

POWERGRID BHADLA TRANSMISSION LIMITED

(Formerly known as Fatehgarh Bhadla Transco Limited)

A Wholly Owned Subsidiary of Power Grid Corporation of India Limited

(CIN: U40108DL2020GOI364227)

ANNUAL REPORT (2020-21)

POWERGRID BHADLA TRANSMISSION LIMITED

(Formerly known as Fatehgarh Bhadla Transco Limited)

CIN: U40108DL2020GOI364227

Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016

Tel: 011-26560121; Fax: 011-26601081

DIRECTORS' REPORT

To,

Dear Members,

I am delighted to present on behalf of the Board of Directors, the First Annual Report of POWERGRID Bhadla Transmission Limited (Formerly known as Fatehgarh Bhadla Transco Limited) on the working of the Company together with Audited Financial Statement and Auditors Report for the financial year ended 31st March, 2021.

State of the Company's Affairs & Project implementation

POWERGRID Bhadla Transmission Limited (Formerly known as Fatehgarh Bhadla Transco Limited) was acquired by POWERGRID on June 04, 2021 under Tariff based competitive bidding from REC Transmission Projects Company Limited (the Bid Process Coordinator) to establish transmission system for Transmission system strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase II – Part B. The Transmission system comprises establishment of Fatehgarh-II to Bhadla-II 765kV D/C Transmission line and associated substation extension works in the State of Rajasthan. The work is in under process in full swing.

The Scope of Transmission Project includes: -

1. Fatehgarh-II PS – Bhadla-II PS 765kV D/c line (2nd)
2. 2 no. of 765 kV line bays each at Fatehgarh-II and Bhadla-II for Fatehgarh-II PS – Bhadla- II PS 765kV D/c line (2nd)
3. 1x240 MVAR Switchable line reactor for each circuit at each end of Fatehgarh-II – Bhadla-II 765kV D/c line (2nd)
240 MVAR, 765 kV reactor- 4 (2 reactors each at Fatehgarh-II and Bhadla-II), i.e. 7x80 MVAR Line Reactor each at Fatehgarh-II & Bhadla-II (with 1 common spare unit for two banks of Line Reactor)
Switching equipment for 765 kV reactor - 4 (2 Switching equipment's each at Fatehgarh-II and Bhadla-II)
(1x80 MVAR spare reactor each at Fatehgarh-II and Bhadla-II to be used as spare for Fatehgarh-II – Bhadla-II 765kV D/c line (2nd))

Financial Performance***Rs. in Lakhs***

Particulars	2020-21
Revenue from Operations	-
Other Income	30
Total Income	30
Expenses	101.59
Profit before Tax	(71.59)
Profit after Tax	(71.59)
Earnings Per Equity Share (Rs.)	(143.20)

Share Capital

The Authorised and Paid-up Share Capital as on 31st March, 2021 of the Company were Rs. 5 Lakhs.

Dividend and Transfer to Reserves

Your Company's Project is under implementation hence, Company has not started its commercial operations and there is no operational income/profit so your Company do not propose to carry any amount to the reserves for the Financial Year ended March 31, 2021. Your Directors have not recommended any dividend on the equity shares for the period under review.

Particulars of Loans, Guarantees or Investments made under section 186 of the Companies Act, 2013

Your Company has not given any loans, provided any guarantee or security to any other entity.

Particulars of contracts or arrangements with related parties

Particulars of contracts or arrangements with related parties referred to Section 188 of the Companies Act, 2013, in the prescribed form AOC-2, are given as **Annexure - I** to the Directors' Report.

Details of Significant & Material Orders passed by the regulators, courts, tribunals impacting the going concern status and company's operation in future

No significant / material orders passed by any authority during the Financial Year impacting the going concern status and Company's operation in future.

Deposits

Your Company has not accepted any deposit for the period under review.

Subsidiaries, Joint Ventures and Associate Companies

Your Company does not have any subsidiaries, joint ventures and associate companies.

Directors' Responsibility Statement

As required under section 134(3)(c) & 134(5) of the Companies Act, your Directors confirm that:

- a. in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the Annual Accounts on a going concern basis; and
- e. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Conservation of Energy, Technology absorption, Foreign Exchange Earning and Out Go

There is no Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 for financial year 2020-21.

Annual Return

In accordance with Section 92(3) read with Section 134 (3) (a) of the Companies Act, 2013, Annual Return of the Company is available on the web-site of the Power Grid Corporation of India Limited (Holding Company) and can be accessed at [https://www.powergrid.in/sites/default/files/Draft%20MGT-7 PBTB-Bhadla 0.pdf](https://www.powergrid.in/sites/default/files/Draft%20MGT-7%20PBTB-Bhadla%200.pdf)

Board of Directors

As on 31st March, 2021, the Board comprised of Three Directors viz. Shri Sanjay Shilendrakumar Kulshrestha, Shri Rajesh Kumar and Shri Mohan Lal Kumawat.

There were no changes in the Board of Director of the Company from the date of incorporation i.e. 02th June, 2020 till the end of Financial Year i.e. 31st March, 2021.

Subsequently, after the end of the financial year 2020-21, Shri Abhay Choudhary, Shri A.K. Mishra and S.K. Jain were appointed as Additional Directors of the Company w.e.f. 4th June, 2021 who holds office up to the date of ensuing Annual General Meeting. Shri Sanjay Shilendrakumar Kulshrestha, Shri Rajesh Kumar and Shri Mohan Lal Kumawat ceased to be the Directors of the Company w.e.f. 4th June, 2021.

The Board placed on record its appreciation for the valuable contribution, guidance & support given by Shri Sanjay Shilendrakumar Kulshrestha, Shri Rajesh Kumar and Shri Mohan Lal Kumawat during their tenure as Directors of the Company.

The Company has received a notice under section 160 of the Companies Act, 2013 from a member of the Company for appointment of Shri Abhay Choudhary, Shri A.K. Mishra and S.K. Jain as Directors, who shall be liable to retire by rotation, in the ensuing Annual General Meeting.

None of the Directors is disqualified from being appointed/re-appointed as Director.

Number of Board meetings during the year

Since incorporation i.e. from 02th June, 2020 to financial year ended on 31st March, 2021, five (05) meetings of Board of Directors were held on 1st July, 2020, 29th July, 2020, 28th October, 2020, 25th January, 2021 and 1st March, 2021. The detail of number of meetings attended by each Director during the financial year are as under:

Name of Directors	Designation	No. of Board Meetings which were entitled to attend during financial year 2020-21.	No. of Board Meetings which were attendance during financial year 2020-21.
Shri Sanjay Shilendrakumar Kulshrestha ¹	Director & Chairman	05	05
Shri Rajesh Kumar ²	Director	05	03
Shri Mohan Lal Kumawat ²	Director	05	05

¹ Ceased to be Director & Chairman w.e.f. 04.06.2021.

² Ceased to be Director w.e.f. 04.06.2021.

Committees of the Board

Audit Committee

The provision of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 are not applicable to the Company.

Nomination & Remuneration Committee

The provision of Section 178 of the Companies Act, 2013 read with Rule 6 the Companies (Meetings of Board and its Powers) Rules, 2014 are not applicable to the Company.

Declaration by Independent Directors

Ministry of Corporate Affairs (MCA) vide notification dated 05th July 2017 had amended the Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 {said Rule 4} as per which the unlisted public companies in the nature of wholly owned subsidiaries are exempted from the requirement of appointing Independent Directors on their Board. Accordingly, PBTL, being a Wholly Owned Subsidiary of Power Grid Corporation of India Limited is exempted from the requirement of appointing Independent Directors on their Board.

Performance Evaluation

Your Company, being wholly-owned Subsidiary of POWERGRID, is a Government Company. The Whole time Directors & senior officials of POWERGRID (the holding company) are nominated as Directors of your Company. POWERGRID, being a Government Company, the Directors so nominated by it in your Company, are being evaluated under a well laid down procedure for evaluation of CMD / Functional Directors by Administrative Ministry and for evaluation of senior officials by POWERGRID (the holding company).

Statutory Auditors

M/s Sajjan Jindal & Co., Chartered Accountants, was appointed by Comptroller and Auditor General of India as Statutory Auditors of the Company for the date of incorporation i.e. 02nd June, 2020 to 31st March 2021.

Statutory Auditors' Report

M/s Sajjan Jindal & Co., Chartered Accountants, Statutory Auditors for the period from 02nd June, 2020 to 31st March 2021 have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

Details in respect of frauds reported by auditors other than those which are reportable to the Central Government

The Statutory Auditors of the Company have not reported any frauds to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

Comptroller and Auditor General's (C&AG) Comments

Your Company has received 'NIL' Comments on the financial statements for the year ended March 31, 2021 by the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013. Copy of letter dated 09th July, 2021 received from C&AG is placed at **Annexure-II** to this report.

Maintenance of Cost Records of the Company

Maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is not applicable to the Company during Financial Year 2020-21.

Secretarial Audit Report

The requirement of obtaining a Secretarial Audit Report from the practicing company secretary is not applicable to the Company.

Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, every Company having net worth of Rs. 500 Crore or more, or Turnover of Rs. 1000 Crore or more or a Net Profit of Rs. 5 Crore or more during immediately preceding Financial Year, is required to spend, atleast 2% of the Average Net Profits of the Company made during the three immediately preceding Financial Years, in pursuance of its Corporate Social Responsibility Policy. Since, the Company has not satisfied any of the above criteria during the FY 2020-21, the provisions of Section 135 requiring to incur expenditure on CSR were not applicable on the Company for the Financial Year 2020-21.

Development & Implementation of Risk Management Policy

Your Company being a wholly owned subsidiary of POWERGRID is covered under the Risk Management Framework as being done in the holding company.

Particulars of Employees

As per Notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 & corresponding rules of Chapter XIII are exempted for Government Companies. As your Company is a Government Company, the information has not been included as a part of Directors' report.

Compliance with Secretarial Standards

The Company has followed the Secretarial Standards SS-1 & 2 issued by the Institute of Company Secretaries of India.

Prevention of Sexual Harassment Policy

There was no incidence of Sexual Harassment during the Financial Year 2020-21.

Internal Financial Control Systems and their adequacy

Your Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March, 2021.

Right to Information

In compliance to 'Right to Information Act, 2005, an appropriate mechanism is in place in the Company for promoting transparency and accountability, wherein the Company has nominated Central Public Information Officer / Appellate Authorities to provide required information under the provisions of Act.

Acknowledgement

The Board extends its sincere thanks to the Ministry of Power, the Central Electricity Regulatory Commission, POWERGRID, the Comptroller & Auditor General of India, and the Auditors of the Company.

For and on behalf of
POWERGRID Bhadla Transmission Limited

Date: 17th September, 2021
Place: Gurgaon

Sd/-
(Abhay Choudhary)
Chairman
DIN: 07388432

POWERGRID BHADLA TRANSMISSION LIMITED
FORM No. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act
and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	-
b)	Nature of contracts/arrangements/transaction	-
c)	Duration of the contracts/arrangements/transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions'	-
f)	Date of approval by the Board	-
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	Power Grid Corporation of India Limited (POWERGRID)) [holding company w.e.f. 04.06.2021].
b	Nature of contracts/arrangements/transaction	Part (A) to avail all inputs and services as may be required by the Company from POWERGRID (Holding Company) @ 2% of the actual project cost (excl. IDC and Consultancy Fee) plus GST as applicable. Part (B) to take any security(ies) / guarantee(s) in connection with loan(s) / any form of debt including ECBs and/or to avail Inter

		corporate loan(s) on cost to cost basis, or a combination thereof, upto an amount of Rs 590 crore from POWERGRID.
c	Duration of the contracts/arrangements/transaction	Part (A) Commissioning of the project including associated reconciliation activities. Part (B) As mutually agreed.
d	Salient terms of the contracts or arrangements or transaction including the value, if any	Refer (b)
e	Date of approval by the Board	For Part (A) 04.06.2021 For Part (B) 04.06.2021
f	Amount paid as advances, if any	-

For and on behalf of
POWERGRID Bhadla Transmission Limited

Date: 17th September, 2021
Place: Gurgaon

Sd/-
(Abhay Choudhary)
Chairman
DIN: 07388432



सत्यमेव जयते

भारतीय लेखापरीक्षा एवं लेखा विभाग
महानिदेशक लेखापरीक्षा (ऊर्जा) का कार्यालय
नयी दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT
OFFICE OF THE
DIRECTOR GENERAL OF AUDIT (ENERGY)
NEW DELHI

दिनांक/ Dated: 09.07.2021

सेवा में,

निदेशक

फतेहगढ़ भदला ट्रांस्को लिमिटेड

नई दिल्ली

विषय: 31 मार्च 2021 को समाप्त अवधि के लिए फतेहगढ़ भदला ट्रांस्को लिमिटेड, नई दिल्ली के वार्षिक लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, फतेहगढ़ भदला ट्रांस्को लिमिटेड, नई दिल्ली के 31 मार्च 2021 को समाप्त अवधि के लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्नक:- यथोपरि।

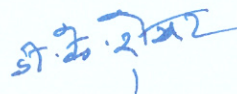
डी. के. शेखर
917121
(डी. के. शेखर)
महानिदेशक

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6) (B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF FATEHGARH BHADLA TRANSCO LIMITED FOR THE
PERIOD ENDED 31 MARCH 2021**

The preparation of financial statements of Fatehgarh Bhadla Transco Limited for the period ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(7) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 May 2021.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Fatehgarh Bhadla Transco Limited for the period ended 31 March 2021 under Section 143(6)(a) of the Act.

For and on behalf of the
Comptroller & Auditor General of India



(D. K. Sekar)

Director General of Audit (Energy),
Delhi

Place: New Delhi
Dated: 09 July 2021

FATEHGARH BHADLA TRANSCO LIMITED CIN U40108DL2020GOI364227 Balance Sheet as at March 31, 2021 (All amounts in rupees thousands, unless stated otherwise)		
	Notes	As at March 31, 2021
ASSETS		
Non-current assets		
Capital work in progress	4	891.54
Total non-current assets		891.54
Current assets		
Financial assets		
Cash and cash equivalents	5	20.00
Other current assets	6	1,586.28
Total current assets		1,606.28
TOTAL ASSETS		2,497.82
EQUITY AND LIABILITIES		
Equity		
Equity share capital	7	500.00
Other equity	8	(7,159.95)
Total equity		(6,659.95)
Current liabilities		
Financial liabilities		
Other financial liabilities	9	9,124.07
Other Current Liabilities	10	33.70
Total current liabilities		9,157.77
TOTAL EQUITY AND LIABILITIES		2,497.82
<p>Summary of significant accounting policies.</p> <p>The accompanying notes are integral part of the financial statements.</p> <p>This is the balance sheet referred to in our report.</p> <div> <div> <p>For Sajjan Jindal & Co. Chartered Accountants FRN No. 014054N</p> <p>AMIT JINDAL Digitally signed by AMIT JINDAL Date: 2021.05.27 16:02:49 +05'30'</p> <p>Amit Jindal Partner Membership No. 518341 Place: New Delhi Date: 27.05.2021 UDIN: 21518341AAAAJM8771</p> </div> <div> <p>For and on behalf of Board of Directors of FATEHGARH BHADLA TRANSCO LIMITED</p> <p>SANJAY SHILENDRAKUMAR KULSHRESTHA Digitally signed by SANJAY SHILENDRAKUMAR KULSHRESTHA Date: 2021.05.27 16:02:49 +05'30'</p> <p>Sanjay Shilendra Kumar Kulshrestha Director DIN No.: 06428038 Place: New Delhi Date: 27.05.2021</p> </div> <div> <p>Mohan Lal Kumawat Digitally signed by MOHAN LAL KUMAWAT Date: 2021.05.27 16:04:50 +05'30'</p> <p>Mohan Lal Kumawat Director DIN No.: 07682898 Place: New Delhi Date: 27.05.2021</p> </div> </div>		

FATEHGARH BHADLA TRANSCO LIMITED

CIN U40108DL2020GOI364227

Statement of Profit and Loss for the period ended March 31, 2021

(All amounts in rupees thousands, unless stated otherwise)

Particulars	Notes	For the period from 02 June 2020 to March 31, 2021
Revenue		
Revenue from operations		-
Other income	11	3,000.00
Total income		3,000.00
Expenses		
Finance Cost	12	271.81
Employee Benefit Expense	13	4,786.93
Other expenses	14	5,101.21
Total expenses		10,159.95
Profit before tax		(7,159.95)
Tax expense	15	
Current tax		-
Deferred tax expense/(credit)		-
		-
Net profit / (loss) for the period		(7,159.95)
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 period		-
Total comprehensive income / (loss) for the period		(7,159.95)
Earnings per equity share		
Basic/diluted loss per share (Rs.)	16	(143.20)
(EPS for the relevant period not annualised)		

Summary of significant accounting policies

The accompanying notes are integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report.

For Sajjan Jindal & Co.

Chartered Accountants

FRN No. 014054N

For and on behalf of Board of Directors of
FATEHGARH BHADLA TRANSCO LIMITED

AMIT JINDAL
Digitally signed
by AMIT JINDAL
Date: 2021.05.27
16:03:35 +05'30'

Amit Jindal

Partner

Membership No. 518341

Place: New Delhi

Date: 27.05.2021

UDIN: 21518341AAAAJM8771

SANJAY SHILENDRAKUMAR KULSHRESTHA
Digitally signed by SANJAY SHILENDRAKUMAR KULSHRESTHA
DN: cn=Sanjay Shilendra Kumar Kulshrestha, o=Fatehgarh Bhadla Transco Limited, ou=, email=Sanjay.Kulshrestha@fatehgarhbhadla.co.in, c=IN
Date: 2021.05.27 14:08:14 +05'30'

Sanjay Shilendra Kumar Kulshrestha

Director

DIN No.: 06428038

Place: New Delhi

Date: 27.05.2021

Mohan Lal Kumawat
Digitally signed by Mohan Lal Kumawat
DN: cn=Mohan Lal Kumawat, o=Fatehgarh Bhadla Transco Limited, ou=, email=Mohan.Lal.Kumawat@fatehgarhbhadla.co.in, c=IN
Date: 2021.05.27 16:03:14 +05'30'

Mohan Lal Kumawat

Director

DIN No.: 07682898

Place: New Delhi

Date: 27.05.2021

FATEHGARH BHADLA TRANSCO LIMITED

CIN U40108DL2020GOI364227

Statement of Cash Flows for the period ended March 31, 2021

(All amounts in rupees thousands, unless stated otherwise)

		For the period from 02 June 2020 to March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax		(7,159.95)
Changes in working capital:		
<i>Adjustments in operating assets and liabilities:</i>		
Other current liabilities		33.70
Other current assets		(1,586.28)
Other financial assets		-
Other Financial Liabilities		9,124.07
Cash generated from operations		411.54
Less: Income tax paid		-
Net cash flow from operating activities	(A)	411.54
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work-in-progress and intangibles)		(891.54)
Net cash used in investing activities	(B)	(891.54)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of share capital		500.00
Net cash flow from financing activities	(C)	500.00
Net increase in cash and cash equivalents	(A+B+C)	20.00
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		20.00
Reconciliation of cash and cash equivalents as per the statement		20.00
Summary of significant accounting policies		
The accompanying notes are integral part of the financial statements.		
This is the Statement of Cash Flow referred to in our report.		
For Sajjan Jindal & Co. Chartered Accountants FRN No. 000756N		For and on behalf of Board of Directors of FATEHGARH BHADLA TRANSCO LIMITED
<div>AMIT JINDAL</div> <div>Digitally signed by AMIT JINDAL Date: 2021.05.27 16:03:53 +05'30'</div>	<div>SANJAY SHILENDRAKUMAR KULSHRESTHA</div> <div>Digitally signed by Sanjay Shilendra Kumar Kulshrestha Date: 2021.05.27 16:03:53 +05'30'</div>	<div>Mohan Lal Kumawat</div> <div>Digitally signed by Mohan Lal Kumawat Date: 2021.05.27 16:03:53 +05'30'</div>
Amit Jindal Partner Membership No. 518341 Place: New Delhi Date:27.05.2021 UDIN: 21518341AAAAJM8771	Sanjay Shilendra Kumar Kulshrestha Director DIN No.: 06428038 Place: New Delhi Date:27.05.2021	Mohan Lal Kumawat Director DIN No.: 07682898 Place: New Delhi Date:27.05.2021

FATEHGARH BHADLA TRANSCO LIMITED

CIN U40108DL2020GOI364227

Statement of changes in Equity for the period ended March 31, 2021

(All amounts in rupees thousands, unless stated otherwise)

A Equity share capital

	Amount
Equity raised during the period	500.00
Balance as at March 31, 2021	500.00

B Other equity

	Retained earnings	Total
Profit / (Loss) for the period from 2 June 2020 to March 31, 2021	(7,159.95)	(7,159.95)
Addition to the capital reserve	-	-
Balance as at March 31, 2021	(7,159.95)	(7,159.95)

Summary of significant accounting policies

The accompanying notes are integral part of the financial statements.

This is the Statement of Changes in Equity referred to in our report.

For Sajjan Jindal & Co.

Chartered Accountants

FRN No. 014054N

For and on behalf of Board of Directors of
FATEHGARH BHADLA TRANSCO LIMITED

AMIT JINDAL
Digitally signed
by AMIT JINDAL
Date: 2021.05.27
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Amit Jindal

Partner

Membership No. 518341

SANJAY SHILENDRAKUMAR KULSHRESTHA
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Date: 2021.05.27 14:55:51 +05'30'

Sanjay Shilendra Kumar Kulshrestha

Director

DIN No.: 06428038

Mohan Lal Kumawat
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Date: 2021.05.27 14:55:51 +05'30'

Mohan Lal Kumawat

Director

DIN No.: 07682898

Place: New Delhi

Date: 27.05.2021

Place: New Delhi

Date: 27.05.2021

Place: New Delhi

Date: 27.05.2021

UDIN: 21518341AAAAJM8771

FATEHGARH BHADLA TRANSCO LIMITED

Summary of Significant accounting policies & other information for the period ending 31st March 2021
(All amounts in Rupees Thousands, unless stated otherwise)

1. COMPANY OVERVIEW

Fatehgarh Bhadla Transco Limited ("the Company") was incorporated on 02.06.2020 at New Delhi. The Company is a wholly owned subsidiary of erstwhile REC Transmission Projects Company Limited (RECTPCL). The Company is a special purpose vehicle incorporated for "Transmission system strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase II -Part B ". The Government of India has appointed erstwhile REC Transmission Projects Company Limited as Bid Process Co-coordinator for selection of the developer for the project. On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities. As this is the first year of operation, the accounts have been prepared for the period from 2nd June 2020 to 31st March 2021. Hence, previous year figures are not applicable.

REC Transmission Projects Company Limited (RECTPCL) was wholly owned subsidiary of REC Limited, a Government of India Enterprise which has been amalgamated with REC Power Distribution Company Limited (RECPDCL), another wholly owned subsidiary of REC Limited as per MCA order no.24/1/2020-CL-III dated 05.02.2021. Hence, the company, Fatehgarh Bhadla Transco Limited is now a wholly owned subsidiary of REC Power Distribution Company Limited (REC PDCL).

Pursuant to selection of successful bidder, the Letter of Intent (LOI) was given to M/s Power Grid Corporation of India Limited on 29.01.2021 and RECPDCL is in the process of handing over the company.

2. BASIS OF PREPERATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and measurement

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

These standalone financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented in these financial statements.

These financial statements for the period ended March 31, 2021 are the first financial statements of the Company.

(ii) Functional and presentation currency:

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

(iii) Going concern and basis of measurement

The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis.

2.2 Significant accounting policies

(i) Revenue recognition

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

(ii) Property, Plant and Equipment

Property Plant and Equipment are carried at cost less accumulated amortization and impairment losses, if any. The cost of Property Plant and Equipment comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Expenditure incurred during the development period/project implementation period, are treated as Capital work in progress. Accordingly, expenditure incurred on Administration/Interest etc. has been treated as Capital work in progress.

(iii) Financial instruments

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(iv) Fair value measurement

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

FATEHGARH BHADLA TRANSCO LIMITED

Summary of Significant accounting policies & other information for the period ending 31st March 2021 (All amounts in Rupees Thousands, unless stated otherwise)

- 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 minimising the use of unobservable inputs. For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(v) Taxation

Current tax is the amount of tax payable in respect of taxable income for the period and is computed in accordance with the provisions of Income Tax Act, 1961. Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). The current tax is calculated using the tax rate that have been enacted or subsequently enacted by the end of the reporting period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

(vi) Earnings per share

The Basic Earnings per equity share ('EPS') is computed by dividing the net profit or loss after tax before other comprehensive income for the period attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the period.

FATEHGARH BHADLA TRANSCO LIMITED

Summary of Significant accounting policies & other information for the period ending 31st March 2021
(All amounts in Rupees Thousands, unless stated otherwise)

(vii) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term balances, as defined above, net of outstanding cash credits as they are considered an integral part of the Company's cash management.

(viii) Borrowing costs

Borrowing costs that are directly attributable to the acquisition and/ or construction of a qualifying asset, till the time such a qualifying asset becomes ready for its intended use sale, are capitalized. Borrowing costs consist of interest and other costs that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss on an accrual basis as per the effective interest rate method.

(ix) Expenditure incurred by Holding Company

All the direct expenses incurred by holding company for SPV has been directly booked to the SPV. All Indirect / Common Expenses are allocated to SPV on the proportionate basis from the month of issue of RFQ / RFP (If RFQ stage is not adopted in the Bidding Process) or incorporation of SPV, whichever is earlier, till the month in which tenth day from the date of issue of Letter of Intent (LOI) for the transfer of the SPV falls. Part of the month, if any, is considered as full month for cost allocation. The holding company has charged interest @13.00% p.a. (FY 2020-21) on the funds deployed by it based on the REC interest rate circular for T & D loans for ungraded organisations, as on the beginning of the period. If bid process activity relating to any SPV is kept in abeyance, due to any reason, no cost allocation for such period of abeyance is made to such SPV and no interest is charged. For direct expenses, interest is charged from the month in which the expenditure is incurred whereas for indirect expenses interest is charged for the average period of deployment of funds. Such interest is calculated on monthly basis but recognised at the end of the period.

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

The Company is obtaining various licenses with respect to the project such as licenses under section 68, forest clearance and other clearance etc. from agencies concern. Expenses incurred in obtaining the license i.e. all direct expenditures and indirect expenditure are shown under Capital Work In Progress (CWIP) and Statement of Profit and Loss. In the opinion of management, 10% of the indirect expenses are estimated to be incurred in obtaining the license and hence capitalised.

Further, wherever, payments relating to the Company are made by the Holding Company and the ultimate Holding Company, procedural and statutory requirements with regard to deduction of Tax at Source and deposit thereof as applicable are also complied

with by the Holding Company and the ultimate Holding Company against payments released on their account.

2.3 Significant management judgment in applying accounting policies and estimation of uncertainty

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

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

3. Significant estimates and judgment's

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

Significant management judgments

Evaluation of indicators for impairment of assets – The evaluation of the applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Significant estimates

Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. In case of non-availability of market-observable data, Level 2 & Level 3 hierarchy is used for fair valuation.

Income Taxes – Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions and also in respect of expected future profitability to assess deferred tax asset.

FATEHGARH BHADLA TRANSCO LIMITED

Notes forming part of Financial Statements for the period ending March 31, 2021

(All amounts in rupees thousands, unless stated otherwise)

	As at March 31, 2021
4 Capital work in progress	
Expenses Allocated by Holding Co.	
RFP and other expenses	329.46
Interest*	30.20
Salary & Establishment Expenses	531.88
Closing Balance	891.54
*Interest has been capitalised @13.00% per annum for FY 2020-21.	
5 Cash and cash equivalents	
Balance with bank in current account	20.00
	20.00
6 Other current assets	
Balances with statutory and government authorities	1,586.28
(CGST Input and SGST Input)	1,586.28

FATEHGARH BHADLA TRANSCO LIMITED

Notes forming part of Financial Statements for the period ending March 31, 2021

(All amounts in rupees thousands, unless stated otherwise)

7 Equity share capital

	As at March 31, 2021
Authorised 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

i) Rights, preferences and restrictions attached to equity shares:

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	March 31, 2021
	No. of shares Amount
Equity share capital of Rs. 10 each fully paid up	
Issued during the period	50,000 500.00
Balance at the end of the period	50,000 500.00

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

	As on March 31, 2021
	No. of shares % holding
49,994 Equity Shares held by REC Power Distribution Company Limited (erstwhile REC Transmission Projects Company Limited) And Balance 6 Equity Shares through other nominee of REC-PDCL Ltd.	50,000 100.00%

iv) Shares held by holding company:

	As at March 31, 2021
	No. of shares % holding
49,994 Equity Shares held by REC Power Distribution Company Limited (erstwhile REC Transmission Projects Company Limited) And Balance 6 Equity Shares through other nominee of REC-PDCL Ltd.	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

	As at March 31, 2021
Retained earnings	(7,159.95)
Total Reserves and surplus	(7,159.95)

FATEHGARH BHADLA TRANSCO LIMITED

Notes forming part of Financial Statements for the period ending March 31, 2021
(All amounts in rupees thousands, unless stated otherwise)

	As at March 31, 2021
9 Other financial liabilities (Current)	
Advance from holding Company*	9,092.57
Audit Fees Payable	31.50
	9,124.07

* Refer note no 17 on related party transactions.

10 Other Current Liabilities

Statutory Payable	33.70
	33.70

FATEHGARH BHADLA TRANSCO LIMITED

Notes forming part of Financial Statements for the period ending March 31, 2021

(All amounts in rupees thousands, unless stated otherwise)

	For the period from 02 June 2020 to March 31, 2021
11 Other income	
Income from sale of RFP documents	3,000.00
	3,000.00
12 Finance Cost	
Interest expense on financial liabilities measured at amortised cost	271.81
	271.81
13 Employee Benefit Expense	4,786.93
Salaries and Wages	4,786.93
14 Other expenses	
Advertisement	356.41
Consultancy	1,036.00
Survey	180.00
Legal & Professional Expenses	61.45
Auditor's fee	35.00
Technical / IT Expenses	250.00
Meeting & Contingencies	200.00
Common Expenses Allocated by Holding Company	2,965.05
Miscellaneous Expenses	17.30
	5,101.21
15 Tax expense	
Current tax	-
Tax on current year profits	-
Earlier Year Tax/(Refunds)	-
Deferred tax	-
	-
The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate and the reported tax expense in statement of profit and loss, is as follows:-	
Profit before tax	(7,159.95)
Domestic tax rate	26%
Expected tax expense [A]	(1,861.59)
Permanent differences	-
Deductible temporary differences / unused tax lossess/ unused tax credits for which no deffered tax asset has been recognized	1,861.59
Total adjustments [B]	1,861.59
Actual tax expense [C=A+B]	-
Tax expense comprises:	
Current tax expense	-
Tax expense recognized in profit or loss [D]	-
16 Earnings per share (Rs.)	
Profit for the period	(7,159.95)
Weighted average number of equity shares for EPS	50,000.00
Par value per share	10.00
Earnings per share - Basic and diluted	(143.20)

FATEHGARH BHADLA TRANSCO LIMITED

Notes forming part of Financial Statements for the period ending March 31, 2021

(All amounts in rupees thousands, unless stated otherwise)

17 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 period 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 Distribution Company Limited (RECPDCL) (Erstwhile REC Transmission Projects Company Limited)
Ultimate Holding company	REC Limited
Key management personnel (KMP)*	Sh. Sanjay Shilendra Kumar Kulshrestha Chairman and Director
	Sh. Mohan Lal Kumawat Director
	Sh. Rajesh Kumar Director

*The Company is a wholly owned subsidiary of REC Power Distribution company Limited (RECPDCL) (Erstwhile REC Transmission Projects Company Limited (RECTPCL)), which is further wholly owned by REC Limited (Formerly known as Rural Electrification Corporation Limited). The Key Managerial Personnel of the Company are employees of REC, deployed on part time basis. No managerial remuneration is paid to them by the Company. The details of such Key Managerial Personnel are as above.

b. Transactions with Holding Company are as under:

	For the period from 02 June 2020 to March 31, 2021
RECPDCL (Erstwhile RECTPCL)	
(i) Transactions during the period	
Reimbursement of expenses including GST	1,227.54
Interest	302.01
	<u>1,529.55</u>
(ii) Outstanding Balances	As at
RECPDCL (Erstwhile RECTPCL)	March 31, 2021
Balance payable to Holding Co.	
Reimbursement of expenses	8,820.76
Interest	271.81
	<u>9,092.57</u>

18 Financial instruments**i) Financial instruments by category measured at amortised cost:**

	As at March 31, 2021
Financial assets	
Cash and cash equivalents	20.00
	<u>20.00</u>
Financial liabilities	
Other financial liabilities	9,124.07
	<u>9,124.07</u>

Note: The carrying amounts of financial assets are considered a reasonable approximation of their fair values.

FATEHGARH BHADLA TRANSCO LIMITED

Notes forming part of Financial Statements for the period ending March 31, 2021

(All amounts in rupees thousands, unless stated otherwise)

ii) Fair values hierarchy

The Company does not have any financial assets or financial liabilities carried at fair value.

The carrying amounts of other financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values.

19 Financial risk management**i) Risk management**

The main types of risks to which the Company is exposed in relation to financial instruments are as follows:

A) Credit risk

The Company only possess cash and cash equivalents as financial asset as on closing dates, hence and credit risk relating to cash and cash equivalents is considered to be negligible as counterparties are banks. The management considers the credit quality of deposits/balances with such banks to be good and reviews the banking relationships on an on-going basis.

B) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows, and by anticipating the maturity profiles of financial liabilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Further the Holding Company also incurs all the expenses on behalf of the Company and provides unconditional liquidity support as an ongoing mechanism basis.

Maturities of financial liabilities

All the financial liabilities of the Company are current and are payable within one year.

C) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises of currency risk, interest rate risk and price risk.

Currency risk

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

Interest rate risk

As the Company does not have any third party borrowings outstanding, it is not exposed to interest rate risk.

Price risk

The company does not have any financial instrument which exposes it to price risk.

20 First Year of operation

As this is the first year of operation, the accounts have been prepared for the period from 02.06.2020 to 31.03.2021. Hence, previous year figures are not available.

21 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.

FATEHGARH BHADLA TRANSCO LIMITED

Notes forming part of Financial Statements for the period ending March 31, 2021

(All amounts in rupees thousands, unless stated otherwise)

22 Other notes to accounts

- 22.1** As per the policy of Holding Company the invoice for the services provided is raised at the end of the financial period or on the date of the transfer of the SPV or on the receipt of acquisition price, whichever is earlier.
- 22.2** There is no employee in the roll of the Company. Employees working for the Company are in the roll of the ultimate holding company i.e. REC Limited. The employee expenses including contributions in respect of liabilities for employee benefit expense towards leave, provident fund, superannuation and all other benefits as applicable are accounted for by the ultimate holding company. Hence, disclosure requirements under Ind AS 19 is not applicable.
- 22.3** The Company is operating in a single segment and therefore disclosure requirements under Ind AS 108 is not applicable.
- 22.4** The Company has no outstanding liability towards Micro, Small and Medium Enterprises.
- 22.5** The Contingent Liability of Company is Nil.
- 22.6** Consequent to the outbreak of COVID-19 pandemic, the Indian government had announced a lockdown in March 2020. Subsequently, the lockdown has been lifted by the government outside containment zones during the year. Further the second wave of COVID-19 pandemic started somewhere in the end of March 2021 and various State Governments imposed lockdown depending on the gravity of the situation and the situation is still continuing. The Company has assessed the impact of pandemic on its financial position based on the internal and external information available up to the date of approval of these financials. The Company continues to monitor the economic effects of the pandemic while taking steps to improve its execution efficiencies and the financial outcome.

For Sajjan Jindal & Co.

Chartered Accountants

FRN No. 014054N

AMIT JINDAL
Digitally signed
by AMIT JINDAL
Date: 2021.05.27
16:04:51 +05'30'

Amit Jindal

Partner

Membership No. 518341

Place: New Delhi

Date: 27.05.2021

UDIN: 21518341AAAAJM8771

For and on behalf of Board of Directors of
FATEHGARH BHADLA TRANSCO LIMITED

SANJAY SHILENDRAKU MAR KULSHRESTHA
Digitally signed by SANJAY SHILENDRAKU MAR KULSHRESTHA
DN: cn=SANJAY SHILENDRAKU MAR KULSHRESTHA, o=FATEHGARH BHADLA TRANSCO LIMITED, ou=Directors, email=Sanjay.Kulshrestha@fatehgarhbhadla.com, c=IN
Date: 2021.05.27 14:09:14 +05'30'

Sanjay Shilendra Kumar Kulshrestha

Director

DIN No.: 06428038

Place: New Delhi

Date: 27.05.2021

Mohan Lal Kumawat
Digitally signed by Mohan Lal Kumawat
DN: cn=Mohan Lal Kumawat, o=FATEHGARH BHADLA TRANSCO LIMITED, ou=Directors, email=Mohan.Lal.Kumawat@fatehgarhbhadla.com, c=IN
Date: 2021.05.27 14:09:14 +05'30'

Mohan Lal Kumawat

Director

DIN No.: 07682898

Place: New Delhi

Date: 27.05.2021



Independent Auditor's Report

To the members of **FATEHGARH BHADLA TRANSCO LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **FATEHGARH BHADLA TRANSCO LIMITED ("the Company")**, which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "**the standalone financial statements**").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

H. Office : 3/8, 3rd Floor, SAB House, Asaf Ali Road, New Delhi - 110002

Tel: 011-23284267,41082625, E-mail: saijanjindalca@gmail.com, amit.jindal@sjcgroup.in



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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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.

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- 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting standards) Rules, 2015 as amended;
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 3. As per the directions issued by CAG of India under Section 143(5) of the Companies Act, 2013, we report that
 - a) The company is the newly setup SPV and has system in place to process all the accounting transaction relating to setting up of the company through IT system. All

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these accounting transactions are recorded in “Tally” – a financial accounting software. There are no accounting transactions outside IT system.

- b) There is no restructuring of an existing loan or cases of waiver / write off of debts / loans / interests etc. made by the lender to the company due to the company's inability to repay the loan.
- c) There are no funds received / receivable for specific schemes from Central / State agencies.

For Sajjan Jindal & Co

Chartered Accountants

Amit Jindal, Partner

M.No. 518341

FRN-014054N

Date: May 27th, 2021

UDIN: 21518341AAAAJM8771

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Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **FATEHGARH BHADLA TRANSCO LIMITED** of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **FATEHGARH BHADLA TRANSCO LIMITED (“THE COMPANY”)** as of March 31, 2021 in conjunction with our audit of the standalone 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 respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Sajjan Jindal & Co
Chartered Accountants

Amit Jindal, Partner

M.No. 518341

FRN-014054N

Date: May 27th, 2021

UDIN: 21518341AAAAJM8771

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Annexure 'B' to the Independent auditor's report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **FATEHGARH BHADLA TRANSCO LIMITED** of even date)

i. In respect of the Company's fixed assets:

(a) The Company does not have any fixed assets as on 31.03.2021. However, the company has maintained the proper records of Capital Work in Progress.

(b) Since the company does not have any fixed assets as on 31.03.2021, hence no need to physically verify the same.

(c) There are no immovable properties held in the name of the company, hence this clause is not applicable.

ii. There are no inventories held by the company as on 31.03.2021, hence this clause is not applicable.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.

iv. The Company has not given any loans, made any investment nor issued any guarantees and securities. Hence the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the Clause 3 (v) of the Order are not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under Clause 3 of the order is not applicable to the Company.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

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(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under Clause 3 (viii) of the Order is not applicable to the Company.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under Clause 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the Audit Period. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.

xii. The Company is not a Nidhi Company and hence reporting under Clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under Clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.



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

For Sajjan Jindal & Co
Chartered Accountants

Amit Jindal, Partner

M.No. 518341

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Date: May 27th, 2021

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COMPLIANCE CERTIFICATE

We have conducted the audit of annual accounts of **M/s. FATEHGARH BHADLA TRANSCO LIMITED** for the period ending 31st March, 2021, in accordance with the Directions / Sub - directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013, and certify that we have complied with all the Directions / Sub-directions issued to us.

For Sajjan Jindal & Co

Chartered Accountants

Amit Jindal, Partner

M.No. 518341

FRN-014054N

Date: May 27th, 2021

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