance as at 1 April, 2020</b>	<b>500.00</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2021</b>	<b>500.00</b>
 Balance as at 1 April, 2021	 500.00
Changes in equity share capital due to prior period errors	-
<b>Restated Balance as at 1 April, 2021</b>	<b>500.00</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2022</b>	<b>500.00</b>

**B Other equity**

	Retained earnings	Total
Restated Balance as at 1 April, 2020	(19,113.72)	(19,113.72)
Loss for the year	(101.00)	(101.00)
<b>Balance as at 31 March, 2021</b>	<b>(19,214.72)</b>	<b>(19,214.72)</b>
 Balance as at 1 April, 2021	 (19,214.72)	 (19,214.72)
Profit / (Loss) for the year	(32.11)	(32.11)
<b>Balance as at 31 March, 2022</b>	<b>(19,246.83)</b>	<b>(19,246.83)</b>

The accompanying notes from 4 to 22 are integral part of the financial statements.

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

For Narendra Singhania & Co.

Chartered Accountants

Firm Registration No. 009781N

  
Mayank Goel

Partner

Membership no.:079910

Place: New Delhi

Date: 10-08-2022



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



Saurabh Rastogi

Director

DIN No.: 05317155

Place: New Delhi

Date: 10-08-2022



Mohan Lal Kumawat

Director

DIN No.: 07682898

Place: New Delhi

Date: 10-08-2022

## **MANDAR 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**

Mandar Transmission Limited ("the Company") was incorporated on 26th March 2018 at New Delhi. The Company is a wholly owned subsidiary of REC Power Development & Consultancy Limited (RECPDCL) (formerly REC Power Distribution Company Limited). 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 reinstate 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, 2021 were authorized and approved for issue by the Board of Directors.

###### **(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 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.





## **MANDAR 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)**

#### **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.

##### **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:



## **MANDAR 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)**

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 valuemasurement is directly or indirectly observable; and

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





## **MANDAR 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.



**MANDAR 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.





# MANDAR 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	1,917.49	1912.06
Expenses Allocated by Holding Co.		
Salary Expenses Allocated by Holding Company	-	5.43
Closing Balance	<u>1,917.49</u>	<u>1,917.49</u>

### Ageing Schedule :-

CWIP	Amount in CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended *	-	5.43	418.26	1,493.80	1,917.49
Total					<u>1,917.49</u>

\* 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
	<u>20.00</u>	<u>20.00</u>

## 6 Other current assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balances with statutory and government authorities*	1,536.61	1,524.60
	<u>1,536.61</u>	<u>1,524.60</u>

\* 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.



# MANDAR 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
<b>Authorized equity share capital</b>		
50,000 Equity shares of Rs 10 each	500.00	500.00
	<b>500.00</b>	<b>500.00</b>
<b>Issued, subscribed and paid up equity share capital</b>		
50,000 Equity shares of Rs 10 each	500.00	500.00
	<b>500.00</b>	<b>500.00</b>

### 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)
<b>Equity share capital of ₹ 10 each fully paid up</b>				
Balance at the beginning of the year	50,000	500.00	50,000	500.00
Add: Issued during the year		-		
<b>Balance at the end of the year</b>	<b>50,000</b>	<b>500.00</b>	<b>50,000</b>	<b>500.00</b>

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

	As 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 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 (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%

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.





# MANDAR TRANSMISSION LIMITED

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

(All amounts in ₹ thousands, unless stated otherwise)

## 8 Other Equity

Particulars	As at 31 March, 2022	As at 31 March, 2021
Retained earnings		
Balance at the beginning of the year	(19,214.72)	(19,113.72)
Add : Transferred from statement of profit and loss	(32.11)	(101.00)
Closing Balance at the end of the year	(19,246.83)	(19,214.72)
<b>Total other equity</b>	<b>(19,246.83)</b>	<b>(19,214.72)</b>

## 9 Other financial liabilities (Current)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance from holding company*	22,182.19	22,141.80
Audit fees payable @	35.00	31.50
	<b>22,217.19</b>	<b>22,173.30</b>
* Refer note 15 on related party transactions		
<b>@ Audit Fees ( in Rs)</b>	<b>35,000.00</b>	<b>35,000.00</b>
TDS deducted (in Rs)	-	(3,500.00)
Net Audit Fees payable (in Rs)	<b>35,000.00</b>	<b>31,500.00</b>

## 10 Other current liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Statutory dues Payable		
- TDS Payable	3.74	3.50
	<b>3.74</b>	<b>3.50</b>



# MANDAR 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	-
	<b>5.70</b>	<b>-</b>

## 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 (refer details below)	35.00	35.00
Miscellaneous Expenses	0.00	0.82
Administration Expenses Allocated by Holding Company	-	-
Salary Expenses Allocated by Holding Company	-	48.88
	<b>37.81</b>	<b>101.00</b>
<b>Auditor's Remuneration</b>		
As auditors- statutory audit fees	35.00	35.00
	<b>35.00</b>	<b>35.00</b>

## 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)	-	-
	<b>-</b>	<b>-</b>
	<b>For the year ended 31 March, 2022</b>	<b>For the year ended 31 March, 2021</b>
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
	<b>0.00</b>	<b>0.00</b>

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
<b>Adjustments in respect of taxes earlier years</b>		
(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
	<b>0.00</b>	<b>0.00</b>

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





**MANDAR TRANSMISSION LIMITED**

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

(All amounts in ₹ thousands, unless stated otherwise)

	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>14 Basic/diluted earnings/ loss per share</b>		
Net profit/(loss) for the year (in Rs thousands)	(32.11)	(101.00)
Weighted average number of equity shares for EPS (in	50,000	50,000
Par value per share (in ₹)	10	10
Earnings per share - Basic and diluted (in ₹)	(0.64)	(2.02)

**15 Related party disclosures**

Related Parties as per Indian Accounting Standard – 24 :

**a. Name of related parties and related party relationship :**

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	w.e.f. 24.01.2022
Mohan Lal Kumawat	Director	Continuing
Saurabh Rastogi	Director	(w.e.f. 25.03.2021 )
	Chairman	(w.e.f. 04.08.2021 )

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

**b. Transactions with related parties :**

	Name of Related Party	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>(i) Transactions during the year</b>			
Interest	Holding Company (RECPDCL)	0.00	0.00
Reimbursement of expenses	Holding Company (RECPDCL)	44.11	370.52
<b>(ii) Outstanding Balances at year end</b>			
Advance from Holding Co.	Holding Company (RECPDCL)	22,182.19	22,141.80



**MANDAR 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
<b>Financial assets</b>		
Cash and cash equivalents	20.00	20.00
<b>Total</b>	<b>20.00</b>	<b>20.00</b>
<b>Financial liabilities</b>		
Other financial liabilities	22,217.19	22,173.30
Other current liabilities	3.74	3.50
<b>Total</b>	<b>22,220.92</b>	<b>22,176.80</b>

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**

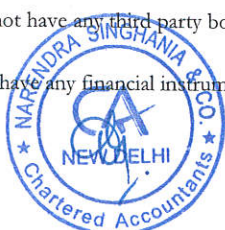
The company does not have any foreign currency transactions, hence, it is not exposed to currency risk.

**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.





**MANDAR TRANSMISSION LIMITED**

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

(All amounts in ₹ thousands, unless stated otherwise)

**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.

**19 Ratios Analysis**

S. No.	Ratio	Formula	Y.E 31.03.2022	Y.E 31.03.2021	% Variance as compared to preceding year	Explanation for change in ratio by more than 25%
1	Current Ratio	Current Assets / Current liabilities	0.07	0.07	0.00	
2	Debt-Equity Ratio	Total Debt / Shareholders Equity	0.00	0.00	0.00	
3	Debt Service Coverage Ratio	Earning available for Debt service / Debt service	NA	NA	NA	
4	Return on Equity Ratio	Net profit after Tax - Preference Dividend (if any) / Average shareholders equity	0.00	0.01	0.00	
5	Inventory turnover ratio	Cost of goods sold Or Sales / Average Inventory	NA	NA	NA	
6	Trade Receivables turnover ratio	Net credit sales / Average Accounts receivables	NA	NA	NA	
7	Trade payables turnover ratio	Net Credit purchase / Average Trade Payable	NA	NA	NA	
8	Net capital turnover ratio	Net sales / Average working Capital	NA	NA	NA	
9	Net profit ratio	Net Profit / Net sales	NA	NA	NA	
10	Return on Capital employed	Earning before interest and Taxes / Capital employed	0.00	0.01	0.00	
11	Return on investment	Current value of Investment - Cost of Investment / Cost of Investment	NA	NA	NA	

**20 Operational Outlook**

The company has accumulated losses of Rs. 19,246.83 as at 31 March 2022 (Rs. 19,214.72 as at 31 March 2021) resulting in complete decline of the net worth of the company. The ability of the company to continue as a going concern is dependent on the improvement of company's future operations and continued financial support from REC Power Distribution Company Limited (erstwhile REC Transmission Projects Company Limited), holding company. However, the financial statement of the company have been prepared on the basis that the company is going concern as the ultimate holding entity has confirmed to provide such financial support.

**21 Other notes to accounts**

- 21.1 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.
- 21.2 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.
- 21.3 The code on social security 2020 (Code) relating to employee benefit during employment and post employment benefit received presidential accent 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.
- 21.4 The Company is operating in a single segment and therefore disclosure requirements under Ind AS 108 is not applicable.
- 21.5 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).
- 21.6 The Company has no outstanding liability towards Micro, Small and Medium Enterprises.



**MANDAR TRANSMISSION LIMITED**

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

(All amounts in ₹ thousands, unless stated otherwise)

- 21.7 The company has no non material adjustment event after reporting period.
- 21.8 There are no foreign currency transactions during the year. Therefore no disclosures are required under Schedule III of the Companies Act, 2013.
- 21.9 Previous year figures have been regrouped and rearranged to be in conformity to current year's statements.
- 21.10 Negative figures have been shown in bracket.
- 22 The COVID-19 pandemic has severely impacted businesses around the world and is causing a slowdown of economic activity. The Company has evaluated the impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial statements as at March 31, 2022. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

**For Narendra Singhania & Co.**

Chartered Accountants

Firm Registration No. 009781N

  
Mayank Goel

Partner

Membership no.:079910

Place: New Delhi

Date: 10-08-2022



For and on behalf of Board of Directors of

**MANDAR TRANSMISSION LIMITED**

  
Saurabh Rastogi

Director

DIN No.: 05317155

Place: New Delhi

Date: 10-08-2022

  
Mohan Lal Kumawat

Director

DIN No.: 07682898

Place: New Delhi

Date: 10-08-2022