

**POWERGRID SIKAR TRANSMISSION LIMITED**  
(Formerly known as Sikar New Transmission Limited)  
Wholly Owned Subsidiary of Power Grid Corporation of India Limited  
(CIN: U40106DL2020GOI364672)

**ANNUAL REPORT (2020-21)**

# **POWERGRID SIKAR TRANSMISSION LIMITED**

(Formerly known as Sikar New Transmission Limited)

CIN: U40106DL2020GOI364672

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

Tel: 011-26560121; Fax: 011-26601081

## **DIRECTORS' REPORT**

To,

Dear Shareholders,

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

### **State of the Company's Affairs & Project implementation**

POWERGRID Sikar Transmission Limited (PSTL) 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 C. The Transmission system comprises establishment of a new 765/400kV Substation ( Sikar-II), Bhadla-II to Sikar-II 765kVD/C transmission line, Sikar-II to Neemrana 400kV D/C Transmission line and associated Substation extension works in the State of Rajasthan. The work is under process in full swing.

The Scope of Transmission Project includes: -

1. Establishment of 765/400 Kv, 2x1500 MVA at Sikar-II with 400kv (1\*125 MVAR) and 765kv (2\*330 MVAR) bus reactor.
2. Bhadla-II PS – Sikar-II 765kv D/c Line.
3. 2 no. of 765kv line bays at Bhadla-II for Bhadla-II PS – Sikar-II 765kv D/c Line- 765kv line bays-2
4. 1\*330 MVAR Switchable line reactor for each circuit at Sikar-II end of the Bhadla-II PS – Sikar-II 765kv D/c Line.
5. 1\*240 MVAR Switchable line reactor for each circuit at Bhadla-II end of the Bhadla-II PS – Sikar-II 765kv D/c Line.
6. Sikar II- Neemrana 400kv D/c Line (Twin HTLS\*).
7. 2 no. of 400kv line bays at Neemrana for Sikar II - Neemrana 400kv D/c Line (Twin HTLS\*).

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

Particulars	2020-21
Revenue from Operations	-
Other Income	45.00
Total Income	45.00
Total Expenses	103.72
Profit before Tax	(58.72)
Profit after Tax	(58.72)
Earnings Per Equity Share (Rs.)	(117.45)

**Share Capital**

The Authorized and Paid up Share Capital as on 31<sup>st</sup> March, 2021 of the Company were Rs. 5 Lakhs respectively.

**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 are available on the web-site of the Company and can be accessed at [https://www.powergrid.in/sites/default/files/Draft\\_MGT-7\\_PSTL.pdf](https://www.powergrid.in/sites/default/files/Draft_MGT-7_PSTL.pdf)

## **Board of Directors**

As on 31<sup>st</sup> March, 2021, the Board comprised of Three Directors viz. Shri Sanjay Shailendra Kumar 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. 11<sup>th</sup> June, 2020 till the end of Financial Year i.e. 31<sup>st</sup> March, 2021.

Subsequently, after the end of the financial year 2020-21, Smt. Seema Gupta, Shri A.K. Mishra, Shri Mukesh Khanna and Ashwani Kumar Gupta were appointed as Additional Directors of the Company w.e.f. 4<sup>th</sup> 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. 4<sup>th</sup> 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 Smt. Seema Gupta, Shri A.K. Mishra, Shri Mukesh Khanna and Ashwini Kumar Gupta 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 11<sup>th</sup> June, 2020 to financial year ended on 31<sup>st</sup> March, 2021, Five (05) meetings of Board of Directors were held on 10<sup>th</sup> July, 2020, 31<sup>st</sup> July, 2020, 28<sup>th</sup> October, 2020, 25<sup>th</sup> January, 2021 and 1<sup>st</sup> March, 2021. The detail of number of meetings attended by each Director during the financial year are as under:

Name of Director	Designation	No. of Board Meetings which were entitled to attend during financial year 2020-21.	No. of Board Meetings which were attended during financial year 2020-21.
Shri Sanjay Shailendra Kumar Kulshrestha <sup>1</sup>	Chairman and Director	05	05
Shri Rajesh Kumar <sup>2</sup>	Director	05	04
Shri Mohan Lal Kumawat <sup>2</sup>	Director	05	05

<sup>1</sup> Ceased to be Director & Chairman w.e.f. 04.06.2021.

<sup>2</sup> 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 05<sup>th</sup> 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, PSTL, 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 Anuj Goyal Associates., Chartered Accountants, was appointed by Comptroller and Auditor General of India as Statutory Auditors of the Company for the date of incorporation i.e. 11<sup>th</sup> June, 2020 to 31<sup>st</sup> March 2021.

### **Statutory Auditors' Report**

M/s Anuj Goyal Associates., Chartered Accountants, Statutory Auditors 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 12.07.2021 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 31<sup>st</sup> 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 Sikar Transmission Limited**

Date: 17<sup>th</sup> September, 2021  
Place: Gurgaon

**Sd/-**  
**(Smt. Seema Gupta)**  
**Chairperson**  
**DIN: 06636330**

**POWERGRID SIKAR 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 1325 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 Sikar Transmission Limited**

Date: 17<sup>th</sup> September, 2021  
Place: Gurgaon

**Sd/-**  
**(Smt. Seema Gupta)**  
**Chairperson**  
**DIN: 06636330**





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: 12.07.2021

सेवा में,

निदेशक

सीकर न्यू ट्रांसमिशन लिमिटेड

नई दिल्ली

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

महोदय,

मैं, सीकर न्यू ट्रांसमिशन लिमिटेड के 31 मार्च 2021 को समाप्त अवधि के लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ अद्योषित कर रहा हूँ।

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

भवदीय,

संलग्नक:- यथोपरि।

(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 SIKAR NEW TRANSMISSION LIMITED FOR THE PERIOD  
ENDED 31 MARCH 2021**

The preparation of financial statements of Sikar New Transmission 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 24 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 Sikar New Transmission 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: 12 July 2021**


**SIKAR NEW TRANSMISSION LIMITED**  
**CIN U40106DL2020GOI364672**  
**BALANCE SHEET AS AT 31ST MARCH, 2021**

		( Amount in Rs. '000)
PARTICULARS	Note No.	As at March 31, 2021
<b>I. ASSETS</b>		
<b>1 Non-Current Assets</b>		
a) Capital Work in Progress	3	892.03
b) Deferred Tax Assets (Net)	4	-
<b>2 Current Assets</b>		
a) Financial Assets		
Cash & Cash Equivalents	5	20.00
b) Other Current Assets	6	1,388.24
<b>TOTAL</b>		<b>2,300.27</b>
<b>II. EQUITY &amp; LIABILITIES</b>		
<b>1 Equity</b>		
a) Equity Share Capital	7	500.00
b) Other Equity	8	(5,872.41)
<b>2 Liabilities</b>		
a) Current Liabilities		
Other Financial Liabilities	9	7,655.09
Other Current Liabilities	10	17.59
<b>TOTAL</b>		<b>2,300.27</b>

Significant Accounting Policies & Notes on Financial Statements are an integral part of the financial statements 1 to 22

**AUDITOR'S REPORT**

As per our separate report of even date  
For ANUJ GOYAL ASSOCIATES  
Chartered Accountants  
[Firm Regn.No.008784N]

  
[ ANUJ KUMAR GOYAL]


Partner  
FCA, M. No. 087318

PLACE : New Delhi  
DATE : 24.05.2021

UDIN: 21087318AAAAJS2988



**FOR AND ON BEHALF OF THE BOARD**  
**SIKAR NEW TRANSMISSION LIMITED**

  
Sanjay Shilendra Kumar  
Kulshrestha  
(Director)  
DIN No.: 06428038

PLACE : New Delhi  
DATE : 24.05.2021

  
Mohan Lal Kumawat  
(Director)  
DIN No.: 07682898

PLACE : New Delhi  
DATE : 24.05.2021



**SIKAR NEW TRANSMISSION LIMITED**

CIN U40106DL2020GOI364672

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2021**

PARTICULARS	Note No.	( Amount in Rs. '000) Period Ended 31st March, 2021
Revenue From Operations		-
Other Income	11	4,500.00
<b>Total Income</b>		<b>4,500.00</b>
<b>Expenses:</b>		
Finance Costs	12	126.77
Employee Benefit Expenses	13	4,875.39
Other Expenses	14	5,370.25
<b>Total Expenses</b>		<b>10,372.41</b>
<b>Profit/(Loss) before Exceptional Items and Tax</b>		<b>(5,872.41)</b>
Exceptional Items		-
<b>Profit/(Loss) before Tax</b>		<b>(5,872.41)</b>
<b>Tax Expense:</b>		
Current tax		-
Deferred tax		-
<b>Profit/(Loss) after Tax</b>		<b>(5,872.41)</b>
Other Comprehensive Income		-
<b>Total Comprehensive Income for the period</b>		<b>(5,872.41)</b>
Earnings per Equity Share of Face Value of Rs.10/- each Basic (in Rs.)	16	(117.45)
Significant Accounting Policies & Notes on Financial Statements are an integral part of the financial statements	1 to 22	


**AUDITOR'S REPORT**

As per our separate report of even date

For ANUJ GOYAL ASSOCIATES

Chartered Accountants

[Firm Regn.No.008784N]



[ANUJ KUMAR GOYAL]


Partner

FCA, M. No. 087318

PLACE : New Delhi

DATE : 24.05.2021

UDIN: 21087318AAAAJS2988

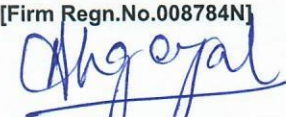
FOR AND ON BEHALF OF THE BOARD  
SIKAR NEW TRANSMISSION LIMITED
  
**Sanjay Shilendra Kumar**  
 Kulshrestha  
 (Director)  
 DIN No.: 06428038
PLACE : New Delhi  
DATE : 24.05.2021
  
**Mohan Lal Kumawat**  
 (Director)  
 DIN No.: 07682898
PLACE : New Delhi  
DATE : 24.05.2021

**SIKAR NEW TRANSMISSION LIMITED**  
**CIN U40106DL2020GOI364672**  
**STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31ST MARCH, 2021**

<u>PARTICULARS</u>	( in Rs. '000 ) <u>AMOUNT</u> <u>FOR THE PERIOD</u> <u>ENDED 31.03.2021</u>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>	
- Net Profit / (Loss) before Tax	(5,872.41)
<u>Changes in Working Capital:</u>	
- (Increase) / Decrease in Other Current Assets	(1,388.24)
- Increase / (Decrease) in Other Financial Liabilities	7,655.09
- Increase / (Decrease) in Other Current Liabilities	17.59
NET CASH FROM OPERATION	412.03
- Direct Taxes Paid	-
NET CASH FROM OPERATING ACTIVITIES	[A] <u><u>412.03</u></u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>	
- (Increase) / Decrease in Capital Work in Progress	(892.03)
NET CASH FROM INVESTING ACTIVITIES	[B] <u><u>(892.03)</u></u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>	
- Issue of Equity Share Capital	500.00
NET CASH FROM FINANCING ACTIVITIES	[C] <u><u>500.00</u></u>
<b>D. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	[D]=[A+B+C] 20.00
<b>E. OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	[E] -
<b>F. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	[F]=[D+E] 20.00
Significant Accounting Policies & Notes on Financial Statements are an integral part of the financial statements	1 to 22

**AUDITOR'S REPORT**

As per our separate report of even date  
For ANUJ GOYAL ASSOCIATES  
Chartered Accountants  
[Firm Regn.No.008784N]

  
[ ANUJ KUMAR GOYAL ]

Partner  
FCA, M. No. 087318

PLACE : New Delhi  
DATE : 24.05.2021

UDIN: 21087318AAAAJS2988



**FOR AND ON BEHALF OF THE BOARD**  
**SIKAR NEW TRANSMISSION LIMITED**

  
Sanjay Shilendra Kumar Kulshrestha

(Director)  
DIN No.: 06428038

PLACE : New Delhi  
DATE : 24.05.2021

  
Mohan Lal Kumawat

(Director)  
DIN No.: 07682898

PLACE : New Delhi  
DATE : 24.05.2021



**SIKAR NEW TRANSMISSION LIMITED**  
**CIN U40106DL2020GOI364672**  
**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2021**

**A. EQUITY SHARE CAPITAL**

Particulars	Amount in Rs. '000
Equity raised during the Period	500.00
<b>Balance as at 31st March, 2021</b>	<b>500.00</b>

**B. OTHER EQUITY**

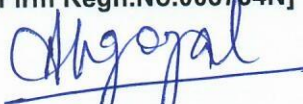
Particulars		Reserves and Surplus	Total
		Retained Earnings	
Net Profit / (Loss) for the Period		(5,872.41)	(5,872.41)
<b>Balance as at 31st March, 2021</b>		<b>(5,872.41)</b>	<b>(5,872.41)</b>

Significant Accounting Policies &  
Notes on Financial Statements are  
an integral part of the financial  
statements

1 to 22

**AUDITOR'S REPORT**

As per our separate report of even date  
For ANUJ GOYAL ASSOCIATES  
Chartered Accountants  
[Firm Regn.No.008784N]

  
[ ANUJ KUMAR GOYAL ]


Partner  
FCA, M. No. 087318

PLACE : New Delhi  
DATE : 24.05.2021

UDIN: 21087318AAAAJS2988



FOR AND ON BEHALF OF THE BOARD  
SIKAR NEW TRANSMISSION LIMITED

  
Sanjay Shilendra Kumar  
Kulshrestha  
(Director)  
DIN No.: 06428038

PLACE : New Delhi  
DATE : 24.05.2021

  
Mohan Lal Kumawat  
(Director)  
DIN No.: 07682898

PLACE : New Delhi  
DATE : 24.05.2021



# **SIKAR NEW TRANSMISSION LIMITED**

Summary of Significant Accounting Policies & Other information for the period ending 31<sup>st</sup> March, 2021  
(All amounts in Rupees Thousands, unless stated otherwise)

## **1. COMPANY OVERVIEW**

Sikar New Transmission Limited ("the Company") was incorporated on 11.06.2020 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 C ". The Government of India has appointed erstwhile REC Transmission Projects Company Limited as Bid Process Co-ordinator 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 11<sup>th</sup> June, 2020 to 31<sup>st</sup> March, 2021. Hence, previous year figures are not available.

REC Transmission Projects Company Limited (RECTPCL) was wholly owned subsidiary of M/s REC Limited, a Government of India Enterprise which has been amalgamated with M/s REC Power Distribution Company Limited (RECPDCL), another wholly owned subsidiary of M/s REC Limited as per MCA order no. 24/1/2020-CL-III dated 05.02.2021. Hence, the company, Sikar New Transmission 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 01.02.2021 and RECPDCL is in the process of handing over the company.

## **2. BASIS OF PREPARATION 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.



# **SIKAR NEW TRANSMISSION LIMITED**

Summary of Significant Accounting Policies & Other information for the period ending 31<sup>st</sup> March, 2021  
(All amounts in Rupees Thousands, unless stated otherwise)

## **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 and loss.

#### **Offsetting of financial instruments**

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

### **(iv) Fair value measurement**

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

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



## **SIKAR NEW TRANSMISSION LIMITED**

**Summary of Significant Accounting Policies & Other information for the period ending 31<sup>st</sup> March, 2021**  
(All amounts in Rupees Thousands, unless stated otherwise)

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 and loss is recognised outside statement of profit and 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.



## **SIKAR NEW TRANSMISSION LIMITED**

Summary of Significant Accounting Policies & Other information for the period ending 31<sup>st</sup> 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 concerned. Expenses incurred in obtaining the license i.e. all direct expenditures and indirect expenditures 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 are capitalized.

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



# SIKAR NEW TRANSMISSION LIMITED

Summary of Significant Accounting Policies & Other information for the period ending 31<sup>st</sup> March, 2021  
(All amounts in Rupees Thousands, unless stated otherwise)

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 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.

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 the 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.

### Significant estimates and judgments

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.

# SIKAR NEW TRANSMISSION LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2021

PARTICULARS		( Amount in Rs. '000)
		As at 31st March, 2021
<b>NOTE-3</b>	<b><u>CAPITAL WORK IN PROGRESS</u></b>	
	Expenses allocated by Holding Company (to the extent capitalised):	
	Request for Proposal (RFP) and Other Expenses	336.23
	Interest Expense on Financial Liabilities	14.09
	Salary & Establishment Expenses	541.71
	<b>Total</b>	<b>892.03</b>
<b>NOTE-4</b>	<b><u>DEFERRED TAX ASSETS (NET)</u></b>	
	Temporary Difference due to Unused Tax Losses	-
		<b>-</b>
<b>NOTE-5</b>	<b><u>CASH AND CASH EQUIVALENTS</u></b>	
	Balance with Banks	20.00
		<b>20.00</b>
<b>NOTE-6</b>	<b><u>OTHER CURRENT ASSETS</u></b>	
	Balance with Statutory Authorities	1,388.24
		<b>1,388.24</b>
<b>NOTE-7</b>	<b><u>EQUITY SHARE CAPITAL</u></b>	
	<b><u>Authorised Share Capital</u></b>	
	50,000 Equity Shares of Rs.10/- each	500.00
	<b><u>Issued,Subscribed and Paid up</u></b>	
	50,000 Equity Shares of Rs.10/- each fully paid up	500.00
	<b><u>The reconciliation of the number of shares outstanding is set out below :-</u></b>	
	<b>PARTICULARS</b>	<b>Equity Shares</b>
		<b>As at 31st March, 2021</b>
		<b>Number Amount</b>
	Equity Shares outstanding at the beginning of the year	- -
	Add: Equity Shares Issued during the year	50,000 500.00
	Equity Shares outstanding at the end of the year	50,000 500.00



# SIKAR NEW TRANSMISSION LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2021

( Amount in Rs. '000)

As at 31st March,  
2021

### PARTICULARS

#### The details of Shareholders holding more than 5% Shares

Name of Shareholder	Equity Shares	
	As at 31st March, 2021	
	No. of Shares held	% Held
REC Power Distribution Company Limited * [Erstwhile REC Transmission Projects Company Limited]	49,994	99.99

\* 49,994 Shares are held by REC Power Distribution Company Limited and balance 6 Shares are held by nominees of REC Power Distribution Company Limited.

#### The details of Shares held by Holding Company

Name of Shareholder	Equity Shares	
	As at 31st March, 2021	
	No. of Shares held	% Held
REC Power Distribution Company Limited [Erstwhile REC Transmission Projects Company Limited]	49,994	99.99

#### Terms / Rights of Equity Shareholders

The Company has issued 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 held.

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.

#### NOTE-8 OTHER EQUITY

##### Retained Earnings

Balance at the beginning of the Period

Add: Profit / (Loss) for the current Period

Balance at the end of the Period

(5,872.41)

(5,872.41)

#### NOTE-9 OTHER FINANCIAL LIABILITIES

Advance from Holding Company

Auditor's Remuneration Payable

Total

7,623.59

31.50

7,655.09

#### NOTE-10 OTHER CURRENT LIABILITIES

Statutory Dues Payable

- TDS Payable

Total

17.59

17.59

# **SIKAR NEW TRANSMISSION LIMITED**

## **NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2021**

		( Amount in Rs. '000)
PARTICULARS		Period Ended 31st March, 2021
<b><u>NOTE-11</u></b>	<b><u>OTHER INCOME</u></b>	
	Income from Sale of Request for Proposal (RFP) Documents	4,500.00
		<u>4,500.00</u>
<b><u>NOTE-12</u></b>	<b><u>FINANCE COST</u></b>	
	Interest expense on financial liabilities measured at amortised cost	126.77
		<u>126.77</u>
<b><u>NOTE-13</u></b>	<b><u>EMPLOYEE BENEFITS EXPENSES</u></b>	
	Salaries and Wages	4,875.39
		<u>4,875.39</u>
<b><u>NOTE-14</u></b>	<b><u>OTHER EXPENSES</u></b>	
	Advertisement Expenses	356.41
	Consultancy Charges	1,036.00
	Survey Expenses	389.50
	Legal & Professional Expenses	61.45
	Auditor's Remuneration	35.00
	Technical / IT Expenses	250.00
	Meeting & Contingencies	200.00
	Common Expenses Allocated by Holding Company	3,026.04
	Miscellaneous Expenses	15.85
	<b>Total</b>	<u><b>5,370.25</b></u>
<b><u>NOTE-15</u></b>	<b><u>CONTINGENT LIABILITIES AND COMMITMENTS ( To the extent not provided for)</u></b>	
	a) Claim against the company not acknowledged as debt	-
	b) Contract remaining to be executed on capital account not provided for	-
<b><u>NOTE-16</u></b>	<b><u>EARNING PER SHARE</u></b>	
	(i) Net Profit after tax (excluding Other Comprehensive Income) as per Statement of Profit and Loss attributable to Equity Share holders	(5,872.41)
	(ii) Weighted Average number of equity shares used as denominator for calculating EPS	50,000
	(iii) Basic and Diluted Earning Per Share	(117.45)
	(iv) Face value per Equity Share	10.00



# SIKAR NEW TRANSMISSION LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2021

( Amount in Rs. '000)

Period Ended 31st  
March, 2021

### PARTICULARS

#### NOTE-17 RELATED PARTY DISCLOSURES :

In accordance with the requirements of Indian Accounting Standard – 24, the names of the related parties where control / ability to exercise significant influence exists, alongwith 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 Managerial 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 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 above.

##### b) Transactions with Related Parties are as under:

	Particulars	Key Managerial Personnel	Holding Company	Total
1	<b>Transactions during the period</b>			
	- Interest	-	140.86	140.86
	- Reimbursement of Expenses including GST	-	12,403.60	12,403.60
	<b>Total</b>		<b>12,544.46</b>	<b>12,544.46</b>
2	<b>Balance at the year end</b>			
	- Financial Liability (Balance payable to Holding Company)	-	7,623.59	7,623.59

#### NOTE-18 FINANCIAL INSTRUMENTS

##### i) Financial Instruments by category measured at Amortised Cost:

###### Financial Assets

Cash and Cash Equivalents	20.00
	<b>20.00</b>

###### Financial Liabilities

Other Financial Liabilities	7,655.09
	<b>7,655.09</b>

## **SIKAR NEW TRANSMISSION LIMITED**

### **NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2021**

PARTICULARS	( Amount in Rs. '000) Period Ended 31st March, 2021
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ii) **Financial Instruments by category measured at Fair Values:**

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

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

B) **Liquidity Risk**

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

**Maturities of Financial Liabilities**

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.

**NOTE-20 FIRST YEAR OF OPERATION**

As this is the first year of operation, the accounts have been prepared for the period from 11.06.2020 (date of incorporation) to 31.03.2021. Hence, previous year figures are not available.

**NOTE-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.



**SIKAR NEW TRANSMISSION LIMITED**

**NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2021**

**NOTE-22 OTHER NOTES TO ACCOUNTS**

- i) 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.
- ii) 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.
- iii) The Company is operating in a single segment and, therefore, disclosure requirements under Ind AS 108 is not applicable.
- iv) The Company has no outstanding liability towards Micro, Small and Medium Enterprises.
- v) The Contingent Liability of Company is Nil.
- vi) The management of the company is of the opinion that there is no virtual certainty of profits in the near future, accordingly, Deferred Tax Asset pertaining to Current Year Business Losses has not been recognised in the financial statements pursuant to Accounting Standard (AS) - 22 : Accounting for Taxes on Income.
- vii) Consequent to the outbreak of COVID-19 pandemic, the Indian Government had announced a lockdown in March, 2020. Subsequently, the lockdown was 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 lockdowns depending on the gravity of the situation in the state and the grave 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.

**AUDITOR'S REPORT**

As per our separate report of even date  
For ANUJ GOYAL ASSOCIATES  
Chartered Accountants  
[Firm Regn.No.008784N]



[ ANUJ KUMAR GOYAL ]

Partner  
FCA, M. No. 087318

PLACE : New Delhi  
DATE : 24.05.2021

UDIN: 21087318AAAAJS2988



FOR AND ON BEHALF OF THE BOARD  
SIKAR NEW TRANSMISSION LIMITED

  
Sanjay Shilendra Kumar  
Kulshrestha  
(Director)  
DIN No.: 06428038

PLACE : New Delhi  
DATE : 24.05.2021

  
Mohan Lal Kumawat  
(Director)  
DIN No.: 07682898

PLACE : New Delhi  
DATE : 24.05.2021



**SIKAR NEW TRANSMISSION LIMITED**

**LIST OF BALANCE WITH STATUTORY AUTHORITIES AS AT 31ST MARCH, 2021**

<b><u>Particulars</u></b>	(in Rs. '000) <b><u>Amount</u></b>
GST Input Credit	1,388.24
<b>Total</b>	<b><u>1,388.24</u></b>

**LIST OF STATUTORY DUES PAYABLE AS AT 31ST MARCH, 2021**

<b><u>Particulars</u></b>	<b><u>Amount</u></b>
TDS Payable	17.59
<b>Total</b>	<b><u>17.59</u></b>

# Anuj Goyal Associates

Chartered Accountants

R-212, Dua Complex,  
24, Veer Savarkar Block,  
Shakarpur, Vikas Marg,  
New Delhi – 110092.

Ph : 43068787, 46068787

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of M/s. SIKAR NEW TRANSMISSION LIMITED

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

We have audited the accompanying financial statements of M/s. SIKAR NEW TRANSMISSION LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the period then ended, 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 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, and the Loss, Changes in Equity and its cash flows for the period ended on that date.

#### BASIS FOR OPINION

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





## **KEY AUDIT MATTERS**

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

## **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 Board's Report including Annexure to Board's Report, but does not include the Financial Statements and our auditors' report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

## **RESPONSIBILITY 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, total comprehensive income, change in equity and cash flows of the Company in accordance with 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 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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





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

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





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

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

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure – A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 B" and,
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations 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; and,
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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 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 M/S. ANUJ GOYAL ASSOCIATES**  
**Chartered Accountants**  
**(FRN No. 008784 N)**



A handwritten signature in blue ink, appearing to read "Anuj Goyal", written over a horizontal line.

**(ANUJ KUMAR GOYAL)**

**Partner**

**F.C.A.; M. No. 087318**

**Place of Signature : Delhi**

**Date: 24<sup>th</sup> May, 2021**

**UDIN: 21087318AAAAJS2988**



## **ANNEXURE –A TO THE INDEPENDENT AUDITOR'S REPORT**

The annexure referred to in our report to the members of **M/s. SIKAR NEW TRANSMISSION LIMITED** ('the Company') for the period ended 31st March, 2021, we report that :-

- i) In respect of its fixed assets:
  - (a) The Company does not have any fixed asset as on the date of report as it is in the initial stage of set up. Therefore, reporting under this clause is not applicable.
  - (b) As the Company does not have any immovable property, clause (i)(b) of paragraph 3 of the Order is not applicable.
  - (c) As the Company does not have any immovable property, clause (i)(c) of paragraph 3 of the Order is not applicable.
- ii) As the Company is a Special Purpose Vehicle (SPV) incorporated for "Transmission system strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase II -Part C", and, accordingly, paragraph 3(ii) of the order 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 Companies Act, 2013. In view of the above, sub clause (i), (ii) and (iii) are not applicable.
- iv) According to the information and explanations given to us, the company has complied with provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- v) According to the information and explanations given to us, the company has not accepted any deposits from the public during the year within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.
- vi) As the provisions of sub-section (1) of Section 148 of the Companies Act, 2013 regarding maintenance of cost records prescribed by the Central Government is not applicable to the Company, accordingly, clause 3 (vi) of the order relating to maintenance of cost records is not applicable.
- vii) (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-Tax, Sales-Tax, Service Tax, Custom Duty, Excise Duty or Value Added Tax or Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding at 31st March, 2021 for a period of more than six months from the date of becoming payable.  
  
(b) According to the records of the Company, information and explanations given to us, the Company is not having any disputed statutory dues as at 31st March, 2021.





- viii) The company has not taken any loans or borrowings from any financial institution, bank or government nor raised any money from debenture holders. Therefore, reporting under this clause is not applicable.
- ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year and, accordingly, the provisions of clause 3(ix) of the order are not applicable.
- x) According to the information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) As the company is a Government Company, the provisions of Section 197 read with Schedule V to the Companies Act, 2013, are not applicable in accordance with MCA Notification F. No. 1/2/2014-CL.V dated 05.06.2015. Accordingly, clause 3(xi) of the order is not applicable.
- xii) According to the information and explanation given to us, the company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, clause 3(xiv) of the Order is not applicable.
- xv) According to information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transaction with directors or persons connected with them. Accordingly, clause 3 (xv) of the Order is not applicable.
- xvi) According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M/S. ANUJ GOYAL ASSOCIATES  
Chartered Accountants  
(FRN No. 008784 N)



*Anuj Goyal*

(ANUJ KUMAR GOYAL)

Partner

F.C.A.; M. No. 087318

Place of Signature : Delhi

Date: 24<sup>th</sup> May, 2021

UDIN: 21087318AAAAJS2988



**ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON  
THE FINANCIAL STATEMENTS OF M/S. SIKAR NEW TRANSMISSION LIMITED**

**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of **M/S. SIKAR NEW TRANSMISSION LIMITED** ("the Company") as at March 31, 2021 in conjunction with our audit of the financial statements of the Company for the period 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 and the 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, 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 based on our audit. We conducted our audit in accordance with the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

## **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

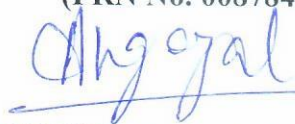
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

## **OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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.

For M/S. ANUJ GOYAL ASSOCIATES  
Chartered Accountants  
(FRN No. 008784 N)



  
(ANUJ KUMAR GOYAL)  
Partner  
F.C.A.; M. No. 087318

Place of Signature: Delhi  
Date: 24<sup>th</sup> May, 2021  
UDIN: 21087318AAAAJS2988

# Anuj Goyal Associates

Chartered Accountants

R-212, Dua Complex,  
24, Veer Savarkar Block,  
Shakarpur, Vikas Marg,  
New Delhi – 110092.  
Ph: 43068787, 46068787

## COMPLIANCE CERTIFICATE

We have conducted the audit of annual accounts of **M/s. SIKAR NEW TRANSMISSION LIMITED** for the period ending 31<sup>st</sup> 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 M/S. ANUJ GOYAL ASSOCIATES  
Chartered Accountants  
(FRN No. 008784 N)



A handwritten signature in blue ink, appearing to read "Anuj Goyal", written over a horizontal line.

(ANUJ KUMAR GOYAL)  
Partner  
F.C.A.; M. No. 087318

Place of Signature: Delhi  
Date: 24<sup>th</sup> May, 2021  
UDIN: 21087318AAAAJS2988

