

INDEPENDENT AUDITOR'S REPORT

To The Members of

M/s Meerut Shamli Power Transmission Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **M/s Meerut Shamli Power Transmission Limited ("the Company")** which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, Statement of Changes in Equity and the 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 (hereinafter 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 Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its Loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone financial statements 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules made 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.



Information Other than the 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 of Board of Director's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 other work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter

The Government of India has appointed RECPDCL as a Bid Process Co-coordinator for selection of the developer for the project through tariff based competitive bidding process. On completion of the bid process, "M/s Megha Engineering & Infrastructures Limited" has emerged as selected bidder for the project and LOI for the project had been issued on 05/02/2024. Further the company has been taken over by M/s Megha Engineering & Infrastructures Limited in F.Y 2024-25.

Responsibility of Management for Standalone Financial statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in Equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended. 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 Ind As financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The 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 the Standard on Auditing (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 the Standards on Auditing (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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- 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 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 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 standalone financial statements, including the disclosures, and whether the standalone 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.

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

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 "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
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.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.



- f. 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.
- g. With respect to the adequacy of the Internal Financial Control with reference to standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- h. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. As per information and explanation, the company does not have any pending litigations which have significant financial impact on the financials of the company.
 - ii. The Company did 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.
 - iv. (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, whether, 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, other than as disclosed in the notes to the accounts, 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, whether, 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; and
 - (c) Based on audit procedures which we 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 (a) and (b) contain any material mis-statement.



v. The Company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

For Satish Aggarwal & Associates

Chartered Accountants

Firm Reg. No. 003524N

Place: New Delhi

Date: 29-04-2024

UDIN: 240824308KFUYT1792

Satish Aggarwal
(Satish Aggarwal)

Partner

Membership No. 082430



Annexure – A to the Independent Auditor’s Report

Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the standalone financial statements of the M/s Meerut Shamli Power Transmission Limited for the year ended March 31, 2024:

- I. As per information and explanation given to us, the Company does not have any property, plant and equipment, therefore, paragraph 3(i) of the order is not applicable on the company.
- II. As per information and explanation given to us, the Company does not have any inventories during the year, therefore, paragraph 3(ii) of the order is not applicable on the company.
- III. According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted loan to a party covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, paragraph 3(iii) of the order is not applicable on the company.
- IV. According to the information and explanation given to us, the company has not granted any loans, nor made investments or furnished guarantee or security during the year in view of which provisions of section 185 and 186 are not applicable.
- V. The Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- VI. The Company is not liable to maintain cost records that have been specified by the central government under sub-section (1) of section 148 of the Companies Act. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- VII. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Income-Tax, Goods and Service Tax (GST) and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2024 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanations given to us, there are no material dues of wealth tax, income tax, service tax, duty of customs, goods and service tax and cess which have not been deposited with the appropriate authorities on account of any dispute.
- VIII. In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.



- IX. (a) According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of loans or borrowings to any financial institution, banks or government.
- (b) As per information and explanation given to us, the company has not been declared willful defaulter by any bank or financial institution.
- (c) As per information and explanation given to us, the company had not taken any term loans during the year, so this clause is not applicable.
- (d) As per information and explanation given to us, the company had not taken any short term loans during the year, so this clause is not applicable..
- (e) As per information and explanation given to us, the 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 Venture so this clause is not applicable.
- (f) As per information and explanation given to us, no loans were raised by pledge of securities during the year.
- X. (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised money by way of initial public offer or further public offer (including debt instruments and term loans). Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- XI. (a) According to the information and explanations given to us, no fraud by the Company or on the company has been noticed or reported during the period covered by our audit.
- (b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government, during the year and upto the date of this report.
- (c) As per information and explanations given to us, no complaint has been received against whistle blowers by the company.
- XII. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the 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, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- XIV. In our opinion and according to the information and explanations given to us, the Company does not have an internal audit system as it is not required to have an internal audit system as per Section 138 of the Act. Accordingly, the provisions of clause 3(xiv) (a)-(b) of the Order are not applicable.
- XV. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons



connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

XVI. (a) The Company is not required to be registered under Section 45-IA of the RBI Act, 1934. Accordingly, the provisions of clause 3 (xvi) (a) of the order are not applicable.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from the RBI as per the RBI Act, 1934. Accordingly, provisions of clause 3 (xvi) (b) of the order are 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, the provisions of clause 3(xvi) (c) of the Order are not applicable.

(d) The Group has no CIC which are part of the Group. Accordingly, the provisions of clause 3(xvi)(d) of the order are not applicable.

XVII. The Company has incurred cash losses of Rs. 56.31 lakhs in the financial year.

XVIII. There has been no resignation of the statutory auditors during the year. Accordingly, provisions of clause 3 (xviii) of the order are not applicable.

XIX. According to the information and explanations given to us and 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, 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 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. Since the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, provisions of clause 3 (xx) (a) and (b) of the order are not applicable.

XXI. The reporting under clause 3 (xxi) is not applicable in respect of the audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of the said clause under this report.

For Satish Aggarwal & Associates

Chartered Accountants

Firm Reg. No. 003524N


(Satish Aggarwal)
Partner

Membership No. 082430

Place: New Delhi

Date: 29-04-2024

UDIN: 24082430BK FUYT1792



“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Ind AS Financial Statements of M/s Meerut Shamli Power Transmission Limited

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 Meerut Shamli Power Transmission Limited** (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone Ind AS 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 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 Institute of Chartered Accountants of India”. 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 judgments, 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 disposition 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, 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, 2024, 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 Institute of Chartered Accountants of India".

Place: New Delhi

Date: 29-04-24

UDIN: 24082430BKFOYT1792



**For Satish Aggarwal & Associates
Chartered Accountants
(Firm Reg. No. 003524N)**

Satish Aggarwal

**(Satish Aggarwal)
Partner**

Membership No. 082430

Tele-fax: 011-23262956:23277630:23254923 Website: www.satishca.com

Email: info@satishca.com

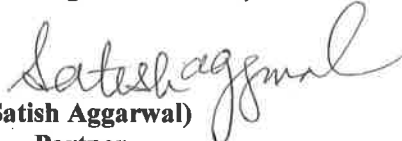
Compliance Certificate

We have conducted the audit of annual accounts of Meerut Shamli Power Transmission Limited 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.

Place: New Delhi
Date: 29-04-24
UDIN: 240824308KFUYT1792



For Satish Aggarwal & Associates
Chartered Accountants
(Firm Reg. No. 003524N)


(Satish Aggarwal)
Partner
Membership No. 082430

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 Audit General of India under section 143(5) of the Companies Act, 2013

- I. 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.

Yes, the company has system in place to process all the accounting transactions through IT system and during the financial year as informed and represented to us, no such transaction was noted which was processed outside IT system.

- II. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loan/interest etc made by a lender of the Company due to company's inability to repay the loan? If Yes, the financial impact may be stated. Whether such cases are to properly accounted for?

The company during the year had nil loans and had not written off any debts.

- III. Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilised as per its term and conditions? List the cases of deviation.

The company did not receive any grant during the year.

For Satish Aggarwal & Associates
Chartered Accountants
(Firm Reg. No. 003524N)



Satish Aggarwal
(Satish Aggarwal)
Partner

Membership No. 082430

Place: New Delhi
Date: 29-04-2024
UDIN: 24082430BK FUYT1792

MEERUT SHAMLI POWER TRANSMISSION LIMITED

CIN U40101DL2022GOI408362

Balance Sheet as at 31 March, 2024

(All amounts in ₹ thousands, unless stated otherwise)

Particulars	Notes	As at 31 March, 2024	As at 31 March, 2023
ASSETS			
Non-current assets			
Capital work in progress	4	8,542	-
Total non current assets		8,542	-
Current assets			
Financial assets			
Cash and cash equivalents	5	500	500
Total current assets		500	500
TOTAL ASSETS		9,042	500
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	500	500
Other equity	7	(10,010)	(4,379)
Total equity		(9,510)	(3,879)
Current liabilities			
(a) Financial liabilities			
Other financial liabilities	8	17,789	4,006
(b) Other current liabilities	9	763	373
Total current liabilities		18,552	4,379
Total liabilities		18,552	4,379
TOTAL EQUITY & LIABILITIES		9,042	500

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 Satish Aggarwal & Associates

Chartered Accountants

FRN: 003524N

For and on behalf of Board of Directors of
MEERUT SHAMLI POWER TRANSMISSION LIMITED

Satish Aggarwal

Partner

Membership no: 082430

Date: 29-04-2024

Place: NEW DELHI

UDIN: 24082430BKFU7T1792

Rajesh Kumar

Director

DIN: 06941428

Ajay Mathur

Director

DIN: 08805424

Arvind Kumar
GM-RECPDCL

MEERUT SHAMLI POWER TRANSMISSION LIMITED

CIN U40101DL2022GOI408362

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

(All amounts in ₹ thousands, unless stated otherwise)

Particulars	Notes	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Income			
Other income		-	-
Total Income		-	-
Expenses			
Other expenses	10	5,631	4,379
Total expenses		5,631	4,379
Profit/(Loss) before tax		(5,631)	(4,379)
Tax expense	11		
Current tax		-	-
Deferred tax expense/(credit)		-	-
Earlier year taxes/(refunds)		-	-
Total tax expenses		-	-
Net profit/(loss) for the year / period		(5,631)	(4,379)
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		-	-
Income tax relating to these items		-	-
Other comprehensive income/(loss) for the year / period		-	-
Total comprehensive income/(loss) for the year / period		(5,631)	(4,379)
Earnings/(Loss) per equity share			
Basic/diluted earnings/ (loss) per share (In ₹)	12	(113)	(88)

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 Satish Aggarwal & Associates

Chartered Accountants

FRN: 003524N

Satish Aggarwal

Satish Aggarwal

Partner

Membership no: 082430

Date: 29-04-2024

Place: NEW DELHI

UDIN: 24082430BKFOYT1792



For and on behalf of Board of Directors of

MEERUT SHAMLI POWER TRANSMISSION LIMITED

Rajesh Kumar

Rajesh Kumar

Director

DIN: 06941428

Arvind Kumar
Arvind Kumar
GM-RECPDCL

Ajay Mathur

Ajay Mathur

Director

DIN: 08805424



MEERUT SHAMLI POWER TRANSMISSION LIMITED

CIN U40101DL2022GOI408362

Statement of Cash Flows for the period from 1st April, 2023 to 31 March, 2024

(All amounts in ₹ thousands, unless stated otherwise)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(5,631)	(4,379)
Operating profit before working capital changes	(5,631)	(4,379)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Other current assets	-	-
Other financial liabilities (non current)	13,783	4,006
Other current liabilities	390	373
Movement in operating assets and liabilities	14,174	4,379
Cash generated from operations	8,542	(0)
Less: Tax paid	-	-
Net cash used in operating activities (A)	8,542	(0)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Sale/(Purchase) of property, plant and equipment (including capital work-in-progress and intangibles)	(8,542)	-
Net cash flow from investing activities (B)	(8,542)	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of share capital	-	500
Net cash flow from financing activities (C)	-	500
Net increase/decrease in cash and cash equivalents (A+B+C)	(0)	500
Cash and cash equivalents at the beginning of the year / period	500	-
Cash and cash equivalents at the end of the year / period	500	500
Reconciliation of cash and cash equivalents as per the cash flow statement	-	500

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 Satish Aggarwal & Associates
Chartered Accountants
FRN: 003524N

Satish Aggarwal
Partner

Membership no: 082430

Date: 29-04-2024

Place: NEW DELHI

UDIN: 24082430BKFU7T1792



For and on behalf of Board of Directors of
MEERUT SHAMLI POWER TRANSMISSION LIMITED

Rajesh Kumar
Director
DIN: 06941428

Ajay Mathur
Director
DIN: 08805424

Arvind Kumar
GM-RECPDCL



MEERUT SHAMLI POWER TRANSMISSION LIMITED
CIN U40101DL2022GOI408362
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 14 December, 2022	500
Changes in equity share capital during the year	-
Balance as at 31.03.2023	500
Balance as at 1 April, 2023	500
Changes in equity share capital during the year	-
Balance as at 31 March, 2024	500

B Other equity

	Retained Earnings	Total
Balance as at 14 December, 2022	-	-
Changes in accounting policy or prior period period error	-	-
Restated Balance as at 14 December, 2022	-	-
Profit / (Loss) for the year	(4,379)	(4,379)
Dividend	-	-
Balance as at 31.03.2023	(4,379)	(4,379)
Balance as at 1 April, 2023	(4,379)	(4,379)
Changes in accounting policy or prior period period error	-	-
Restated Balance as at 1 April, 2023	(4,379)	(4,379)
Profit / (Loss) for the year	(5,631)	(5,631)
Dividend	-	-
Balance as at 31 March, 2024	(10,010)	(10,010)

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 Satish Aggarwal & Associates
Chartered Accountants
FRN: 003524N

Satish Aggarwal
Partner

Membership no: 082430

Date: 29-04-2024

Place: NEW DELHI

UDIN: 24082430BK FUYT1792

For and on behalf of Board of Directors of
MEERUT SHAMLI POWER TRANSMISSION LIMITED

Rajesh Kumar
Director
DIN: 06941428

Ajay Mathur
Director
DIN: 08805424

Arvind Kumar
GM-RECPDCL



MEERUT SHAMLI 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

Meerut Shamli Power Transmission Limited ("the Company") having CIN U40101DL2022GOI408362 was incorporated on 14.12.2022 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 "Intra state transmission project for construction of Meerut (765)-Shamli 400 KV D/C Line ". 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. The process of selection of the bidder pursuant to the bidding process is now complete and "M/s Megha Engineering & Infrastructures Limited" has emerged as selected bidder for the project and LOI for the project has been issued on 05.02.2024.

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 of the Company were authorized and approved by the Board of Directors on 06.04.2024.

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.



MEERUT SHAMLI 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)

(ii) Functional and presentation currency:

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

(iii) 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



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MEERUT SHAMLI 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)

- 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 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.



MEERUT SHAMLI 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)

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.

(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



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MEERUT SHAMLI 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)

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 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.



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MEERUT SHAMLI 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)

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.

(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.



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MEERUT SHAMLI 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)

(xv) Expenditure incurred by Holding Company

All the direct expenses incurred by holding company for SPV has been booked to the SPV as per invoicing done by the holding company. All Indirect / Common Expenses are allocated and invoiced to SPV on the proportionate basis from the month of issue of RFP or incorporation of SPV, whichever is earlier, till the month in which tenth day from the date of issue of Letter of Intent (LOI) for the transfer of the SPV falls. Part of the month, if any, is considered as full month for cost allocation. The holding company charges interest on the funds deployed by it based on the REC interest rate circular for T & D loans for ungraded organizations, as on the beginning of the period. If bid process activity relating to any SPV is kept in abeyance, due to any reason, no cost allocation for such period of abeyance is made to such SPV and no interest is charged. For direct/indirect expenses, interest is charged from the month in which the expenditure is incurred. Such interest is calculated on monthly basis but recognized at the end of the period.

In accordance to the applicable guidelines of TBCB process as issued by Ministry of Power, Govt. of India, all the direct & indirect expenses, interest incurred by the holding company on behalf of SPV are debited to SPV and recoverable from transmission service provider / successful bidder.

Expenditure incurred for the SPV by Holding Company on behalf of the Company is considered as "other financial liabilities" (Current). Also, interest is charged on such expenditure incurred by Holding Company and such interest is also included in other financial liabilities.

The major stages of TBCB (Tariff Based Competitive Bidding) process done by holding co. RECPDCL includes issue of RFP (Request for proposal) documents, Pre Bid Meeting, opening of technical bid, shortlisting of qualified bidders, opening of financial bid and e – Reverse auction for qualified bidders, final selection of successful bidder and issue of LOI to successful bidder. The certainty on the construction of the project arises only after the issuance of LOI and transfer of SPV to the successful bidder. Hence expenditure incurred from incorporation till transfer of SPV to the successful bidder is charged to the Statement of Profit and Loss.

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.



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MEERUT SHAMLI 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)

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.

Allocation of indirect / common expenses - Indirect/Common Expenses of the company has been allocated in proportionate basis by the holding company. The allocation percentage has been reviewed based on the prevailing business activities of the holding company during the financial year.

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.



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MEERUT SHAMLI POWER TRANSMISSION LIMITED

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

(All amounts in ₹ thousands, unless stated otherwise)

4 Capital work in progress

Particulars	As at 31 March, 2024	As at 31 March, 2023
Incidental Expenses During Construction Period		
- BPC Professional Charges	8,542	-
Closing Balance	8,542	-

Ageing Schedule	Amount in CWIP for the period of				
	Less than 1 Year	1-2 year	2-3 year	More than 3 year	Total
CWIP					
Projects in progress	8,542	-	-	-	8,542

5 Cash and cash equivalents

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balances with banks:		
- with bank in current accounts	500	500
	500	500



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MEERUT SHAMLI POWER TRANSMISSION LIMITED

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

(All amounts in ₹ thousands, unless stated otherwise)

6 Equity share capital

Particulars	As at 31 March, 2024	As at 31 March, 2023
Authorized equity share capital		
50,000 Equity shares of Rs 10 each	500	500
	500	500
Issued, subscribed and paid up equity share capital		
50,000 Equity shares of Rs 10 each	500	500
	500	500

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		As at 31 March, 2023	
	No. of shares	Amount	No. of shares	Amount
Equity share capital of ₹ 10 each fully paid up	50,000	500	50,000	500
Balance at the beginning of the year				
Add: Issued during the period				
Balance at the end of the period	50,000	500	50,000	500

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

	As at 31 March, 2024		As at 31 March, 2023	
	No. of shares	% holding	No. of shares	% holding
49,994 Equity Shares held by REC Power Development & Consultancy Limited And Balance 6 Equity Shares through other nominee of REC-PDCL	50,000	100.00%	50,000	100.00%

iv) Shares held by Promoter:

	As at 31 March, 2024		As at 31 March, 2023	
	No. of shares	% holding	No. of shares	% holding
49,994 Equity Shares held by REC Power Development & Consultancy Limited And Balance 6 Equity Shares through other nominee of REC-PDCL	50,000	100.00%	50,000	100.00%

v) The Company has neither issued equity shares pursuant to contract without payment being received in cash or any bonus shares nor has there been any buy-back of shares since its incorporation.



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MEERUT SHAMLI POWER TRANSMISSION LIMITED

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

(All amounts in ₹ thousands, unless stated otherwise)

7 Other equity

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balance at the beginning of the period / year	(4,379)	
Add: Changes due to Accounting Policy		
Add : Transferred from statement of profit and loss	(5,631)	(4,379)
Closing Balance at the end of the period / year	(10,010)	(4,379)
Total other equity	(10,010)	(4,379)

8 Other financial liabilities (Current)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Payable to holding company*	17,735	3,961
Audit fees payable	54	45
	17,789	4,006

9 Other current liabilities

Particulars	As at 31 March, 2024	As at 31 March, 2023
Statutory dues Payable		
- TDS payable	763	373
	763	373

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MEERUT SHAMLI POWER TRANSMISSION LIMITED

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

(All amounts in ₹ thousands, unless stated otherwise)

10 Other expenses

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Advertisement Expenses	-	1,880
Consultancy Charges	1,328	-
Survey Expenses	132	-
Legal & Professional Expenses/MCA & ROC Filings	17	10
Auditors' remuneration	68	50
Common Expenses Allocated by Holding Company	846	1,191
Manpower Expenses allocated by Holding Company	2,303	1,196
Technical / IT Expenses	295	-
Miscellaneous Expenses	59	-
Interest Expenses	584	51
	5,631	4,379

*Comprises of following:

As auditors- statutory audit	68.00	50.00
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11 Tax expense

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Current tax	-	-
Deferred tax expense/(credit)	-	-

Tax expense

(i) Current tax

Tax pertaining to current year

Tax pertaining to earlier years

(ii) Deferred tax expense/(credit)

For the year ended
31 March, 2024

For the year ended
31 March, 2023

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 (5,631) (4,379)

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

(0.00) (0.00)

In accordance with the notified Indian Accounting Standard 12, "Income Taxes", deferred tax assets on carried forward losses, unabsorbed depreciation and other timing differences have not been accounted in the books.

12 Basic/diluted earnings/ loss per share

Net profit/(loss) for the year	(5,631)	(4,379)
Weighted average number of equity shares for EPS (in numbers)	50,000	50,000
Par value per share (in ₹)	10	10
Earnings per share - Basic and diluted (in ₹)	(113)	(88)



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MEERUT SHAMLI POWER TRANSMISSION LIMITED

Notes forming part of Financial Statements for the year ended 31st 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 and certified by the management are given below:

a. Details of related parties:

Description of relationship	Names of related parties
Holding company	REC Power Development & Consultancy Limited (RECPDCL)
Parent's Holding company	REC 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
RAJESH KUMAR	Director	14.12.2022	-
HARSH BAWEJA	Chairman and Director	25.01.2023	-
KISHOR KUMAR RAM	Chairman and Director	14.12.2022	25.01.2023
AJAY MATHUR	Director	14.12.2022	-
KMP / Directors Remuneration		For the year ended 31 March, 2024	For the year ended 31 March, 2023
Remuneration to KMP's		0.00	0.00

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

	Name of Related Party	For period ended 31 March, 2024	Year Ended March 31, 2023
(i) Transactions during the year			
BPC Professional Fees	Holding Company (RECPDCL)	8,542	-
Interest	Holding Company (RECPDCL)	584	51
Reimbursement of expenses	Holding Company (RECPDCL)	4,985	4,277
Payment to expenses payable on behalf of subsidiary	Holding Company (RECPDCL)	54	-
(ii) Outstanding Balances at year end			
Payable to Holding Co.	Holding Company (RECPDCL)	18,498	4,334

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.



Signature



MEERUT SHAMLI POWER TRANSMISSION LIMITED

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

(All amounts in ₹ thousands, unless stated otherwise)

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
Financial assets		
Cash and cash equivalents	500	500
Total	500	500
Financial liabilities		
Other financial liabilities (Current)	17,789	4,006
Total	17,789	4,006

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****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.



MEERUT SHAMLI POWER TRANSMISSION LIMITED

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

(All amounts in ₹ thousands, unless stated otherwise)

17 Ratios Analysis

Ratio	31 March, 2024			31 March, 2023			Analysis	
	Numerator	Denominator	Ratios	Numerator	Denominator	Ratios	% Variance	Reason for Variance
Current Ratio	499.76	18,552.15	0.03	499.76	4,378.53	0.11	(0.76)	
Return on Equity Ratio	(5,631.23)	(6,694.38)	0.84	(4,378.76)	(3,878.76)	1.13	(0.25)	
Return on Capital employed	(5,631.23)	(9,509.99)	0.59	(4,378.76)	(3,878.76)	1.13	(0.48)	

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.

3. Return on capital employed - Numerator includes earning before interest and taxes and Denominator includes capital employed (Tangible networth plus total debt 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%

(a) Current ratio is reduced due to decrease in Current Asset.

(a) Return on equity ratio reduced due to increase in Loss.

(c) Return on capital employed reduced due to increase in loss.

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 assent in September 2020. The code has been published in the Gazette of India. However, the date on which the code will come into effect has not been notified. However, there are no employees on roll of company.

18.3 The Company is operating in a single segment and therefore disclosure requirements under Ind AS 108 is not applicable.

18.4 There has no transaction under section 248 of the companies Act, 2013 with stuck off companies during the year.

18.5 The Companies does not have more than 2 layers as specified in sub rule (2) of companies (Restriction on number of layers) Rules, 2017.

18.6 The capital commitments, contingent liabilities and claims against the company not acknowledged as debt is Nil.

18.7 The company has no non material adjustment event after reporting period.

18.8 As per the provision of the companies Act, 2013, the figures have been rounded off to the nearest of thousand and decimal thereof.

18.9 There are no foreign currency transactions during the year. Therefore no disclosures are required under Schedule III of the Companies Act, 2013.

18.10 The figures have been regrouped / rearranged / recast, wherever necessary, for better presentation to make them comparable.

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 "Intra state transmission project for construction of Meerut(765)-Shamli 400 KV D/C Line". 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. The process of selection of the bidder pursuant to the bidding process is informed to be completed and "M/s Megha Engineering & Infrastructures Limited" has emerged as selected bidder for the project and LOI for the project has been issued on 05.02.2024.

For Satish Aggarwal & Associates

Chartered Accountants

FRN: 003524N

Satish Aggarwal

Partner

Membership no: 082430

Date: 29-04-2024

Place: NEW DELHI

UDIN: 24082430BKFYT1792

For and on behalf of Board of Directors of
MEERUT SHAMLI POWER TRANSMISSION LIMITEDRajesh Kumar
Director

DIN: 06941428

Ajay Mathur
Director

DIN: 08805424

Arvind Kumar
GM-RECPDCL