

Dhanesh Gupta & Co.

Chartered Accountants

Offices at Delhi:

a) A-301, Defence Colony,

New Delhi - 110024.

Ph: 011-45612999

b) I-1/16, Ansari Road,

Shanti Mohan House, Darya Ganj,

New Delhi - 110002.

Ph: 011-45584881,

E Mail: ghaneshgupta_co@yahoo.co.in

Compliance Certificate

We have conducted the audit of annual accounts of M/s. Dumka Transmission Ltd. for the year ended 31 March 2023 in accordance with the directions/sub-directions issued by the C& AG of the India under Section 143(5) of the Companies Act, 2013 in terms of Letter dated 20.03.2023 bearing no. DGA(Energy)/Power-1/853 of Internal Audit & Accounts Department, Office of the Director General of Audit (Energy), New Delhi and certify that we have complied with all the Directions/Sub-directions so issued to us and duly incorporated in our Audit Report dated 18.07.2023 under **Point no. 2(D)** under Heading **"Report on Other Legal and Regulatory Requirements"**, the contents of which are again being reproduced herein below:-

"(D) In accordance with the directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Act, we report that:

- (a) The Company does not have any system in place to process all the accounting transactions through IT system as the company has not provided any documentation separately in support thereof. The books of account have been maintained on the Tally accounting software and accounting transactions are recorded in the books of account as per instructions of the management as informed.*
- (b) As per our information & explanation furnished to us, there is no instance of restructuring of any existing loan or case of waiver/ write-off of debts/loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan. However, the advance from Holding Company amounting Rs. 248.24 Lac as at 31st March 2023 has not been considered for this clause.*
- (c) As per our information & explanation furnished to us, there is no amount of funds (grant/ subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies during the year under audit, therefore there is nothing to report under this clause."*

For Dhanesh Gupta & Co.

Chartered Accountants

ERN : 02022N

(DHANESH CHANDER)

(Partner)

Membership Number:- 080649

Place :- New Delhi

Date : 18/07/2023

UDIN : 23080649BHAZRA6049



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- (c) As per our information & explanation furnished to us, there is no amount of funds (grant/ subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies during the year under audit, therefore there is nothing to report under this clause.*

For Dhanesh Gupta & Co.

Chartered Accountants

ERN : 02022N

(DHANESH CHANDER)

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Membership Number:- 080649

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INDEPENDENT AUDITOR'S REPORT

To the Members of,

DUMKA TRANSMISSION LIMITED

New Delhi.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **DUMKA TRANSMISSION LIMITED** ("hereinafter referred to as "the Company"), which comprise the balance sheet as at 31st March 2023, the statement of Profit and Loss, Statement of Cash Flows and Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required, *however the aforesaid financial statements do not 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, 2023, its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date, *in view of our comments made vide Annexure-1 forming part of this report.*

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements, in view of the comments already made as aforesaid vide **Annexure-1** forming part of this report.

Key Audit Matters

We have determined that there are key audit matters to communicate in our reports for the Company that have been reported in the **Annexure-I** as referred to herein above.

Information Other than the financial statements and Auditor's Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information in the Board report including Annexure to Board's Report and shareholder's Information, but does not include the financial statements and our auditor's report thereon. However, the Board's Report *has not yet* been adopted by the company and not provided to us as on date.



Contd.-2

Our opinion on the financial statements does not cover the other information and we do not express any assurance conclusion thereon (*subject to the comments made vide Annexure-1 as aforesaid*).

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

If based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. **Accordingly, we have already reported in Annexure-1 as aforesaid and annexed herewith with this report.**

Responsibilities of Management and those charged with Governance for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

That Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Contd.-3



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with 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.

In view of the aforesaid responsibility, we have formed an opinion and stated that the aforesaid financial statements do not give a true and fair view in view of the comments made vide Annexure-1 forming part of this report.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Govt. of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Further to the above, the Company has not provided the complete requisite Additional Regulatory Information under Notes to Accounts as required to be provided vide notification dated 24.03.2021 under Item Y contained therein as the Company is of the opinion that the same are not applicable to the Company – However, the same could have been reported as Not Applicable in terms of the aforesaid notification in respect of the items as detailed in Annexure-A1.

2. (A) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, Statement of change in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, ***subject to few exceptions as reported in Annexure-1 annexed herewith.***



- (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” which is based on the auditor’s reports of the Company.
- (B) 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:
- (a) The Company does not have any pending litigation which would impact its financial position.
- (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (d) (i) The respective Managements of the Company have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity (“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.
- (ii) The respective Managements of the Company have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries 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: and
- (iii) Based on the audit procedures 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 (d) (i) and (d) (ii), contain any material misstatement.
- (e) There is no dividend declared or paid during the year by the company.
- (f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under clause (g) of Rule 11 is not applicable for the year under audit.
- (C) With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act – Section 197 of the Companies Act, 2013 is not applicable to the company on account of it being a Government Company.
- (D) In accordance with the directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Act, we report that:



Contd.-5

- (a) The Company does not have any system in place to process all the accounting transactions through IT system as the company has not provided any documentation separately in support thereof. The books of account have been maintained on the Tally accounting software and accounting transactions are recorded in the books of account as per instructions of the management as informed.
- (b) As per our information & explanation furnished to us, there is no instance of restructuring of any existing loan or case of waiver/ write-off of debts/loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan. However, the advance from Holding Company amounting Rs. 248.24 Lac as at 31st March 2023 has not been considered for this clause.
- (c) As per our information & explanation furnished to us, there is no amount of funds (grant/ subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies during the year under audit, therefore there is nothing to report under this clause.

For Dhanesh Gupta & Co.
Chartered Accountants
FRN : 02022N

(DHANESH CHANDER)
(Partner)

Membership Number:- 080649

Place :- New Delhi

Date : 18/07/2023

UDIN : 23080649BHAZQZ4850



Annexure "A" to the Independent Auditor's report of DUMKA TRANSMISSION LIMITED for the year ended 31st March, 2023

(Referred to in paragraph 1 of the aforesaid 'Report under other legal and regulatory requirements' forming part of our aforesaid report of even date)

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets

(a) (A) The Company does not have any Property, Plant and Equipment. Only Capital Work in Process is appearing in the books of accounts which is capitalization of the allocated amount, for which no Physical Verification is possible as per the explanation provided by the management.

(B) The Company does not have any intangible assets.

(b) In view of (a) above, the reporting under clause 3(i)(b), 3(i)(c) and 3(i)(d) of the Order are not applicable to the company.

(c) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under The Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable to the company.

(b) the company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets, hence, reporting under clause 3(ii)(b) of the Order is not applicable to the company

(iii) During the year the Company has neither made any investments in, nor provided any guarantee or security, nor granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and therefore reporting under the clause 3(iii)(a) to (f) of the Order is not applicable to the company.

(iv) The Company has not granted any loans, has not made investments and has not provided guarantees and securities. Hence, reporting under clause 3(iv) of the Order is not applicable to the company

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable to the company.

(vi) According to the information and explanations given to us, the cost records as prescribed by the Central Government under section 148(1) of the Act, are not applicable to the Company hence, reporting under clause 3(vi) of the Order is not applicable to the company.

(vii) In respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Service Tax, provident fund, Employees' State Insurance, income tax, sales tax, duty of customs, service tax, duty of excise, value added tax, cess and other material statutory dues, applicable to it, with the appropriate authorities.

There were no undisputed amounts payable in respect of Good and Service Tax, provident fund, Employees' State Insurance, Income tax, sales tax, service tax, value added tax, duty of customs, duty of excise, Cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) there are no statutory dues referred to in sub-clause (a) above, which have not been deposited as on 31st March 2023 on account of disputes.

(viii) 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.

(ix) The Company does not have any loans or other borrowings and hence, reporting under clause 3(ix) of the Order is not applicable to the company.

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.



Contd.-2

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optional) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of the Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) No whistle-blower complaints were received by the company during the year.

(xii) The Company is not a Nidhi company. Accordingly, reporting under clause 3(xii) of the Order is not applicable.

(xiii) The Company is in compliance with Section 177 and 188 of the Companies Act, 2013, as applicable, with respect to applicable transactions with the related parties and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) The company is not required to get the internal audit done and hence, reporting under clause 3(xiv) of the Order is not applicable to the company.

(xv) The Company has not entered into non-cash transactions with directors or persons connected with directors. Hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) There is no CIC within the Group as defined in the regulations made by the Reserve Bank of India, and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has incurred cash losses of Rs. 74.00 thousand during the financial year covered by our audit and Rs. 32.11 thousand for immediately preceding financial year *(subject to our comments made in Annexure-1 annexed with this report as already referred above).*

(xviii) There has been no resignation of the statutory auditors of the Company during the year as per the information provided by the management of the company as Statutory Auditors are appointed at the instance of the CAG of India.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions **including our comments appended vide Annexure-1 to this report**, it has come to our attention, which causes us to believe that material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities towards amount (liability) payable to Holding Co. 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 of any kind of assurance with regard 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 & when they fall due.

(xx) According to the information and explanation provided to us, Section 135 of the Companies Act 2013 is not applicable to the Company and hence, reporting under clause 3(xx) of the Order is not applicable to the company.

For Dhanesh Gupta & Co.

Chartered Accountants

FRN : 02822N

(DHANESH CHANDER)

(Partner)

Membership Number:- 080649

Place :- New Delhi

Date : 18/07/2023

UDIN : 23080649BHAZQZ4850



“Annexure B” to the Independent Auditor’s Report of even date to the members of DUMKA TRANSMISSION LIMITED on the accounts of the company for the year ended 31st March, 2023

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 DUMKA TRANSMISSION LIMITED (‘the Company’) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls 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 (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, safeguarding of its assets, prevention and detection of frauds and errors, 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 auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements in view of the comments already made as aforesaid vide **Annexure-1** forming part of this report.

Meaning of Internal Financial Controls over Financial Reporting

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

Contd.-2



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 does not have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were operating effectively as at March 31, 2023, 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 in view of the comments already made vide **Annexure-1** as aforesaid.

For Dhanesh Gupta & Co.

Chartered Accountants

FRN : 02022N

(DHANESH CHANDER)

(Partner)

Membership Number:- 080649

Place :- New Delhi

Date : 18/07/2023

UDIN : 23080649BHAZQZ4850



Annexure-1 (Forming part of our Audit Report of even date)

Comments on the Financial Statements (Balance Sheet, Profit & Loss Statement and Cash Flow Statement) of DUMKA TRANSMISSION LTD for the year ended 31st March, 2023

A. Observations on examination of Books Of Accounts

1. CAPITAL WORK IN PROGRESS (CWIP)

According to the information & explanation provided by the management of the company, the management has changed the accounting policy regarding recognising and accounting for the CWIP w.e.f. the FY 2022-23.

Till the FY 2021-22, the policy regarding expenditure incurred by holding co. as mentioned in significant accounting policies no. 2.2 (ix) to the audited financial statements for FY 2021-22 is reproduced herein below:

“All the direct expenses incurred by RECPDCL like Advertisement, survey, consultancy, ROC fees etc. is directly booked. Indirect / Common Expenses are allocated to SPV on the proportionate basis from the month of issue of RFQ / RFP (If RFQ stage is not adopted in the Bidding Process) or incorporation of SPV, whichever is earlier, till the month in which tenth day from the date of issue of Letter of Intent (LOI) for the transfer of the SPV falls. Part of the month, if any, is considered as full month for cost allocation. Expenditure incurred by REC Power Development and Consultancy Limited (formerly REC Power Distribution Co. Ltd.), Holding Company, on behalf of the Company is considered as "other financial liabilities" (Current). The Company is obtaining various licenses with respect to the project such as licenses under section 68, forest clearance and other clearance etc. from agencies concern. Expenses incurred in obtaining the license i.e. all direct expenditures and indirect expenditure are shown under Capital Work In Progress (CWIP) [and Statement of Profit and Loss]⁵. In the opinion of management, 10% of the indirect expenses are estimated to be incurred in obtaining the license and hence capitalised.”

[5] "and Statement of Profit and Loss Account" added in the Significant Accounting Policies from FY 2020-21 & onwards

As per above policy, it is clearly evident that all direct expenses incurred on the project needed to be capitalised under CWIP whereas indirect/common/ allocated expenses need to be capitalised to the extent of 10% of total allocated expenses, however only 10% of the indirect expenses were estimated to be incurred in obtaining the licenses and hence capitalised whereas direct expenses stood debited to the Profit and Loss Account of the Company, meaning thereby that no direct expenses had been capitalized by the company under CWIP.

Thereby, as per books of account of the Company, the CWIP details as on 31st March 2022 stood as follows (which has been brought forward to the current year i.e. FY 2022-23):

FY 2017-18	10 % of Salary and Administration expenses	576970
	10% of Interest expenses	23993
FY 2018-19	10 % of Salary expenses	514582
	10% of Administration expenses	238924
	10% of Interest expenses	157759
FY 2019-20	10 % of Salary expenses	125125
	10% of Administration expenses	58500
	10% of Interest expenses	266946
FY 2020-21	10 % of Salary expenses	5431
	Total	1968230

However, as per information & explanations furnished to us, the said amount of CWIP amounting to Rs. 19.68 Lac has now been written-off by adjustment against Reserves & Surplus (Other equity) due to change in accounting policy of the company. The new policy regarding expenditure incurred by holding co. as mentioned in significant accounting policies no. 2.2 (xv) to the audited financial statements for FY 2022-23 is reproduced herein below:

Contd.-2



(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 RFQ / RFP (If RFQ stage is not adopted in the Bidding Process) or incorporation of SPV, whichever is earlier, till the month in which tenth day from the date of issue of Letter of Intent (LOI) for the transfer of the SPV falls. Part of the month, if any, is considered as full month for cost allocation. The holding company 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 expenses, interest is charged from the month in which the expenditure is incurred whereas for indirect expenses interest is charged for the average period of deployment of funds. Such interest is calculated on monthly basis but recognized at the end of the period.

Expenditure incurred for the SPV by Holding Company on behalf of the Company is considered as "other financial liabilities" (Current). Also, interest is charged on such expenditure 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 as per Note no. 15, the Change in accounting policy shall be applied retrospectively i.e. adjustment to the opening balances of the each effected component of equity for the earliest prior period and other comparative amount disclosed for each prior period as if the new accounting policy had always applied :-

Description	Balance as on 31.03.2022 (Showing in other Current Asset)	Changes due to accounting policy (charged to Profit & Loss A/cs)	Balance as on 01.04.2022 (other current asset)
CGST/SGST Input	-	-	-
Unclaimed CGST/SGST Input	1,851.92	(1,851.92)	-
Capital Work in Progress	1,968.23	(1,968.23)	-
Other equity	(21,455.23)	(3,820.15)	(25,275.38)
Total	(17,635.08)	(7,640.30)	(25,275.38)

Contd.-3



It is further mentioned that as per information & explanations provided by the management, the project has been put on hold vide letter dated 30/09/2020 of the Jharkhand Govt. whereby the Govt. has directed the REC PDCL (Holding company) to re-initiate the bidding process after necessary approvals. As such, the project is stated to be suspended w.e.f. 30/09/2020, the CWIP and accumulated losses had been shown at Rs. 19,68,230/- and Rs. 2,14,55,230/- respectively as at 31/03/2022 as under:-

Particulars	Accumulated Loss	CWIP
As at 01.04.2020	2,13,22,120/-	19,62,800/-
Addition in FY 20-21	1,01,000/-	5,430/-
Addition in FY 21-22	32,110/-	0
Total Loss as on 31.03.2022	2,14,55,230/-	19,68,230/-

From the above facts, it is clearly evident that the Company has not been following its accounting policies regarding CWIP on consistent basis. It had only capitalised the indirect expenses allocated by the Holding company whereas direct expenses incurred on the project had never been capitalised since incorporation of the company and had been directly charged to the Profit & Loss Account thereby resulting in the inflated figure of accumulated losses at Rs. 2.15 Crores instead of being shown under CWIP until the FY 2021-22, which has further increased to Rs. 2.53 Crores due to the change in policy during the FY 2022-23.

Therefore, in our opinion, since the project was in progress till 30.09.2020, all direct expenses, should have also been capitalized under the head CWIP till 30.09.2020 and not to be shown as an Expense in the Profit & Loss Statement and accordingly, the figures should have been appeared in the financial statements under the head CWIP till 30.09.2020 at Rs. 2,13,22,120/- (upto 31/3/2020) + Part of Expenses of Rs. 1,01,000/- (incurred during FY 2020-21 till 30.09.2020) and not as losses accumulated in the Profit & Loss Statement. Further the figure of accumulated losses has been increased by write-off of CWIP amounting to Rs. 19.68 Lac during the FY 2022-23. Hence, to that extent, the Balance Sheet as at 31st March 2023 does not reflect a true & fair view of the assets & liabilities of the company as on that date.

2. UNCLAIMED GST (CGST & SGST) INPUTS

The company until FY 2021-22 had vide Note No. 6 for Other Current Assets - showing Balances with statutory and government authorities amounting to Rs. 18.52 Lac (Previous year Rs. 18.40 Lac), an explanation was appended by the management with the Financial Statements annexed herewith, the same is reproduced herein below:-

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

However due to change in accounting policy as aforesaid in item no. - 1 herein above, the said amount of Rs. 18.52 Lac has been written-off by adjustment with Other Equity thereby increasing the amount of accumulated losses by the said amount.

Hence, from the above facts, it is clearly evident that the Company has not been following its accounting policies regarding accounting for GST input tax credit recoverable, on consistent basis, thereby resulting in an increase of accumulated losses to the tune of Rs. 18.52 Lac during the FY 2022-23. Hence, to that extent, the Balance Sheet as at 31st March 2023 does not reflect a true & fair view of the accumulated losses of the company for the year ended on that date.

3. COMPLIANCE WITH INDIAN ACCOUNTING STANDARDS (Ind AS)

As per Note no. 2.1(i), Statement of compliance with Indian Accounting Standards (Ind AS) as reproduced below:



Contd.-4

"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.

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."

However, as narrated herein above in item no.- 1 & 2 above, it is apparent that the Company had not complied with the Ind AS – 16 (Property, Plant & Equipment) with respect to recognition of Capital Work-in-Progress under the head Property, Plant & Equipment but instead charged it to Profit & Loss Statement.

Moreover, in our opinion, the Company had also not complied with the Ind AS – 8 (Accounting Policies, Changes in Accounting Estimates and Errors) by making changes in its accounting policy regarding recognition of Capital Work-in-Progress, as narrated herein above in item no.- 1 & 2 above, without reasonable and adequate basis requiring such change in accounting policy.

As per Ind AS-8 (Para 14) – "An entity shall change an accounting policy only if the change:

(a) is required by an Ind AS; or

(b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows.

In our opinion, the Company does not satisfy any of the above two conditions in order to justify the change in the accounting policy regarding recognition of Capital Work-in-Progress, on the contrary, it results in non-compliance of recognition principles of Ind AS – 16 (Para 7 to 11, 16 & 17) thereby not reflecting true & fair view of the financial position of the Company.

Hence, in our opinion, the Company has not complied with the above mentioned two accounting standards, i.e., Ind AS-8 and Ind AS-16, as aforesaid.

4. MATERIAL UNCERTAINTY REGARDING GOING CONCERN BASIS

The Company is a special purpose vehicle incorporated for "Selection of the developer for different transmission projects in different packages". The Government of Jharkhand vide notification no. 03/06/17/2648 dated 21 August 2017 has appointed RECPDCL (the Holding Company) as Bid Process Co-coordinator for selection of the developer for the project through tariff based competitive bidding process.

However, as per information & explanations provided by the management, the project has been put on hold vide letter dated 30/09/2020 of the Jharkhand Govt. whereby the Govt. has directed the REC-PDCL (Holding company) to re-initiate the bidding process after necessary approvals.



Contd.-5

Further, as per information & explanations provided by the management, no further advancement or progress has been made since 30/09/2020 regarding re-initiation of the bidding process and there are neither any indicators to suggest as to when it is expected to happen nor any indicators to suggest whether it would be re-initiated at all. As such, this situation indicates a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. In spite of such an adverse situation, the financial statements have been prepared on going concern basis and the financial statements (notes to accounts) do not disclose such fact.

In view of the above facts, in our opinion, the Balance Sheet as at on 31st March 2023 does not reflect a true & fair view of the state of affairs of the company as on that date and the Profit & Loss Account for the year ended on 31st March 2023 does not reflect a true & fair view of the accumulated losses of the company for the year ended on that date.

B. Observation on Internal Financial Controls

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

However, on our examination of books of accounts and review of internal financial controls over financial reporting, we observed that proper internal financial control does not exist – 1) pertaining to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions of the company and 2) to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles. Our opinion to this effect is formed in view of the facts as already narrated in Para – A above.

Therefore, in view of the above stated comments & observations, we are of the opinion that the Balance Sheet as at 31st March 2023 *does not reflect a true & fair view* of the state of affairs of the company as on that date and the Profit & Loss Statement does not reflect the true & fair view of the losses of the company for the year ended on that date and as a result the Cash Flow Statement do not reflect a true and fair view of the cash flows of the company for the year ended on that date.

For Dhanesh Gupta & Co.

Chartered Accountants

FRN : 02022N

(DHANESH CHANDER)

(Partner)

Membership Number:- 080649

Place :- Delhi

Date : 18/07/2023

UDIN : 23080649BHAZQZ4850



DUMKA TRANSMISSION LTD.

Annexure-A1

Details of the items where no disclosure has been made in Notes to Accounts annexed with the Financial Statements for FY 2022-23 with respect to Additional Regulatory Information required to be reported vide Notification dated 24.03.2021 issued by Ministry of Corporate Affairs, Govt. of India

S. No.	Particulars
1.	Title deeds of Immovable Property not held in name of the Company
2.	Where the Company has revalued its Property, Plant and Equipment, the company shall disclose as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.
3.	Disclosures shall be made where Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties
4.	Ageing Schedule of Capital-Work-in Progress (CWIP)
5.	Intangible assets under development
6.	Details of Benami Property held
7.	Borrowings from banks or financial institutions on the basis of security of current assets
8.	Wilful Defaulter
9.	Registration of charges or satisfaction with Registrar of Companies
10.	Compliance with approved Scheme(s) of Arrangements
11.	Utilisation of Borrowed funds and share premium



22.5.23

DUMKA TRANSMISSION LIMITED

CIN U40300DL2018GOI331490

Balance Sheet as at 31 March, 2023

(All amounts in ₹ thousands, unless stated otherwise)

Particulars	Notes	As at 31 March, 2023	As at 31 March, 2022
ASSETS			
Non-current assets			
Capital work in progress	4	-	1,968.23
Total non current assets		-	1,968.23
Current assets			
Financial assets			
Cash and cash equivalents	5	20.00	20.00
Other current assets	6	-	1,851.92
Total current assets		20.00	1,871.92
TOTAL ASSETS		20.00	3,840.15
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	500.00	500.00
Other equity	8	(25,349.38)	(21,455.23)
Total equity		(24,849.38)	(20,955.23)
Current liabilities			
Financial liabilities			
Other financial liabilities	9	24,869.38	24,788.14
Other current liabilities	10	-	7.24
Total current liabilities		24,869.38	24,795.38
Total liabilities		24,869.38	24,795.38
TOTAL EQUITY & LIABILITIES		20.00	3,840.15

Summary of significant accounting policies & other information 1 to 3

The accompanying notes from 4 to 19 are integral part of the financial statements.

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

For Dhanesh Gupta & Co.

Chartered Accountants

FIRN: 002022N

For and on behalf of Board of Directors of

DUMKA TRANSMISSION LIMITED

Dhanesh Chander

Partner

Membership no: 080649

Place: New Delhi

Date: 18/07/2023

UDIN: 23080649BHA Z Q Z 4 8 50



Saurabh Rastogi

Director

DIN: 05317155

Date: 22/05/23

Mohan Lal Kumawat

Director

DIN: 07682898

22/05/2023

22.5.23

DUMKA TRANSMISSION LIMITED

CIN U40300DL2018GOI331490

Statement of Profit and Loss for the period ended 31 March, 2023

(All amounts in ₹ thousands, unless stated otherwise)

Particulars	Notes	For the period ended 31 March, 2023	For the year ended 31 March, 2022
Income			
Other income	11	-	5.70
Total Income		-	5.70
Expenses			
Other expenses	12	74.00	37.81
Total expenses		74.00	37.81
Profit/(Loss) before tax		(74.00)	(32.11)
Tax expense	13		
Current tax		-	-
Deferred tax expense/(credit)		-	-
Earlier year taxes/(refunds)		-	-
Total tax expenses		-	-
Net profit/(loss) for the year / period		(74.00)	(32.11)
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		(74.00)	(32.11)
Earnings/(Loss) per equity share			
Basic/diluted earnings/ (loss) per share (In ₹)	14	(1.48)	(0.64)

Summary of significant accounting policies & other information 1 to 3

The accompanying notes from 4 to 19 are integral part of the financial statements.

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

For Dhanesh Gupta & Co.

Chartered Accountants

FRN: 002022N

Dhanesh Chander

Partner

Membership no: 080649

Place: New Delhi

Date: 18/07/2023



For and on behalf of Board of Directors of

DUMKA TRANSMISSION LIMITED

Saurabh Rastogi

Director

DIN: 05317155

Date: 22/05/23

Mohan Lal Kumawat

Director

DIN: 07682898

22/05/23

UDIN: 23080649BHAZQZ4850

22.5.23

DUMKA TRANSMISSION LIMITED

CIN U40300DL2018GOI331490

Statement of Cash Flows for the period ended 31 March, 2023

(All amounts in ₹ thousands, unless stated otherwise)

Particulars	For the period ended 31 March, 2023	For the year ended 31 March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(74.00)	(32.11)
Operating profit before working capital changes	(74.00)	(32.11)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Other current assets	-	(12.02)
Other non-current assets	1,968.23	
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables		
Other financial liabilities (current)	81.24	40.38
Other financial liabilities (non current)		
Other current liabilities	(7.24)	3.74
Cash generated from operations	1,968.23	0.00
Less: Tax paid		
Net cash used in operating activities (A)	1,968.23	0.00
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Sale / (Purchase) of property, plant and equipment (including capital work-in-progress and intangibles)	(1,968.23)	-
Net cash flow from investing activities (B)	(1,968.23)	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of share capital	-	-
Net cash flow from financing activities (C)	-	-
Net increase/decrease in cash and cash equivalents (A+B+C)	0.00	0.00
Cash and cash equivalents at the beginning of the year / period	20.00	20.00
Cash and cash equivalents at the end of the year / period	20.00	20.00
Reconciliation of cash and cash equivalents as per the cash flow statement	-	-

Summary of significant accounting policies & other information 1 to 3

The accompanying notes from 4 to 19 are integral part of the financial statements.

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

For Dhanesh Gupta & Co.

Chartered Accountants

Firm No: 002012N

Dhanesh Chander

Partner

Membership no: 080649

Place: New Delhi

Date: 18/07/2023

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

Saurabh Rastogi

Director

DIN: 05317155

Date: 22/05/23

Mohan Lal Kumawat

Director

DIN: 07682898

22/05/23

UDIN: 23080649BHA2QZ4850

22.5.23

DUMKA TRANSMISSION LIMITED

CIN U40300DL2018GOI331490

Statement of changes in equity for the period ended 31 March, 2023

(All amounts in ₹ thousands, unless stated otherwise)

A Equity share capital

Particular	Amount
Balance as at 1 April, 2021	500.00
Changes in equity share capital due to prior period errors	-
Balance as at 31 March, 2022	500.00
Balance as at 1 April, 2022	500.00
Changes in equity share capital during the year	-
Balance as at 31 March, 2023	500.00

B Other equity

	Retained Earnings	Total
Balance as at 1 April, 2021	(21,423.12)	(21,423.12)
Loss for the year	(32.11)	(32.11)
Balance as at 31 March, 2022	(21,455.23)	(21,455.23)
Balance as at 1 April, 2022	(21,455.23)	(21,455.23)
Changes in accounting policy or prior period error	(3,820.15)	(3,820.15)
Restated Balance as at 1 April, 2022	(25,275.38)	(25,275.38)
Profit / (Loss) for the year	(74.00)	(74.00)
Dividend	-	-
Balance as at 31 March, 2023	(25,349.38)	(25,349.38)

Summary of significant accounting policies & other information 1 to 3

The accompanying notes from 4 to 19 are integral part of the financial statements.

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

For Dhanesh Gupta & Co.

Chartered Accountants

FRN: 003022N

Dhanesh Chander

Partner

Membership no: 080649

Place: New Delhi

Date: 18/07/2023.

**For and on behalf of Board of Directors of
DUMKA TRANSMISSION LIMITED****Saurabh Rastogi**

Director

DIN: 05317155

22/05/23

Mohan Lal Kumawat

Director

DIN: 07682898

22/05/23

UDIN : 23080649 BHAZAZ4850

DUMKA TRANSMISSION LIMITED

Summary of Significant accounting policies & other information for the period ending 31st March 2023
(All amounts in Rupees Thousands, unless stated otherwise)

1. COMPANY OVERVIEW

Dumka Transmission Limited ("the Company") was incorporated on 23.03.2018 at New Delhi. The Company is a wholly owned subsidiary of REC Power Development & Consultancy Limited. The Company is a special purpose vehicle incorporated for "Selection of the developer for different transmission projects in different packages". The Government of Jharkhand vide notification no. 03/06/17/2648 dated 21 August 2017 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 Government of Jharkhand vide its letter dated 30.09.2020 has decided to reinstate the bidding process once all the approval are obtained. No further communication has been received from Government of Jharkhand. Hence the project has been kept abeyance w.e.f. 01.10.2020.

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, 2023 were authorized and approved by the Board of Directors on 22nd May, 2023.

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 hithertn 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:



DUMKA TRANSMISSION LIMITED

Summary of Significant accounting policies & other information for the period ending 31st March 2023
(All amounts in Rupees Thousands, unless stated otherwise)

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.

(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 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



DUMKA TRANSMISSION LIMITED

Summary of Significant accounting policies & other information for the period ending 31st March 2023
(All amounts in Rupees Thousands, unless stated otherwise)

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.

(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



DUMKA TRANSMISSION LIMITED

Summary of Significant accounting policies & other information for the period ending 31st March 2023
(All amounts in Rupees Thousands, unless stated otherwise)

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 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



DUMKA TRANSMISSION LIMITED

Summary of Significant accounting policies & other information for the period ending 31st March 2023
(All amounts in Rupees Thousands, unless stated otherwise)

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.

(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.



DUMKA TRANSMISSION LIMITED

Summary of Significant accounting policies & other information for the period ending 31st March 2023
(All amounts in Rupees Thousands, unless stated otherwise)

(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.

(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 RFQ / RFP (If RFQ stage is not adopted in the Bidding Process) or incorporation of SPV, whichever is earlier, till the month in which tenth day from the date of issue of Letter of Intent (LOI) for the transfer of the SPV falls. Part of the month, if any, is considered as full month for cost allocation. The holding company 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 expenses, interest is charged from the month in which the expenditure is incurred whereas for indirect expenses interest is charged for the average period of deployment of funds. Such interest is calculated on monthly basis but recognized at the end of the period.



DUMKA TRANSMISSION LIMITED

Summary of Significant accounting policies & other information for the period ending 31st March 2023
(All amounts in Rupees Thousands, unless stated otherwise)

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.

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.



DUMKA TRANSMISSION LIMITED

Summary of Significant accounting policies & other information for the period ending 31st March 2023
(All amounts in Rupees Thousands, unless stated otherwise)

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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DUMKA TRANSMISSION LIMITED

Notes forming part of Financial Statements for the period ending 31st March 2023

All amounts in ₹ thousands, unless stated otherwise)

4 Capital work in progress

Particulars	As at 31 March, 2023	As at 31 March, 2022
Expenses Allocated by Holding Co.	-	1,968.23
	-	1,968.23

Ageing Schedule :-

CWIP	Amount in CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended *	-	5.43	450.57	1,512.23	1,968.23
Total					1,968.23

5 Cash and cash equivalents

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balances with banks:		
- with bank in current accounts	20.00	20.00
	20.00	20.00

6 Other current assets

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balances with statutory and government authorities	0.00	1851.92
	-	1,851.92



DUMKA TRANSMISSION LIMITED

Notes forming part of Financial Statements for the period ending 31st March 2023

(All amounts in ₹ thousands, unless stated otherwise)

7 Equity share capital

Particulars	As at 31 March, 2023	As at 31 March, 2022
Authorized equity share capital 50,000 Equity shares of Rs 10 each	500.00	500.00
Issued, subscribed and paid up equity share capital 50,000 Equity shares of Rs 10 each	500.00	500.00
	500.00	500.00

i) Terms & Right attached to equity shares:

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

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

	As at 31 March, 2023		As at 31 March, 2022	
	No. of shares	(₹)	No. of shares	(₹)
Equity share capital of ₹ 10 each fully paid up				
Balance at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Add: Issued during the year				
Balance at the end of the period	50,000	5,00,000	50,000	5,00,000

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

	As at 31 March, 2023		As at 31 March, 2022	
	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 Promotor:

	As at 31 March, 2023		As at 31 March, 2022	
	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.

8 Other equity

Particulars	As at 31 March, 2023	As at 31 March, 2022
Retained earnings		
Balance at the beginning of the period / year	(21,455.23)	(21,423.12)
Add: Changes due to Accounting Policy	(3,820.15)	
Add : Transferred from statement of profit and loss	(74.00)	(32.11)
Closing Balance at the end of the period / year	(25,349.38)	(21,455.23)
Total other equity	(25,349.38)	(21,455.23)



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DUMKA TRANSMISSION LIMITED

Notes forming part of Financial Statements for the period ending 31st March 2023

(All amounts in ₹ thousands, unless stated otherwise)

9 Other financial liabilities (Current)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advance from holding company*	24,824.38	24,756.64
Audit fees payable	45.00	31.50
	24,869.38	24,788.14

* Refer note 16 on related party transactions

10 Other current liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
Statutory dues Payable		
- TDS payable	-	7.24
	-	7.24

11 Other income

Particulars	For the period ended 31 March, 2023	For the year ended 31 March, 2022
Liabilities/Expenses written off	-	5.70
	-	-



DUMKA TRANSMISSION LIMITED

Notes forming part of Financial Statements for the period ending 31st March 2023

(All amounts in ₹ thousands, unless stated otherwise)

12 Other expenses

Particulars	For the period ended 31 March, 2023	For the year ended 31 March, 2022
Legal & Professional Expenses/MCA & ROC Filings	—	2.81
Auditors' remuneration	74.00	35.00
Bank Charges	—	—
	74.00	37.81

13 Tax expense

Particulars	For the period ended 31 March, 2023	For the year ended 31 March, 2022
Current tax		
Tax pertaining to current period	—	—
Tax pertaining to earlier years	—	—
Deferred tax expense/(credit)	—	—

	For the period ended 31 March, 2023	For the year ended 31 March, 2022
Tax expense		
(i) Current tax		
Tax pertaining to current year	0.00	0.00
Tax pertaining to earlier years	0.00	0.00
(ii) Deferred tax expense/(credit)	0.00	0.00
	0.00	0.00

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax

Accounting Loss before income tax	(74.00)	(32.11)
At country's statutory income tax rate of 26%	0.00	0.00
Adjustments in respect of taxes earlier years		
(i) Non-deductible expenses for tax purposes	0.00	0.00
(ii) Non-taxable incomes	0.00	0.00
(iii) Earlier year taxes	0.00	0.00
(iv) Deferred tax on allowable provisional expenditure of earlier year	0.00	0.00
(v) Deferred tax change due to rate change	0.00	0.00
	0.00	0.00

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

14 Basic/diluted earnings/ loss per share

Net profit/(loss) for the year	(74.00)	(32.11)
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 ₹)	(1.48)	(0.64)



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DUMKA TRANSMISSION LIMITED**Notes forming part of Financial Statements for the period ending 31st March 2023**

(All amounts in ₹ thousands, unless stated otherwise)

15 Impact due to Changed in Accounting Policy

The Change in accounting policy shall be applied retrospectively i.e. adjustment to the opening balances of the each effected component of equity for the earliest prior period and other comparative amount disclosed for each prior period as if the new accounting policy had always applied

Description	Balance as on 31.03.2022 (Showing in other Current Asset)	Changes due to accounting policy (charged to Profit & Loss A/cs)	Balance as on 01.04.2022 (other current asset)
CGST/SGST Input			
Unclaimed CGST/SGST Input	1,851.92	(1,851.92)	
Capital Work in Progress	1,968.23	(1,968.23)	
Other equity	(21,455.23)	(3,820.15)	(25,275.38)
Total	(17,635.08)	(7,640.30)	(25,275.38)

16 Related party transactions

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

a. Details of related parties:

Description of relationship	Names of related parties
Holding company	REC Power Development & Consultancy Limited (RECPDCL)
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
MOHAN LAL KUMAWAT	Director	23.03.2018	
SAURABH RASTOGI	Chairman and Director	25.03.2021	
SANJAY SHILENDRAKUMAR KULSHRESTHA	Director	23.03.2018	

KMP's / Directors Remuneration	For the period ended 31 March, 2023	For the year ended 31 March, 2022
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, 2023	Year Ended March 31, 2022
(i) Transactions during the year			
BPC Professional Fees	Holding Company (RECPDCL)		
Interest	Holding Company (RECPDCL)		
Reimbursement of expenses	Holding Company (RECPDCL)		37.81
(ii) Outstanding Balances at year end			
Advance from Holding Co.	Holding Company (RECPDCL)	24,824.38	24,756.64

17 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.



22.5.23

DUMKA TRANSMISSION LIMITED

Notes forming part of Financial Statements for the period ending 31st March 2023

(All amounts in ₹ thousands, unless stated otherwise)

18 Ratios Analysis

Ratio	31 March, 2023			31 March, 2022			Analysis	
	Numerator	Denominator	Ratios	Numerator	Denominator	Ratios	% Variance	Reason for Variance
Current Ratio	20.00	24,869.38	0.00	1,871.92	24,795.38	0.08	(0.99)	
Return on Equity Ratio	(74.00)	(22,902.31)	0.00	(32.11)	(20,939.18)	0.00	1.11	
Return on Capital employed	(74.00)	(24,849.38)	0.00	(32.11)	(20,955.23)	0.00	0.94	

1. Current ratio - Numerator includes current assets and Denominator includes current liabilities
2. Debt equity ratio - Numerator includes Total Debt and Denominator includes shareholders equity
3. Return on Equity ratio - Numerator includes Net profit after taxes and Denominator includes average shareholders equity.
4. Trade receivable turnover ratio - Numerator includes Revenue from operations and Denominator includes average trade receivables.
5. Trade payable turnover ratio - Numerator includes Cost of services rendered and Denominator includes average trade payables.
6. Net capital turnover ratio - Numerator includes Revenue from operations and Denominator includes working capital.
7. Net profit ratio - Numerator includes profit after tax and Denominator includes Revenue from operations.
8. 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).

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.

19 Other notes to accounts

- 19.1 As per the policy of Holding Company the invoice for the services provided is raised at the end of the financial year or on the date of the transfer of the SPV or on the receipt of advance/acquisition price, whichever is earlier.
- 19.2 There is no employee in the roll of the Company. Employees working for the Company are in the roll of the holding company i.e. RECPDCL and ultimate holding company i.e. REC Limited. The employee expenses including contributions in respect of liabilities for employee benefit expense towards leave, provident fund, superannuation and all other benefits as applicable are accounted for by the holding company and ultimate holding company. Hence, disclosure requirements under Ind AS 19 is not applicable.
- 19.3 The code on social security 2020 (Code) relating to employee benefit during employment and post employment benefit received presidential assent in September 2020. The code has been published in the Gazette of India. However, the date on which the code will come in to effect has not been notified. However, there are no employees on roll of company.
- 19.3 The Company is operating in a single segment and therefore disclosure requirements under Ind AS 108 is not applicable.
- 19.4 There has no transaction under section 248 of the companies Act, 2013 with struck off companies during the year.
- 19.5 The Companies does not have more than 2 layers as specified in sub rule (2) of companies (Restriction on number of layers) Rules, 2017.
- 19.6 The capital commitments, contingent liabilities and claims against the company not acknowledged as debt is Nil.
- 19.7 The company has no non material adjustment event after reporting period.
- 19.8 As per the provision of the companies Act, 2013, the figures have been rounded off to the nearest of Thousand and decimal thereof.
- 19.9 There are no foreign currency transactions during the year. Therefore no disclosures are required under Schedule III of the Companies Act, 2013.
- 19.10 The figures have been regrouped / rearranged / recast, wherever necessary, for better presentation to make them comparable.
- 19.11 Negative figures have been shown in bracket.

For **Dhanesh Gupta & Co.**
Chartered Accountants
(FRN: 02022N)

Dhanesh Chander
Partner
Membership no: 080649
Place: New Delhi
Date: 18/07/2023



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

Saurabh Rastogi
Director
DIN: 05317155

22/05/23

Mohan Lal Kumawat
Director
DIN: 07682898

22/05/23

UDIN: 23080649BHAZQZ4850