

To

The Members of

M/s. KANKANI POWER TRANSMISSION LIMITED

CORE- 4, SCOPE COMPLEX,  
7, LODHI ROAD, CENTRAL DELHI,  
NEW DELHI-110003

**Report on the Standalone Financial Statements for FY 2023-24**

**Opinion**

We have audited the accompanying Standalone financial statements of M/s. KANKANI POWER TRANSMISSION LIMITED (*"the Company"*) which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including other comprehensive Income), Statement of changes in Equity and Statement of Cash Flows for the year then ended, and summary of significant accounting policies and other explanatory information (herein after referred to as *"the Standalone financial statements"*).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act 2013 (*"the Act"*) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (*"IndAS"*) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, Loss and Total comprehensive Income, changes in equity and its cash flows for the year ended on that date subject to our observations given in this report.

**Basis for Opinion**

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



**Key Audit Matters**

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

Our opinion is not modified in respect of these matters.

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

The Company's board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, wherever applicable, but does not include the Standalone 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.

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 the fact. We have nothing to report in this regard.

**Responsibility of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the IndAS 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 Standalone financial statement 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.

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

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

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

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

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

#### **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(18 of 2013 ), we give in the **Annexure 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. Company maintains Standalone books of accounts at its head office and therefore no separate branch audit was conducted.
  - c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive Income, 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 Standalone financial statements comply with the IndAS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Amendment Rules, 2021.



- e. On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.
- g. In our opinion, to the best of our information and according to the explanations given to us, that the remuneration paid to Directors of the company is not in excess of the limit laid down under section under section 197.
- h. 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) Amendment Rules, 2021, in our opinion and to the best of our information and according to the explanations given to us:
1. The Company has disclosed the impact of pending litigations on its Standalone financial position in its financial statements, wherever applicable.
  2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  3. There has been no delay in transferring amounts, required to be transferred, wherever applicable, to the Investor Education and Protection Fund by the Company.
  4. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The Management has represented, that, to the best of its knowledge and belief no funds have been received by the Company from any person(s) or entity(ies), including foreign entities Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or Invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate





Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

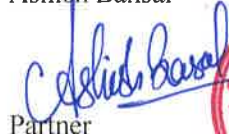
(c) Based on the audit procedures performed that have been considered reasonable and Appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (II) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

5. The company uses Tally accounting software for maintaining its books of account, and it has feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

**For SPS Associates**  
**Chartered Accountants**

FRN- 012358N

Ashish Bansal



Partner

M. No. 511005

UDIN- 24511005BKEOE8774

**Place:** New Delhi

**Date:** 24/04/2024



## Annexure A

(Refer to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of KANKANI POWER TRANSMISSION LIMITED, on the Standalone financial statements for the year ended 31 March, 2024 of even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) To (d) The Company does not have any Property, Plant and Equipment or any Intangible Asset during the year or at year end. Therefore, the requirement of maintaining proper records showing full particulars, including quantitative details, situation, title deed and physical verification etc. are not applicable to company.  
  
(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) There was no inventory with the company during the year or at year end therefore requirement of physical verification and maintaining records is not applicable to company.  
  
(b). As per Our opinion , the company has not been sanctioned any working capital limit from banks or financial institutions on the basis of security of current assets. Therefore there was no Requirement for Filing of any statements with such bank and financial statement in relation to that .
- (iii) The Company has not granted any loan, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Therefore, provision of clause iii (a)/ (b) and (c) does not apply for company.
- (iv) In our opinion based upon the information and explanation provided, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.



- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of Clause 3(v) of the Order are not applicable.
- (vi) As company has not done any production activity during the year, maintenance of cost records under Sub- Section (1) of Section 148 of the Act are not applicable to company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues, as applicable, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues, as applicable were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.
- (b) There was no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute.
- (viii) In our Opinion and based upon the explanations provided, company has not surrendered or disclosed any unrecorded income during the year in the tax assessment of Income tax act of 1961.
- (ix) (a). The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (b). The Company has not been declared wilful defaulter by any bank or Financial Institution or other Lender.
- (c). There were no Term Loan taken or applied by the company during the year.
- (d). As per our information there was no loan were raised during the year on short term basis.
- (e). Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures it is clarified that all the fund taken for his own primary purposes.





- (e). The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments).
- (b) Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi) (a). No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (b). No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c). There was not any Whistle Blower Complaints so the auditor has not considered whistle-blower complaints .
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of Clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc. as required by the applicable Ind AS.
- (xiv) In our opinion and based on our examination the company does not have any Internal Audit System and is not required to have an internal audit system as per provisions of the Company Act, 2013.
- (xv) In our opinion and to the best of our information, the Company has not entered into any non-cash transactions with the Directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (xvii) In our Opinion Company has incurred cash loss of Rs. 0.59 Lakhs in the financial year and Rs. NIL Lakhs in the immediately preceding financial year.
- (xviii) There has not been any resignation of the statutory auditors during the year.



- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is 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.
- (xx) Company was not required to transfer any unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act as it was not applicable on company.
- (xxi) This is being report on standalone financial statements, provision of sub-clause (xxi) of the Order is not applicable.

For SPS Associates  
Chartered Accountants  
FRN: - 012358N

Ashish Bansal  
Partner

M No.: 511005

UDIN- 24511005BKEC0EF8774

Place: New Delhi

Date: 24/04/2024



### Annexure-I

Direction indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts for the year 2023-24, issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013.

| SL. No. | Directors                                                                                                                                                                                                                                                                                                                                                                                                                | Reply                                                                                                                                                                                                         |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.                                                                                                                                                | As per our verification and records reviewed, all accounting transactions of the company are recorded in Tally software. No accounting transaction is being recorded/ processed otherwise than this software. |
| 2       | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loan/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender Company). | The company has not landed any fund to any entity during the year hence reporting this clause is not applicable.                                                                                              |
| 3       | Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.                                                                                                                                                                                            | During the year, no fund has been received from central/state agencies.                                                                                                                                       |

For SPS Associates  
Chartered Accountants  
FRN-012358N

CA Ashish Bansal  
Partner  
M. No. 511005  
Date: 24/04/2024  
Place: New Delhi



Annexure-II

**Compliance Certificate**

We have conducted the audit of annual accounts of (Name of the Company) for the year ended 31 March 2024 in accordance with the directions/sub-directions issued by the C& AG of the India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

For SPS Associates  
Chartered Accountants  
FRN-012358N

CA Ashish Bansal  
Partner

M. No. 51005

Date: 24/04/2024

Place: New Delhi



**KANKANI POWER TRANSMISSION LIMITED**

CIN U42202DL2023GOI424011

Balance Sheet as at 31 March, 2024

(All amounts in ₹ thousands, unless stated otherwise)

| Particulars                           | Notes | As at<br>31 March, 2024 |
|---------------------------------------|-------|-------------------------|
| <b>ASSETS</b>                         |       |                         |
| <b>Non-current assets</b>             |       |                         |
| Deffered Tax Asset                    | 4     | 14.85                   |
| <b>Total non current assets</b>       |       | <b>14.85</b>            |
| <b>Current assets</b>                 |       |                         |
| <b>Financial assets</b>               |       |                         |
| - Cash and cash equivalents           | 5     | 500.00                  |
| <b>Total current assets</b>           |       | <b>500.00</b>           |
| <b>TOTAL ASSETS</b>                   |       | <b>514.85</b>           |
| <b>EQUITY AND LIABILITIES</b>         |       |                         |
| <b>Equity</b>                         |       |                         |
| Equity share capital                  | 6     | 500.00                  |
| Other equity                          | 7     | (44.15)                 |
| <b>Total equity</b>                   |       | <b>455.85</b>           |
| <b>Current liabilities</b>            |       |                         |
| (a) Financial liabilities             |       |                         |
| Other financial liabilities           | 8     | 54.00                   |
| (b) Other current liabilities         | 9     | 5.00                    |
| <b>Total current liabilities</b>      |       | <b>59.00</b>            |
| <b>Total liabilities</b>              |       | <b>59.00</b>            |
| <b>TOTAL EQUITY &amp; LIABILITIES</b> |       | <b>514.85</b>           |

**Summary of significant accounting policies & other information 1 to 3**

The accompanying notes from 4 to 18 are integral part of the financial statements.

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

**For SPS Associates**

Chartered Accountants

FRN: 012358N

**Ashish Bansal**

Partner

Membership no: 511005

Date: 24/04/2024

Place: New Delhi

For and on behalf of Board of Directors of

**KANKANI POWER TRANSMISSION LIMITED**  
**KUNTALA VENU GOPAL**

Director

DIN: 10350619

Date: 24/04/2024

  
**DEBASIS MITRA**

Director

DIN: 10350620

Date: 24/04/2024



## KANKANI POWER TRANSMISSION LIMITED

CIN U42202DL2023GOI415540

Statement of Profit and Loss for the period ended from 31 March, 2024

(All amounts in ₹ thousands, unless stated otherwise)

|      | Particulars                                                                                                                                | Notes | For the Period ended<br>31 March, 2024 |
|------|--------------------------------------------------------------------------------------------------------------------------------------------|-------|----------------------------------------|
| I    | Revenue from operations                                                                                                                    |       |                                        |
| II   | Other income                                                                                                                               |       |                                        |
| III  | <b>Total Revenue (I+II)</b>                                                                                                                |       | -                                      |
| IV   | <b>Expenses</b>                                                                                                                            |       |                                        |
|      | Other expenses                                                                                                                             | 10    | 59.00                                  |
|      | <b>Total expenses</b>                                                                                                                      |       | 59.00                                  |
| V    | <b>Profit/(loss) before exceptional items and tax (III-IV)</b>                                                                             |       | (59.00)                                |
| VI   | Exceptional items                                                                                                                          |       | -                                      |
| VII  | <b>Profit/(loss) before tax (V-VI)</b>                                                                                                     |       | (59.00)                                |
| VIII | <b>Tax expense</b>                                                                                                                         | 11    |                                        |
|      | Current tax                                                                                                                                |       | -                                      |
|      | Deferred tax expense/(credit)                                                                                                              |       | (14.85)                                |
|      | Earlier year taxes/(refunds)                                                                                                               |       | -                                      |
|      | <b>Total tax expenses</b>                                                                                                                  |       | (14.85)                                |
| IX   | <b>Profit/(Loss) for the period (VII-VIII)</b>                                                                                             |       | (44.15)                                |
| X    | <b>Other comprehensive Income</b>                                                                                                          |       |                                        |
|      | - Items that will not be reclassified subsequently to profit or loss                                                                       |       |                                        |
|      | Re-measurement gains/(losses) on defined benefit plans                                                                                     |       | -                                      |
|      | Tax impact on re-measurement gains/(losses) on defined benefit plans                                                                       |       | -                                      |
| XI   | <b>Total Comprehensive Income for the period (IX+X)</b><br><b>(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b> |       | (44.15)                                |
| XII  | <b>Earnings per equity share (in ₹):</b>                                                                                                   | 12    |                                        |
|      | (1) Basic                                                                                                                                  |       | (0.88)                                 |
|      | (2) Diluted                                                                                                                                |       | (0.88)                                 |

## Summary of significant accounting policies &amp; other information 1 to 3

The accompanying notes from 4 to 18 are integral part of the financial statements.

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

For SPS Associates

Chartered Accountants

FRN: 012358N

Ashish Bansal

Partner

Membership no: 511005

Date: 24/04/2024

Place: New Delhi

For and on behalf of Board of Directors of

KANKANI POWER TRANSMISSION LIMITED

KUNTALA VENU GOPAL

Director

DIN: 10350619

Date: 24/04/2024

DEBASIS MITRA

Director

DIN: 10350620

Date: 24/04/2024

**KANKANI POWER TRANSMISSION LIMITED**

CIN U42202DL2023GOI424011

Statement of Cash Flows for the period ended 31 March, 2024

(All amounts in ₹ thousands, unless stated otherwise)

| Particulars                                                                                           | For the Period ended<br>31 March, 2024 |
|-------------------------------------------------------------------------------------------------------|----------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                                                         |                                        |
| Profit / (Loss) before tax                                                                            | (59.00)                                |
| Operating profit before working capital changes                                                       | (59.00)                                |
| <b>Changes in working capital:</b>                                                                    |                                        |
| Adjustments for increase/(decrease) in operating liabilities:                                         |                                        |
| Other financial liabilities (current)                                                                 | 54.00                                  |
| Other current liabilities                                                                             | 5.00                                   |
| Movement in operating assets and liabilities                                                          | 59.00                                  |
| <b>Cash generated from operations</b>                                                                 | -                                      |
| Less: Tax paid                                                                                        | -                                      |
| <b>Net cash used in operating activities (A)</b>                                                      | -                                      |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                        |                                        |
| Sale/(Purchase) of property, plant and equipment (including capital work-in-progress and intangibles) |                                        |
| <b>Net cash flow from investing activities (B)</b>                                                    | -                                      |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                        |                                        |
| Issue of share capital                                                                                | 500.00                                 |
| <b>Net cash flow from financing activities (C)</b>                                                    | 500.00                                 |
| <b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>                                     | 500.00                                 |
| Cash and cash equivalents at the beginning of the year / period                                       | -                                      |
| Cash and cash equivalents at the end of the year / period                                             | 500.00                                 |
| <b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>                     | 500.00                                 |

Summary of significant accounting policies &amp; other information 1 to 3

**The accompanying notes from 4 to 18 are integral part of the financial statements.**

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

For SPS Associates

Chartered Accountants

FRN: 012358N

Ashish Bansal

Partner

Membership no: 511005

Date: 24/04/2024

Place: New Delhi

For and on behalf of Board of Directors of

**KANKANI POWER TRANSMISSION LIMITED**

KUNTALA VENU GOPAL

Director

DIN: 10350619

Date: 24/04/2024

DEBASIS MITRA

Director

DIN: 10350620

Date: 24/04/2024

**KANKANI POWER TRANSMISSION LIMITED**

CIN U42202DL2023GOI424011

Statement of changes in equity for the year ended 31 March, 2024

(All amounts in ₹ thousands, unless stated otherwise)

**A Equity share capital**

| Particular                      | Amount |
|---------------------------------|--------|
| Balance as at 18 December, 2023 | -      |
| Issued during the period        | 500.00 |
| Balance as at 31 March, 2024    | 500.00 |

**B Other equity**

|                                                           | Retained Earnings | Total   |
|-----------------------------------------------------------|-------------------|---------|
| Balance as at 18 December, 2023                           | -                 | -       |
| Changes in accounting policy or prior period period error | -                 | -       |
| Restated Balance as at 18 December, 2023                  | -                 | -       |
| Profit / (Loss) for the year                              | (44.15)           | (44.15) |
| Add: Other comprehensive Income                           | -                 | -       |
| Balance as at 31 March, 2024                              | (44.15)           | (44.15) |

**Summary of significant accounting policies & other information 1 to 3**

The accompanying notes from 4 to 18 are integral part of the financial statements.

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

For SPS Associates

Chartered Accountants

FRN: 012358N

Ashish Bansal

Partner

Membership no: 511005

Date: 24/04/2024

Place: New Delhi



For and on behalf of Board of Directors of

**KANKANI POWER TRANSMISSION LIMITED**

KUNTALA VENU GOPAL

Director

DIN: 10350619

Date: 24/04/2024

DEBASIS MITRA

Director

DIN: 10350620

Date: 24/04/2024

## **KANKANI POWER TRANSMISSION LIMITED**

**Summary of Significant accounting policies & other information for the period ending 31st March 2024**  
(All amounts in Rupees Thousands, unless stated otherwise)

### **1. COMPANY OVERVIEW**

KANKANI POWER TRANSMISSION LIMITED ("the Company") having CIN U42202DL2023GOI424011 was incorporated on 18.12.2023 at New Delhi. The Company is a wholly owned associate of REC Power Development & Consultancy Limited (RECPDCL). The Company is a Special Purpose Vehicle incorporated for "Rajasthan Intra-state Transmission Package 3 (P3)". The Rajasthan Rajya Vidyut Prasaran Nigam, Government of Rajasthan has appointed RECPDCL as Bid Process Co-coordinator for selection of the developer for the project through tariff based competitive bidding process.

### **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)**

The Company prepared its Standalone Financial Statements in accordance with the requirements of Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These Standalone Financial Statements comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines.

The financial statements for the period ended 31st March, 2024 were authorized and approved by the Board of Directors on 19.04.2024.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

#### **2.2 Significant accounting policies**

##### **(i) 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 except for certain financial assets and financial liabilities are measured at fair values at the end of each reporting period.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

##### **(ii) Functional and presentation currency:**

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

## KANKANI POWER TRANSMISSION LIMITED

Summary of Significant accounting policies & other information for the period ending 31st March 2024  
(All amounts in Rupees Thousands, unless stated otherwise)

### (iii) Revenue recognition

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

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

Sale proceeds of Request for Proposal (RFP) has been recognized as other income in the books of the holding company i.e., RECPDCL.

### (iv) Property, Plant and Equipment

Property Plant and Equipment are carried at cost less accumulated amortization and impairment losses, if any. Cost includes all expenses, direct and indirect, specifically attributable to its acquisition and bringing it to its working condition for its intended use. Incidental expenditure pending allocation and attributable to the acquisition of fixed assets is allocated/capitalized with the related assets. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

### (v) Financial instruments

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

#### Financial assets:

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

#### Subsequent measurement

**Financial assets carried at amortized cost** – a financial asset is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount



## **KANKANI POWER TRANSMISSION LIMITED**

**Summary of Significant accounting policies & other information for the period ending 31st March 2024**  
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or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the Statement of Profit and Loss.

### **De-recognition of financial assets**

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognized (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure: a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance b) Financial guarantee contracts which are not measured at Fair value through profit & loss account. (FVTPL).

### **Financial liabilities:**

#### **Initial recognition and measurement**

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

#### **Subsequent measurement**

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

#### **De-recognition**

A financial liability is de-recognized 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 recognized 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.

## **KANKANI POWER TRANSMISSION LIMITED**

**Summary of Significant accounting policies & other information for the period ending 31st March 2024**  
**(All amounts in Rupees Thousands, unless stated otherwise)**

### **(vi) Fair value measurement**

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

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

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing 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.

### **(vii) Taxation**

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax. It is recognized in Statement of Profit and Loss, except when it relates to an item that is recognized in Other comprehensive income (OCI) or directly in equity, in which case, the tax is also recognized in Other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a

## **KANKANI POWER TRANSMISSION LIMITED**

**Summary of Significant accounting policies & other information for the period ending 31st March 2024**  
**(All amounts in Rupees Thousands, unless stated otherwise)**

legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

### **(viii) Provisions, Contingent Liabilities, and Contingent Assets**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

A contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

In those cases, where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized or disclosure is made.

Any reimbursement that the Company can be virtually certain to collect from a third party concerning the obligation (such as from insurance) is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

Contingent assets are not recognized. However, when the inflow of economic benefits is probable, the related asset is disclosed.

### **(ix) Earnings per share**

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

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

## **KANKANI POWER TRANSMISSION LIMITED**

**Summary of Significant accounting policies & other information for the period ending 31st March 2024**  
**(All amounts in Rupees Thousands, unless stated otherwise)**

### **(x) 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.

### **(xi) Impairment of assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

### **(xii) 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.

### **(xiii) Material prior period errors**

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

### **(xiv) Rates and taxes**

Overseas taxes on foreign assignments, indirect taxes, including Goods & Service Tax, professional tax, property tax, entry tax, labour cess, octroi and any other applicable taxes etc. paid/accrued in India or abroad for which credit are not available to the company are charged to the Statement of Profit and Loss.

## **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.

## **KANKANI POWER TRANSMISSION LIMITED**

**Summary of Significant accounting policies & other information for the period ending 31st March 2024**  
(All amounts in Rupees Thousands, unless stated otherwise)

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

### **3. Significant estimates and judgment's**

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

#### ***Significant management judgments***

**Recognition of deferred tax assets/ liability** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

**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.



**KANKANI POWER TRANSMISSION LIMITED**

Notes forming part of Financial Statements for the year ended 31 March, 2024

(All amounts in ₹ thousands, unless stated otherwise)

**4 Deffered Tax Asset**

| Particulars        | As at<br>31 March, 2024 |
|--------------------|-------------------------|
| Deffered Tax Asset | 14.85                   |
|                    | <b>14.85</b>            |

**5 - Cash and cash equivalents**

| Particulars                     | As at<br>31 March, 2024 |
|---------------------------------|-------------------------|
| Balances with banks:            |                         |
| - with bank in current accounts | 500.00                  |
|                                 | <b>500.00</b>           |

**6 Equity share capital**

| Particulars                                         | As at<br>31 March, 2024 |
|-----------------------------------------------------|-------------------------|
| Authorized equity share capital                     |                         |
| 50,000 Equity shares of Rs 10 each                  | 500.00                  |
|                                                     | <b>500.00</b>           |
| Issued, subscribed and paid up equity share capital |                         |
| 50,000 Equity shares of Rs 10 each                  | 500.00                  |
|                                                     | <b>500.00</b>           |

**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 the 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 share holders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

**ii) Reconciliation of equity shares outstanding at the beginning and at the end of the period**

|                                                 | As at 31 March, 2024 |                 |
|-------------------------------------------------|----------------------|-----------------|
|                                                 | No. of shares        | (₹ in Thousand) |
| Equity share capital of ₹ 10 each fully paid up |                      |                 |
| Balance at the beginning of the year            | -                    | -               |
| Add: Issued during the period                   | 50,000               | 500.00          |
| Balance at the end of the period                | <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, 2024 |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------|
|                                                                                                                                                  | No. of shares        | % holding |
| 49,994 Equity Shares held by REC Power Development & Consultancy Limited (RECPDCL) and Balance 6 Equity Shares through other nominee of RECPDCL. | 50,000               | 100.00%   |

**iv) Shares held by Promotor:**

|                                                                                                                                                  | As at 31 March, 2024 |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------|
|                                                                                                                                                  | No. of shares        | % holding |
| 49,994 Equity Shares held by REC Power Development & Consultancy Limited (RECPDCL) and Balance 6 Equity Shares through other nominee of RECPDCL. | 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.

**KANKANI POWER TRANSMISSION LIMITED****Notes forming part of Financial Statements for the year ended 31 March, 2024**

(All amounts in ₹ thousands, unless stated otherwise)

**7 Other equity**

| Particulars                                         | As at<br>31 March, 2024 |
|-----------------------------------------------------|-------------------------|
| Retained earnings                                   |                         |
| Balance at the beginning of the period / year       | -                       |
| Add: Changes due to Accounting Policy               | -                       |
| Add : Transferred from statement of profit and loss | (44.15)                 |
| Closing Balance at the end of the period / year     | (44.15)                 |
| <b>Total other equity</b>                           | <b>(44.15)</b>          |

**8 Other financial liabilities (Current)**

| Particulars        | As at<br>31 March, 2024 |
|--------------------|-------------------------|
| Audit fees payable | 54.00                   |
|                    | 54.00                   |

**9 Other current liabilities**

| Particulars            | As at<br>31 March, 2024 |
|------------------------|-------------------------|
| Statutory dues Payable |                         |
| - TDS payable          | 5.00                    |
|                        | 5.00                    |

**KANKANI POWER TRANSMISSION LIMITED**

Notes forming part of Financial Statements for the year ended 31 March, 2024

(All amounts in ₹ thousands, unless stated otherwise)

**10 Other expenses**

| Particulars          | For the Period ended<br>31 March, 2024 |
|----------------------|----------------------------------------|
| Auditor Remuneration | 59.00                                  |
|                      | <b>59.00</b>                           |

**\*Comprises of following:**

|                              |              |
|------------------------------|--------------|
| As auditors- statutory audit | 59.00        |
|                              | <b>59.00</b> |

**11 Tax expense**

| Particulars                      | For the Period ended<br>31 March, 2024 |
|----------------------------------|----------------------------------------|
| Current tax                      |                                        |
| Tax pertaining to current period | -                                      |
| Tax pertaining to earlier years  | -                                      |
| Deferred tax expense/(credit)    | (14.85)                                |
|                                  | <b>(14.85)</b>                         |

**For the Period ended  
31 March, 2024**

|                                    |          |
|------------------------------------|----------|
| Tax expense                        |          |
| (i) Current tax                    |          |
| Tax pertaining to current year     | -        |
| Tax pertaining to earlier years    | -        |
| (ii) Deferred tax expense/(credit) | (14.85)  |
|                                    | <b>-</b> |

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 25.168% .

Accounting Loss before income tax **(44.15)**

At country's statutory income tax rate of 25.168% **-**

**Adjustments in respect of taxes earlier years**

|                                                                        |          |
|------------------------------------------------------------------------|----------|
| (i) Non-deductible expenses for tax purposes                           | -        |
| (ii) Non-taxable incomes                                               | -        |
| (iii) Earlier year taxes                                               | -        |
| (iv) Deferred tax on allowable provisional expenditure of earlier year | -        |
| (v) Deferred tax change due to rate change                             | -        |
|                                                                        | <b>-</b> |

In accordance with the 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 in view of virtual certainty as to its realisation.

**12 Basic/diluted earnings/ loss per share**

|                                                               |                |
|---------------------------------------------------------------|----------------|
| Net profit/(loss) for the year                                | <b>(44.15)</b> |
| Weighted average number of equity shares for EPS (in numbers) | 50,000         |
| Par value per share (in ₹)                                    | 10             |
| Earnings per share - Basic and diluted (in ₹)                 | <b>(0.88)</b>  |

**KANKANI POWER TRANSMISSION LIMITED**

Notes forming part of Financial Statements for the year ended 31 March, 2024

(All amounts in ₹ thousands, unless stated otherwise)

**13 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 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) |
| Parent's Holding company    | REC Limited                                           |
| Ultimate Holding company    | Power Finance Corporation (PFC)                       |
| Co Subsidiaries             | Chandil Transmission Limited                          |
|                             | Dumka Transmission Limited                            |
|                             | Mandar Transmission Limited                           |
|                             | Koderma Transmission Limited                          |
|                             | LUHRI Power Transmission Ltd.                         |
|                             | NERES XVI Power Transmission Ltd                      |
|                             | Rajasthan Part I Power Transmission Limited           |
|                             | Shongtong Power Transmission Ltd.                     |
|                             | Khavda IV C Power Transmission Limited                |
|                             | KHAVDA IV-E2 POWER TRANSMISSION LIMITED               |
|                             | KHAVDA IVA POWER TRANSMISSION LIMITED                 |
|                             | RAJASTHAN IV A POWER TRANSMISSION LIMITED             |
|                             | RAJASTHAN IV C POWER TRANSMISSION LIMITED             |
|                             | RAJASTHAN IV H1 POWER TRANSMISSION LIMITED            |
|                             | RAJASTHAN IV E POWER TRANSMISSION LIMITED             |
|                             | Khavda V-A Power Transmission Limited                 |
|                             | NERGS-I Power Transmission Limited                    |
|                             | Tumkur-II REZ Power Transmission Limited              |

**Key management personnel (KMP)**

The Company is a wholly owned subsidiary of REC Power Development & Consultancy Limited, 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 |
|-----------------------|-----------------------|---------------------|---------------------|
| KUNTALA VENU GOPAL    | Chairman and Director | 18 December, 2023   | -                   |
| DEBASIS MITRA         | Director              | 18 December, 2023   | -                   |
| AWANISH KUMAR BHARATI | Director              | 18 December, 2023   | -                   |

| KMP;s / Directors Remuneration | For the Period ended<br>31 March, 2024 |
|--------------------------------|----------------------------------------|
| Remuneration to KMP's          | 0.00                                   |

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

|                                       | Name of Related Party | For period ended 31<br>March, 2024 |
|---------------------------------------|-----------------------|------------------------------------|
| (i) Transactions during the year      | -                     |                                    |
| (ii) Outstanding Balances at year end | -                     |                                    |

**14 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.

**KANKANI POWER TRANSMISSION LIMITED**

Notes forming part of Financial Statements for the year ended 31 March, 2024

(All amounts in ₹ thousands, unless stated otherwise)

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

| Particulars                           | As at<br>31 March, 2024 |
|---------------------------------------|-------------------------|
| <b>Financial assets</b>               |                         |
| Cash and cash equivalents             | 500.00                  |
| <b>Total</b>                          | <b>500.00</b>           |
| <b>Financial liabilities</b>          |                         |
| Other financial liabilities (Current) | 54.00                   |
| <b>Total</b>                          | <b>54.00</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.

**16 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.

**KANKANI POWER TRANSMISSION LIMITED**

Notes forming part of Financial Statements for the year ended 31 March, 2024

(All amounts in ₹ thousands, unless stated otherwise)

**17 Ratios Analysis**

| Ratio                      | 31 March, 2024 |             |        | Not Applicable |             |        | Analysis   |                     |
|----------------------------|----------------|-------------|--------|----------------|-------------|--------|------------|---------------------|
|                            | Numerator      | Denominator | Ratios | Numerator      | Denominator | Ratios | % Variance | Reason for Variance |
| Current Ratio              | 500.00         | 59.00       | 8.47   | NA             | NA          | NA     | NA         |                     |
| Return on Equity Ratio     | (44.15)        | 455.85      | -0.10  | NA             | NA          | NA     | NA         |                     |
| Return on Capital employed | (44.15)        | 455.85      | -0.10  | NA             | NA          | NA     | NA         |                     |

1. Current ratio - Numerator includes current assets and Denominator includes current liabilities
  2. Return on Equity ratio - Numerator includes Net profit after taxes and Denominator includes average shareholders equity.
  2. Return on capital employed - Numerator, includes earning before interest and taxes and Denominator includes capital employed (Tangible networth plus total 3ebt plus deferred tax liabilities).
  4. As the other ratios are NIL or NA, hence the same are not presented
- Reasons for variation more than 25%**

**18 Other notes to accounts**

- 18.1** 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.
- 18.2** 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.
- 18.3** The company is incorporated on 18.12.2023. This is the first year of the incorporation of company. Hence previous years comparative figures are not available.
- 18.4** The Company is operating in a single segment and therefore disclosure requirements under Ind AS 108 is not applicable.
- 18.5** There has no transaction under section 248 of the companies Act, 2013 with stuck off companies during the year.
- 18.6** The Companies does not have more than 2 layers as specified in sub rule (2) of companies (Restriction on number of layers) Rules, 2017.
- 18.7** The capital commitments, contingent liabilities and claims against the company not acknowledged as debt is Nil.
- 18.8** The company has no non material adjustment event after reporting period.
- 18.9** As per the provision of the companies Act, 2013, the figures have been rounded off to the nearest of Thousand and decimal thereof unless stated otherwise.
- 18.10** There are no foreign currency transactions during the year. Therefore no disclosures are required under Schedule III of the Companies Act, 2013.
- 18.11** Negative figures have been shown in bracket.
- 18.12** Other additional regulatory information are either NIL or not applicable to the Company
- 18.13** The Company is a wholly owned subsidiary of REC Power Development & Consultancy Limited. The Company is a special purpose vehicle incorporated for "Rajasthan Intra-state Transmission Package 3 (P3)". The Government of India has appointed RECPDCL as Bid Process Co-coordinator for selection of the developer for the project through tariff based competitive bidding process. 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. Incorporation expenses have been born by its holding company and are not in the nature of reimbursable back to holding company.

For SPS Associates  
Chartered Accountants  
FRN: 012358N

Ashish Bansal  
Partner  
Membership no: 511004  
Date: 24/04/2024  
Place: New Delhi



For and on behalf of Board of Directors of  
KANKANI POWER TRANSMISSION LIMITED

KUNTALA VENU GOPAL  
Director  
DIN: 10350619  
Date: 24/04/2024

DEBASIS MITRA  
Director  
DIN: 10350620  
Date: 24/04/2024