

# **BHADLA III TRANSMISSION LIMITED**

**A Wholly Owned Subsidiary of Power Grid Corporation of India Limited**

**(CIN: U74999DL2022GOI399208)**

**ANNUAL REPORT (2022-23)**

# BHADLA III TRANSMISSION LIMITED

CIN: U74999DL2022GOI399208

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

Tel: 011-26560121

## DIRECTORS' REPORT

To,

Dear Shareholders,

It gives me immense pleasure to present on behalf of the Board of Directors, the 1<sup>st</sup> Annual Report of Bhadla III Transmission Limited on the working of the Company together with Audited Financial Statements and Auditors' Report for the period ended 31<sup>st</sup> March, 2023.

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

Bhadla III Transmission Limited was incorporated as subsidiary Company of PFC Consulting Limited (PFCCL) on 27<sup>th</sup> May, 2022 and acquired by Power Grid Corporation of India Limited (POWERGRID) on 27<sup>th</sup> September, 2023 under Tariff based competitive bidding to establish inter-state transmission system project namely "Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part B1", project on build, own, operate and transfer (BOOT) basis from the Bid Process Coordinator i.e. PFCCL. The project comprises of establishment of a new 765/400/220 kV Pooling Station at Bhadla-3 and a 765 kV D/C Transmission Line traversing in the state of Rajasthan and associated bay extension works. The transmission system is an Inter State Transmission System Project. The construction work is under progress.

### **2. Financial Performance**

<i>(Rs. in Hundreds)</i>	
<b>Particulars</b>	<b>2022-23</b>
Revenue from Operations	-
Other Income	-
<b>Total Income</b>	-
Expenses	162.41
<b>Profit / Loss before Tax</b>	<b>(162.41)</b>
<b>Profit / Loss after Tax</b>	<b>(162.41)</b>
<b>Earnings Per Equity Share (Rs.)</b>	<b>(1.62)</b>

### **3. Share Capital**

The Authorised and Paid up Share Capital as on 31<sup>st</sup> March, 2023 of the Company were Rs. 1 Lakh.

**4. Dividend**

Your Directors have not recommended any dividend as per Section 123 of Companies Act, 2013, on the equity shares for the period under review.

**5. Reserves**

Your Company's Project is under implementation and Company has not started its commercial operations. There is no operational income/profit. Your Company is not proposing to carry any amount to the reserves for the period ended 31<sup>st</sup> March, 2023.

**6. 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 as per Section 186 of Companies Act, 2013.

**7. 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, is given at **Annexure - I** to the Directors' Report.

**8. Material Changes & Commitments**

There has been no material changes & commitments affecting the financial position of the Company, which have occurred between the period ended 31<sup>st</sup> March, 2023 and date of this report.

**9. Deposits**

Your Company has not accepted any deposit as per Chapter V of Companies Act, 2013, for the period ended 31<sup>st</sup> March, 2023.

**10. Subsidiaries, Joint Ventures and Associate Companies**

Your Company does not have any subsidiaries, joint ventures and associate companies as per Section 2(87) & Section 2(6) of Companies Act, 2013.

**11. 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 for the period ended 31<sup>st</sup> March, 2023 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.

#### **12. 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 the period ended 31<sup>st</sup> March, 2023.

#### **13. 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) at [www.powergrid.in](http://www.powergrid.in) and can be accessed in the Subsidiaries Section under the Investor Relation tab.

#### **14. Board of Directors**

As on 31<sup>st</sup> March, 2023, the Board comprised of three Directors viz. Shri Milind Madhusudan Dafade, Shri Prashant Moundekar and Shri Sanjay Kumar Nayak.

There was no change in composition of Board of Directors from the date of incorporation i.e. 27<sup>th</sup> May, 2022 till the end of financial year i.e. 31<sup>st</sup> March, 2023.

Subsequently, after the end of the FY 2022-23, following changes took place in the composition of Board of Directors:

- a) Shri Milind Madhusudan Dafade and Shri Prashant Moundekar (nominated by PFC Consulting Limited) ceased to be Directors of the Company w.e.f. 27.09.2023;
- b) Shri Sanjay Kumar Nayak (nominated by PFC Consulting Limited) ceased to be Director of the Company w.e.f. 11.10.2023;
- c) Shri Abhay Choudhary, Shri A. K. Mishra, Shri Ramesh Kumar and Shri Sanjeev Kumar Singh (nominated by Power Grid Corporation of India Limited) were



appointed as an Additional Director w.e.f. 27.09.2023 who holds office up to the date of ensuing Annual General Meeting.

The Board placed on record its appreciation for the valuable contribution, guidance & support given by Shri Milind Madhusudan Dafade, Shri Prashant Moundekar and Shri Sanjay Kumar Nayak 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, Shri Ramesh Kumar and Shri Sanjeev Kumar Singh as a Director, liable to retire by rotation, in the ensuing Annual General Meeting.

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

#### **15. Number of Board meetings during the year**

Since incorporation i.e. from 27<sup>th</sup> May, 2022 to financial year ended on 31<sup>st</sup> March, 2023, four (04) meetings of Board of Directors were held on different dates i.e. 09<sup>th</sup> June, 2022, 25<sup>th</sup> August, 2022, 31<sup>st</sup> October, 2022 and 30<sup>th</sup> January, 2023. 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 2022-23.	No. of Board Meetings which were attended during financial year 2022-23.
Shri Milind M. Dafade (w.e.f. incorporation to 27.09.2023)	Chairman	04	04
Shri Prashant Moundekar (w.e.f. incorporation to 27.09.2023)	Director	04	04
Shri Sanjay Kumar Nayak (w.e.f. incorporation to 11.10.2023)	Director	04	04

#### **16. Committees of the Board**

##### **Audit Committee & Nomination & Remuneration Committee**

Being the wholly owned subsidiary of PFCCCL till 27.09.2023 and POWERGRID w.e.f. 27.09.2023, your Company is not required to constitute an Audit Committee and Nomination & Remuneration Committee in terms of notifications dated 5<sup>th</sup> July, 2017 and 13<sup>th</sup> July, 2017 issued by the Ministry of Corporate Affairs (MCA).

### Corporate Social Responsibility Committee

The provision of Section 135 of the Companies Act, 2013 read with Rule 5 the Companies (Corporate Social Responsibility Policy) Rules, 2014 were not applicable to the Company during FY 2022-23.

### **17. Declaration by Independent Directors**

As per the provisions of Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014, your Company, being a wholly owned subsidiary of PFCCL till 27.09.2023 and POWERGRID w.e.f. 27.09.2023, is exempted from appointment of Independent Directors.

### **18. Performance Evaluation**

Your Company was wholly-owned Subsidiary of PFCCL till 27.09.2023. The Directors were nominated by PFCCL. The Company was acquired by Power Grid Corporation of India Limited (POWERGRID) on 27.09.2023. Then after the directors & senior officials of POWERGRID are nominated as Directors of the Company. Your Company, being wholly-owned Subsidiary of POWERGRID, is a Government Company. The Ministry of Corporate Affairs (MCA) vide Notification dated June 5, 2015 has exempted Government Companies from the provisions of Section 178(2) of the Companies Act, 2013, which provides for manner of evaluation of performance of Board, its Committees and individual Directors. Further, the requirement of mentioning a statement on the manner of formal evaluation of annual performance in Board's Report as per section 134(3)(p) of the Companies Act, 2013 is also not applicable for Government Companies, where the directors are evaluated by the Ministry or Department of the Central Government, which is administratively in charge of the company, as per its own evaluation methodology.

The Whole time Directors & senior officials of POWERGRID (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 of the Department of Public Enterprises ("DPE") - Performance of CMD/Functional Directors is evaluated by Administrative Ministry and of senior officials is by POWERGRID (the holding company).

### **19. Statutory Auditors**

Pursuant to section 139(7) of the Companies Act, 2013 and Rule 4(2) of the Companies (Audit and Auditors) Rules, 2014, M/s Satish Jindal & Co., Chartered Accountants, was appointed by Comptroller and Auditor General of India as Statutory Auditors of the Company from the date of incorporation i.e. 27<sup>th</sup> May, 2022 to 31<sup>st</sup> March 2023.

### **20. Statutory Auditors' Report**

M/s Satish Jindal & Co., Chartered Accountants, Statutory Auditors for the period commenced from 27<sup>th</sup> May, 2022 and ended on 31<sup>st</sup> March 2023 have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

## **21. Comptroller and Auditor General's (C&AG) Comments**

Comptroller and Auditor General of India have decided not to conduct the supplementary audit under section 143 (6) (a) of the Companies Act, 2013 of the financial statements of the company the period commenced from 27<sup>th</sup> May, 2022 and ended on 31<sup>st</sup> March 2023. Copy of letter dated 16<sup>th</sup> June, 2023 received from C&AG is placed at **Annexure-II** to this report.

## **22. Secretarial Audit Report**

The requirement of obtaining a Secretarial Audit Report from the practicing company secretary under Section 204 of the Companies Act, 2013, is not applicable to the Company for the period ended 31<sup>st</sup> March, 2023.

## **23. 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 period ended 31<sup>st</sup> March, 2023.

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

None of the Auditors of the Company have reported any frauds to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

## **25. Development & Implementation of Risk Management Policy**

The Company was acquired by POWERGRID on 27.09.2023 from PFCCCL. Your Company being a wholly owned subsidiary of PFCCCL till 27.09.2023 and POWERGRID w.e.f. 27.09.2023 and is covered under the Risk Management Framework as being done in the holding company.

## **26. Particulars of Employees**

As per Notification dated 5<sup>th</sup> June, 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.

## **27. Compliance with Secretarial Standards**

The Company has followed the Secretarial Standards (SS) 1 & 2 issued by the Institute of Company Secretaries of India under sub-section (10) of Section 118 of the Companies Act, 2013.

## **28. Prevention of Sexual Harassment Policy**

Your Company being a wholly owned subsidiary of PFCCCL till 27.09.2023 and POWERGRID w.e.f. 27.09.2023 (Holding Company) has Internal Complaints Committee (ICC) in place to redress the complaints of sexual harassment.

**29. 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 were passed by any authority during the period ended 31<sup>st</sup> March, 2023 impacting the going concern status and Company's operation in future.

**30. Internal Financial Control Systems and their adequacy**

The Company was acquired by POWERGRID on 27.09.2023 from PFCCL. Your Company being a wholly owned subsidiary of PFCCL till 27.09.2023 and POWERGRID w.e.f. 27.09.2023 (Holding Company) has comply with Internal Financial Controls System over Financial Reporting as adopted by the Holding Company.

**31. Insolvency and Bankruptcy Code, 2016**

There has been no application made under the Insolvency and Bankruptcy Code 2016. Hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 for the period ended 31<sup>st</sup> March, 2023 is not applicable.

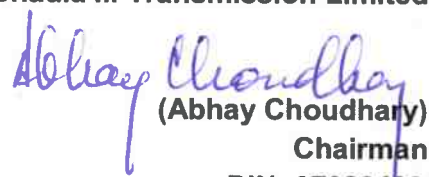
**32. Right to Information**

In compliance with 'Right to Information Act, 2005', an appropriate mechanism is in place for promoting transparency and accountability, wherein PFCCL being a wholly owned subsidiary till 27.09.2023 and POWERGRID w.e.f. 27.09.2023 (Holding Company) has nominated Central Public Information Officer & Appellate Authority for your Company to provide required information under the provisions of Act.

**33. Acknowledgement**

The Board of Directors place on record their gratitude for the support of the Ministry of Power, the Central Electricity Regulatory Commission, the Central Electricity Authority, the Department of Public Enterprises, Power Grid Corporation of India Limited, PFC Consulting Limited, the Comptroller & Auditor General of India, the Auditors and various other authorities.

For and on behalf of  
**Bhadla III Transmission Limited**

  
(Abhay Choudhary)  
Chairman  
DIN: 07388432

Date: 6<sup>th</sup> November, 2023

Place: Gurgaon

**BHADLA III 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	PFC Consulting Limited (PFCCL) [holding company upto 27.09.2023].
b	Nature of contracts/arrangements/transaction	PFCCL is appointed as Bid Process Coordinator by Ministry of Power, Govt. of India to carry out all the activities for selection of developer.  PFCCL will carry out all the Bid Related Activities till the transfer of the company to the successful developer.

c	Duration of the contracts/arrangements/transaction	Refer (b) (i.e. upto 27.09.2023)
d	Salient terms of the contracts or arrangements or transaction including the value, if any	Refer (b)
e	Date of approval by the Board	09.06.2022
f	Amount paid as advances, if any	-

For and on behalf of  
Bhadla III Transmission Limited

  
(Abhay Choudhary)  
Chairman  
DIN: 07388432

Date: 6<sup>th</sup> November, 2023  
Place: Gurgaon

No. DG (AE)/R/01-113/AL-BTL/2023-24/MS-858155



भारतीय लेखापरीक्षा एवं लेखा विभाग  
कार्यालय महा निदेशक लेखापरीक्षा (ऊर्जा)  
नई दिल्ली



INDIAN AUDIT & ACCOUNTS DEPARTMENT  
Office of the Director General of Audit (Energy)  
New Delhi

Dated: 16.6.23.

सेवा में

अध्यक्ष,  
भइला III ट्रांसमिशन लिमिटेड,  
नई दिल्ली।

विषय: 31 मार्च 2023 को समाप्त अवधि के लिए भइला III ट्रांसमिशन लिमिटेड, नई दिल्ली के 2022-23 के लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, भइला III ट्रांसमिशन लिमिटेड, नई दिल्ली के 31 मार्च 2023 को समाप्त अवधि के लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ अंग्रेषित कर रहा हूँ।

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

भवदीय,

संलग्नक:- यथोपरि।

(संजय कु. झा)  
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 BHADLA III TRANSMISSION LIMITED FOR THE PERIOD ENDED 31 MARCH 2023**

The preparation of financial statements of Bhadla III Transmission Limited for the period ended 31 March 2023 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 11.05.2023.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Bhadla III Transmission Limited for the period ended 31 March 2023 under Section 143(6)(a) of the Act.

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



(Sanjay K. Jha)  
Director General of Audit (Energy)  
New Delhi

Place: New Delhi

Dated: 16.6.23.





**Independent Auditor's Report**

**To the Members of Bhadla III Transmission Limited**

**Report on the Audit of the Ind AS Financial Statements**

**Opinion**

We have audited the accompanying Financial Statements of **Bhadla III Transmission Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the statement of Profit and Loss, Cash Flow statement for the period ended, Statement of changes in equity for the period then ended and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its Loss, changes in equity and its cash flows for the period ended on that date.

**Basis for Opinion**

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standard are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provision of the Act and the rules 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

**Other Information – Board of Directors' Report**

A. The Company's Board of Directors is responsible for the preparation and presentation of its Board Report which comprises various information required under section 134(3) of the Companies Act 2013 but does not include the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance/conclusion thereon.

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

**Responsibilities of management and those charge 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the





Indian Accounting Standards specified under section 133 of the Act. 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are 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 misstatements, whether due to fraud or error, and to issue an auditor's reports 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing our opinion on whether the Company has adequate internal financial control systems 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.

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





We communicate with those charged with governance 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, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure "I"** statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of section 143(5) of the Act, on the basis such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, in the **"Annexure-II"** on the directions and sub-directions issued by the Comptroller and Auditor General of India.
3. 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 purpose 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, the statement of changes in Equity and the statement of Cash flow dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules.
  - e) Being a Government Company, pursuant to notification no. G.S.R. 463(E) dated 05.06.2015 issued by the Government of India, provisions of Section 164(2) of the Act, regarding disqualification of director is not applicable to the company.
  - 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 III"**.
  - g) Being a Government Company, pursuant to notification no. G.S.R. 463(E) dated 05.06.2015 issued by the Government of India, provisions of Section 197(16) of the Act, regarding managerial remuneration is not applicable to the company.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) 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.
    - iii. There have been no amounts which are required to be transferred to the Investor Education and Protection Fund by the company.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with






the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;; and

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

**For SATISH JINDAL & CO.**  
**Chartered Accountants**  
**Firm Registration No: 009180N**

  
**(Satish Kumar Gupta)**  
**Partner**  
**Membership Number: 087902**



**Place: Delhi**  
**Date: 11/05/2023**

**UDIN: 23087902BGVSWU1484**



**Annexure "I" referred to the Independent Auditor report**

Referred to in our audit report to the members of "**Bhadla III Transmission Limited**" for the period ended 31<sup>st</sup> March 2023.

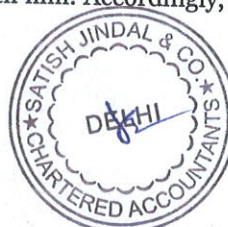
The Comment are in seriatim of the order:

- i. (a) The Company has no items of Property, Plant and Equipment (other than Capital work in Progress) or Intangible assets. Hence reporting under clause (i)(a), (b), (c) and (d) of the Order are not applicable to the company.  
(b) In our opinion and according to the information and explanations given to us, no Proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The Company does not have any inventories. Therefore reporting under clause 3(ii)(a) of the Order is not applicable to the company.  
(b) According to information and explanations given to us, during the year, the Company has not sanctioned working capital limits in excess of Rs. 5 crores, during the period in aggregate from banks and financial institutions on the basis of security of current assets hence reporting under clause 3(ii)(b) of the Order is not applicable to the company.
- iii. In our opinion and according to the information and explanations given to us, the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, hence reporting under clause 3(iii) of the Order is not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the company has not given any loans, investments, guarantees and security, therefore the reporting under clause 3(iv) of the Order for compliance of provisions of section 185 and 186 of the Companies Act are not applicable.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits or amounts which are deemed to be deposits, hence reporting under clause 3(v) of the Order is not applicable.
- vi. To the best of the knowledge and as per information and explanations given to us by the management, the Central Government of India has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013.
- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, Goods and Services Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were outstanding at the period end for a period of more than six months from the date they became payable.  
(b) In our opinion and according to information and explanations given to us, there are no statutory dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute.





- viii. According to the information and explanation given to us, there were no transactions not been recorded in the books of account have been surrendered or disclosed as Income during the year in the tax assessment under the Income Tax Act, 1961.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.
- (b) According to the information and explanations given to us, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us, the Company has not raised funds on long term basis hence reporting under this clause is not applicable.
- (d) According to the information and explanations given to us, we report that funds raised on short-term basis has been applied for the purpose for which it was obtained by the company.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company has no subsidiaries, joint ventures or associate companies during the year. Hence reporting under clause 3(xiii)(e) is not applicable.
- (f) As the Company has no subsidiaries, joint ventures or associate companies, the reporting requirements whether the Company has raises loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies in not applicable to Company.
- x. (a) As per information and explanation given to us, the Company has not raised any money by way of initial public offer or further public offer during the year.
- (b) As per information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or Convertible debt instruments and hence reporting under this clause is not applicable.
- xi. (a) To the best of the knowledge and according to the information and explanations given to us, no fraud by the company and no material fraud on the company has been noticed and reported during the year.
- (b) No report under section 143(12) of the Companies Act has been filed by the auditors under rule 13 of Companies (Audit and Auditor's) Rule-2014 and as such the clause is not applicable.
- (c) According to the information and explanations given to us Company has not received any whistle blower complaints during the year (and up to the date of this report). Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to information and explanations given to us the Company has entered into transactions with related parties in compliance with the provisions of Section 177 and section 188 of the Companies Act, 2013. The details of such related party transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- xiv. The company is not required to have internal auditors under section 138 of the companies Act 2013 and as such sub clauses(a),(b) are not applicable;
- xv. As per the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on

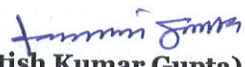




compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order not applicable to the Company.

- xvi. (a) As per information and explanations given to us, the provision of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to Company hence reporting under clause 3(xvi)(a) of the Order not applicable to the Company.
- (b) As per information and explanations given to us, the Company has not conducted non-banking financial/housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order not applicable to the Company.
- (c) As per information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence reporting under clause 3(xvi)(c) of the Order not applicable to the Company.
- (d) Based on the information and explanations given to us there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, the reporting under this clause 3(xvi)(d) of the order not applicable to Company.
- xvii. During the year under consideration the Company has incurred net cash losses of Rs.162.41 (Amount in Rs. Hundreds) in the current financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. Provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, no comment in respect of the said clause has been included in this report.
- xxi. The reporting under clause 3(xxi) of the order is not applicable in respect of audit of standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For SATISH JINDAL & CO.**  
**Chartered Accountants**  
**Firm Registration No: 009180N**

  
**(Satish Kumar Gupta)**  
**Partner**  
**Membership Number: 087902**



**Place: Delhi**  
**Date: 11/05/2023**  
**UDIN: 23087902BGVSWU1484**






**ANNEXURE-II TO THE INDEPENDENT AUDITOR'S REPORT OF BHADLA III TRANSMISSION LIMITED**

The Annexure referred to in our report to the members of **BHADLA III TRANSMISSION LIMITED** ('the Company') for the period ended 31<sup>st</sup> March 2023.

**Replies to the Directions issued by Comptroller & Auditor General of India to the Statutory Auditors under Section 143(5) of the Companies Act, 2013 for the period ended 31<sup>st</sup> March 2023**

S. No	Particulars	Reply
1.	Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company has system in place to process all the accounting transactions through IT system i.e. Oracle. In our opinion and to the best of our information and according to the explanations given to us, the company has adequate control system to verify the correctness of the entries posted in Oracle.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditors of lender company).	There is no restructuring of an existing loan are no cases of waiver/write off of debts/loans/interest etc., hence this clause is not applicable.
3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State government or its agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	There are no funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State government or agencies, hence this clause is not applicable.

For SATISH JINDAL & CO.  
Chartered Accountants  
Firm Registration No: 009180N

  
(Satish Kumar Gupta)  
Partner  
Membership Number: 087902



Place: Delhi  
Date: 11/05/2023  
UDIN: 23087902BGSVWU1484





**ANNEXURE "III" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
FINANCIAL STATEMENTS OF BHADLA III TRANSMISSION LIMITED**

**Report on the Internal Financial Controls under clause (f) 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 **BHADLA III TRANSMISSION LIMITED** ("the Company") as of March 31, 2023 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 considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 judgement, 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.


### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of information and 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, 2023, based on the criteria of internal financial control over financial reporting 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 SATISH JINDAL & CO.**  
**Chartered Accountants**  
**Firm Registration No: 009180N**

  
**(Satish Kumar Gupta)**  
**Partner**  
**Membership Number: 087902**



**Place: Delhi**  
**Date: 11/05/2023**  
**UDIN: 23087902BGVSWU1484**

**BHADLA III TRANSMISSION LIMITED**

(CIN:U74999DL2022GOI399208)

**Balance Sheet as at March 31, 2023**

(₹ in Hundreds)

	Particulars	Note No.	As at March 31, 2023
(I)	<b>Assets</b>		
(1)	<b>Non-current Assets</b>		
	(a) Capital Work-In-Progress	3	148,204.62
(2)	<b>Current Assets</b>		
	(a) Financial assets		
	(i) Cash and Cash Equivalents	4	1,000.00
			<b>1,000.00</b>
	<b>Total Assets</b>		<b>149,204.62</b>
(II)	<b>Equity and Liabilities</b>		
(1)	<b>Equity</b>		
	(a) Equity Share Capital	5	1,000.00
	(b) Other Equity	6	(162.41)
			<b>837.59</b>
(2)	<b>Liabilities</b>		
(A)	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	7	145,456.03
	(ii) Other Financial Liabilities	8	295.00
	(b) Other Current Liabilities	9	2,616.00
			<b>148,367.03</b>
	<b>Total Equity and Liabilities</b>		<b>149,204.62</b>

See accompanying notes to the Financial Statements

1-37

**For and on behalf of Board of Directors**


**Sanjay Kumar Nayak**  
(Director)  
DIN:08197193



**Prashant Moundekar**  
(Director)  
DIN:09193121



**Milind M. Dafade**  
(Chairman)  
DIN:09587967

**As per our report of even date****For Satish Jindal & Co.**

Chartered Accountants

Firm Reg No. : 009180N



**Satish Kumar Gupta**  
(Partner)

Mem. No.: 087902

UDIN: 23087902 BGVSWW1484



Place: New Delhi

Date: 11/05/2023





**BHADLA III TRANSMISSION LIMITED**

(CIN:U74999DL2022GOI399208)

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

(₹ in Hundreds)

Particulars	Note No.	For the period ended on March 31, 2023
Revenue from Operations		-
Other Income		-
<b>Total Income (I)</b>		-
<b>Expenses</b>		
Other Expenses	10	162.41
<b>Total Expenses (II)</b>		<b>162.41</b>
<b>Profit/(Loss) before tax (I- II =III)</b>		<b>(162.41)</b>
Tax expenses: (IV)		
Current tax		-
Deferred tax		-
<b>Profit/(Loss) for the period (III - IV = V)</b>		<b>(162.41)</b>
<b>Other Comprehensive Income (VI)</b>		-
<b>Total Comprehensive Income for the period (V + VI =VII)</b>		<b>(162.41)</b>
Earnings per equity share : (VIII)		
Basic and Diluted (in ₹) (Par value Rs. 10/- per share)	12	(1.62)

See accompanying notes to the Financial Statements

1-37

**For and on behalf of Board of Directors****Sanjay Kumar Nayak**  
(Director)  
DIN:08197193**Prashant Moundekar**  
(Director)  
DIN:09193121**Milind M. Dafade**  
(Chairman)  
DIN:09587967**As per our report of even date****For Satish Jindal & Co.**

Chartered Accountants

Firm Reg No. : 009180N

**Satish Kumar Gupta**  
(Partner)

Mem. No.: 087902

UDIN: 23087902BGVSWU1484



Place: New Delhi

Date: 11/05/2023



# BHADLA III TRANSMISSION LIMITED

(CIN:U74999DL2022GOI399208)

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

(₹ in Hundreds)

Particulars	For the period ended on March 31, 2023
<b>A. Cash Flow from Operating Activities:</b>	
Net profit/(loss) before tax	(162.41)
<b>Adjustments for:</b>	
Adjustments	-
<b>Operating Profit before Working Capital changes</b>	<b>(162.41)</b>
<b>Adjustments for changes in Working Capital :</b>	
- Increase/(decrease) in Other financial liabilities	295.00
- Increase/(decrease) in Other current liabilities	2,616.00
<b>Cash Generated From Operating Activities</b>	<b>2,748.59</b>
Income Taxes paid	-
<b>Net Cash from Operating Activities</b>	<b>2,748.59</b>
<b>B. Cash Flow from Investing Activities:</b>	
Addition in Capital work in Progress	(148,204.62)
<b>Net Cash from Investing Activities</b>	<b>(148,204.62)</b>
<b>C. Cash Flow from Financing Activities:</b>	
Increase in Borrowings	145,456.03
Issue of Share Capital	1,000.00
<b>Net Cash from Financing Activities</b>	<b>146,456.03</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>1,000.00</b>
<b>Cash and Cash Equivalents as at beginning</b>	<b>-</b>
<b>Cash and Cash Equivalents as at closing (Note-4)</b>	<b>1,000.00</b>
<b>Cash and Cash Equivalents Comprising of:</b>	
Balance with Bank in Current Account	1,000.00

See accompanying notes to the Financial Statements

1-37

For and on behalf of Board of Directors

  
**Sanjay Kumar Nayak**  
(Director)  
DIN:08197193

  
**Prashant Moundekar**  
(Director)  
DIN:09193121


  
**Milind M. Dafade**  
(Chairman)  
DIN:09587967

As per our report of even date

For Satish Jindal & Co.

Chartered Accountants

Firm Reg No. : 009180N

  
**Satish Kumar Gupta**  
(Partner)  
Mem. No.: 087902  
UDIN: 23087902 BGVSWU1484



Place: New Delhi

Date: 11/05/2023



**BHADLA III TRANSMISSION LIMITED**

(CIN:U74999DL2022GOI399208)

**Statement of Changes in Equity for the period ended on March 31, 2023****A. Equity share capital****(1) Current reporting period (FY 2022-23)**

(₹ in Hundreds)

Balance at the 27th May 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at beginning of the period	Changes in equity share capital during the period	Balance at the 31st March, 2023
-	-	-	1,000.00	1,000.00

**B. Other Equity****(1) Current reporting period (FY 2022-23)**

Particulars	Reserves and Surplus		Total
	Retained earnings	Others	
Balance at the 27th May 2022	-	-	-
Changes in accounting policy or prior period errors	-	-	-
Restated balance as at the beginning of the period	-	-	-
Total Comprehensive Income for the period	(162.41)	-	(162.41)
Others	-	-	-
<b>Balance at the 31st March, 2023</b>	<b>(162.41)</b>	<b>-</b>	<b>(162.41)</b>

See accompanying notes to the Financial Statements

1-37

For and on behalf of Board of Directors

  
**Sanjay Kumar Nayak**  
 (Director)  
 DIN:08197193

  
**Prashant Moundekar**  
 (Director)  
 DIN:09193121


  
**Milind M. Dafade**  
 (Chairman)  
 DIN:9587967

As per our report of even date

For Satish Jindal &amp; Co.

Chartered Accountants

Firm Reg No. : 009180N

  
**Satish Kumar Gupta**  
 (Partner)

Mem. No.: 087902

UDIN: 23087902BGS WU1484



Place: New Delhi

Date: 11/05/2023



**BHADLA III TRANSMISSION LIMITED**  
(CIN:U74999DL2022GOI399208)

Notes to the Financial Statements for the period ended on March 31, 2023

**1 Corporate Information**

"Bhadla III Transmission Limited" the Company" was incorporated on 27th May 2022 under the Companies Act, 2013, as a wholly owned subsidiary of PFC Consulting Limited "PFCCL", which is a wholly owned subsidiary of Power Finance Corporation Ltd (PFC Ltd), a Govt. of India undertaking. The registered office of the Company is located at 'Urjanidhi', First Floor, 1, Barakhamba Lane, Connaught Place, New Delhi-110001. The company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forest clearance etc., if required for the purpose of transmission of electricity and to conduct bidding process etc. for the selection of transmission service provider. The company has undertaken single project namely "Transmission system for evacuation of Power from REZ in Rajasthan (20 GW) under Phase-III Part-G". The company will be transferred to developer selected as per tariff based competitive bidding guidelines for Transmission Service issued by Ministry of Power, Government of India.

**2 Significant accounting policies**

**a. Basis of Preparation and Statement of Compliance**

These Financial Statements have been prepared on historical cost and accrual basis of accounting and are in compliance with the Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and applicable provisions of the Companies Act, 2013. The Financial Statements have been prepared under Ind AS because Ind AS are applicable to its holding company PFCCL.

The Company's financial statements are presented in Indian Rupees (INR), which is its functional currency.

Amounts in these financial statements have been rounded off to 'nearest hundreds upto two decimal points (unless otherwise indicated).

**b. Use of Estimates**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expense, assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

**c. Recognition of Income / Expenditure**

Income and expenses (except otherwise stated) are accounted for on accrual basis.

**d. Capital Work in Progress**

Expenditure incurred on Consultancy /Administration /Interest /Manpower Charges/ Legal & Professional etc during construction period/setting up of project (net of incomes) is capitalized & treated as Capital Work In Progress.

**e. Expenditure incurred by Holding Company**

Expenditure incurred by the company for the Project is funded by the Holding Company (PFCCL) and is considered as Borrowings and disclosed under the head Current Liabilities. Interest is charged by holding company (PFCCL) as per rate applicable from time to time.

**f. Preliminary Expenses**

Preliminary expenses has been charged to the Statement of Profit & Loss in the year in which such expenditure has been incurred.

**g. Borrowing Costs**

Borrowing cost is charged to the Statement of Profit & Loss for the year in which it is incurred except for capital work in progress which is capitalized till the date of commercial use of the assets.

**h. Provisions, Contingent Liabilities and Contingent Assets**

(i) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(ii) Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.

(iii) Contingent Assets are not recognised in the financial statements but are disclosed, where an inflow of economic benefit is probable.

(iv) These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.





**BHADLA III TRANSMISSION LIMITED**  
(CIN:U74999DL2022GOI399208)

**Notes to the Financial Statements for the period ended on March 31, 2023**

**i. Cash & Cash Equivalents**

Cash comprises cash on hand and demand deposits. The Company considers cash equivalents as all 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 an insignificant risk of changes in value.

**j. Cash Flow Statement**

Cash flow Statement is prepared in accordance with the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated.

**k. Taxes on Income**

Income Tax expense comprises of current and deferred tax. It is recognised in Statement of Profit and Loss, except when it relates to an item that is recognised in OCI or directly in equity, in which case, tax is also recognised in OCI or directly in equity.

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax is measured at the tax rates based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

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

**l. Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

On initial recognition, financial assets and financial liabilities are recognised at fair value plus/ minus transaction cost that are attributable to the acquisition or issue of financial assets and financial liabilities. In case of financial assets and financial liabilities which are recognised at fair value through profit and loss (FVTPL), it's transaction costs are recognised in Statement of Profit and Loss.

**A Financial Assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis.

After initial recognition, financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**i) Classification and Measurement of Financial Assets (other than Equity instruments)**

**a) Financial Assets at Amortised Cost:**

Financial assets that meet the following conditions are subsequently measured at amortised cost using Effective Interest Rate method (EIR):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

**b) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)**

A financial asset is measured at FVTOCI if both the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

**c) Financial Assets at fair value through Profit or Loss (FVTPL)**

A financial asset is measured at FVTPL unless it is measured at amortised cost or FVTOCI, with all changes in fair value recognised in Statement of Profit and Loss.





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Notes to the Financial Statements for the period ended on March 31, 2023

**ii) Impairment of Financial Assets**

a) Subsequent to initial recognition, the Company recognises expected credit loss (ECL) on financial assets measured at amortised cost. ECL on such financial assets, other than loan assets, is measured at an amount equal to life time expected losses.

The impairment requirements for the recognition and measurement of ECL are equally applied to Loan asset at FVTOCI except that ECL is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

b) Impairment of Loan Assets and commitments under Letter of Comfort (LoC):

The Company measures ECL on loan assets at an amount equal to the lifetime ECL if there is credit impairment or there has been significant increase in credit risk (SICR) since initial recognition. If there is no SICR as compared to initial recognition, the Company measures ECL at an amount equal to 12-month ECL. When making the assessment of whether there has been a SICR since initial recognition, the Company considers reasonable and supportable information, that is available without undue cost or effort. If the Company measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement in credit quality, the Company again measures the loss allowance based on 12-month ECL. ECL is measured on individual basis for credit impaired loan assets, and on other loan assets it is generally measured on collective basis using homogenous groups.

c) The impairment losses and reversals are recognised in Statement of Profit and Loss.

**iii) De-recognition of Financial Assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

**B Financial Liabilities**

i) All financial liabilities other than derivatives and financial guarantee contracts are subsequently measured at amortised cost using the effective interest rate (EIR) method.

EIR is determined at the initial recognition of the financial liability. EIR is subsequently updated for financial liabilities having floating interest rate, at the respective reset date, in accordance with the terms of the respective contract.

ii) De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

**(m) Earnings Per Share**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.



**BHADLA III TRANSMISSION LIMITED**

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Notes to the Financial Statements for the period ended on March 31, 2023

**3. CAPITAL WORK IN PROGRESS**

(₹ in Hundreds)

Particulars	As at March 31, 2023
Opening Capital work in progress	-
Add: Transferred from Expenditure during construction period (Note no-11)	148,204.62
<b>TOTAL</b>	<b>148,204.62</b>

**3.1 CWIP aging schedule:**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As on 31.03.2023</b>					
Projects in progress	148,204.62	-	-	-	148,204.62
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>148,204.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>148,204.62</b>

**3.2** As on the date of balance sheet, there are no capital work-in-progress projects whose completion is over due or has exceeded the cost, based on approved plan.

**4. CASH AND CASH EQUIVALENTS**

(₹ in Hundreds)

Particulars	As at March 31, 2023
Balance with Bank in Current Account	1,000.00
<b>TOTAL</b>	<b>1,000.00</b>





**BHADLA III TRANSMISSION LIMITED**

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Notes to the Financial Statements for the period ended on March 31, 2023

**5. EQUITY SHARE CAPITAL**

(₹ in Hundreds)

Particulars	As at March 31, 2023
<b>Authorised Capital</b>	
10,000 Equity shares of Rs.10/- each	1,000.00
<b>Issued, Subscribed and Paid up</b>	
10,000 Equity shares of Rs.10/- each fully paid up	1,000.00
<b>TOTAL</b>	<b>1,000.00</b>

**(i) Reconciliation of the number of Shares outstanding at the beginning and at the end of the period.**

Particulars	As at March 31, 2023	
	No. of Shares	Amount
Outstanding as at the beginning of the period	-	-
<b>Add:</b> Addition during the period	10,000	1,000.00
<b>Outstanding as at the end of the period</b>	<b>10,000</b>	<b>1,000.00</b>

**(ii) Rights, Preferences and restriction attached to Equity Shares**

The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(iii) Equity Shares held by the Controlling Entity:**

Particulars	As at March 31, 2023	
	No of shares	%
<b>Equity Shares:</b>		
PFC Consulting Limited, the Holding Company *	10,000	100%

**(iv) Details of shares held by each shareholder holding more than 5% shares in the Company:**

Particulars	As at March 31, 2023	
	No of shares	%
<b>Equity Shares:</b>		
PFC Consulting Limited, the Holding Company *	10,000	100%

\* Equity shares are held by PFC Consulting Limited and through its 6 nominees.

**(v) Details of shareholding of Promoters at the end of the reporting period**

Promoter name	Number of shares	% of total shares	% change during the period
<b>As at March 31, 2023</b>			
PFC Consulting Limited, the Holding Company	9,400	94.00%	-
Nominees of PFC Consulting Limited	600	6.00%	-
	<b>10,000</b>	<b>100.00%</b>	-



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Notes to the Financial Statements for the period ended on March 31, 2023

**6. OTHER EQUITY**

(₹ in Hundreds)

Particulars	As at March 31, 2023
<b>Retained Earnings:</b>	
Balance at the beginning of the Period	-
Add: Total Comprehensive Income for the period	(162.41)
<b>Balance at the end of the period</b>	<b>(162.41)</b>

**7. BORROWINGS**

(₹ in Hundreds)

Particulars	As at March 31, 2023
<b>Financial Liabilities carried at Amortised Cost (Unsecured)</b>	
Loan from related party (PFC Consulting Limited, holding company)	140,051.22
Interest accrued but not due on loans from related party	5,404.81
<b>TOTAL</b>	<b>145,456.03</b>

**8. OTHER FINANCIAL LIABILITIES**

(₹ in Hundreds)

Particulars	As at March 31, 2023
Expenses Payable	295.00
<b>TOTAL</b>	<b>295.00</b>

**9. OTHER CURRENT LIABILITIES**

(₹ in Hundreds)

Particulars	As at March 31, 2023
Statutory dues Payable (TDS)	2,616.00
<b>TOTAL</b>	<b>2,616.00</b>





# BHADLA III TRANSMISSION LIMITED

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Notes to the Financial Statements for the period ended on March 31, 2023

## 10. OTHER EXPENSES

(₹ in Hundreds)

Particulars	For the period ended on March 31, 2023
Preliminary Expenses	162.41
<b>TOTAL</b>	<b>162.41</b>

## 11. EXPENDITURE DURING CONSTRUCTION PERIOD

(₹ in Hundreds)

Particulars	For the period ended on March 31, 2023
Manpower Charges	105,330.38
Consultancy Charges	8,046.00
Outsourcing Expenses	5,348.29
Advertisement	12,622.61
Other Administrative Expenses	4,973.36
Rates and taxes	5,583.64
Interest Expenses	6,005.34
Audit Fees	295.00
<b>TOTAL (Transferred to CWIP, Note-3)</b>	<b>148,204.62</b>

## 12. EARNINGS PER SHARE

(₹ in Hundreds)

Particulars	For the period ended on March 31, 2023
<b>Basic and diluted Earning Per Share</b>	
Face value per Equity Share (In ₹)	10
Net Profit / (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders used as numerator	(162.41)
Weighted Average number of Equity Shares used as denominator for calculating Basic & Diluted EPS	10,000
<b>Basic and diluted Earning Per Share (in ₹)</b>	<b>(1.62)</b>
There are no dilutive instruments issued by the company.	



# BHADLA III TRANSMISSION LIMITED

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Notes to the Financial Statements for the period ended on March 31, 2023

## 13. STATEMENT OF TRANSACTIONS WITH RELATED PARTIES

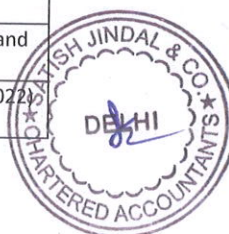
### 13.1 Name of related parties and description of relationship:

Ultimate Holding Company	
1	Power Finance Corporation Limited (PFCL)
Holding Company	
1	PFC Consulting Limited (PFCCL)
Associate of Holding Company (PFCCL)	
1	Bijawar- Vidarbha Transmission Limited*
2	Tanda Transmission Company Limited*
3	Shongtong Karcham- Wangtoo Transmission Limited*
4	Ananthpuram Kurnool Transmission Limited
5	Chhatarpur Transmission Limited
6	Mohanlalganj Transmission Limited transferred to PGCIL on 30th May 2022
7	Khetri-Narela Transmission Limited transferred to PGCIL on 11th May 2022
8	SIOT Transmission Limited incorporated on 27th April 2022
9	Fatehgarh III Transmission Limited incorporated on 18th May 2022
10	Fatehgarh IV Transmission Limited incorporated on 08th June 2022
11	Raipur Pool Dhamtari Transmission Limited (incorporated on 18.11.2022 and transferred on 28.03.2023)
12	Khandukhal Rampura Transmission Limited (incorporated on 13.05.2022 and transferred on 07.10.2022)
13	Dharamjaigarh Transmission Limited (incorporated on 18.11.2022 and transferred on 28.03.2023)
14	Bhadla Sikar Transmission Limited transferred to PGCIL on 28th March 2023
15	Fatehgarh III Beawar Transmission Limited incorporated on 05th May 2022
16	Beawar Dausa Transmission Limited incorporated on 06th May 2022
17	Kishtwar Transmission Limited transferred to Sterlite Grid 24 Ltd. on 06th December 2022

Subsidiary and Associate of PFCL	
1	REC Limited (RECL)
2	REC Power Development and Consultancy Limited
3	PFC Projects Limited (formerly Coastal Karnataka Power Ltd.) (w.e.f 01.07.2022)
4	Coastal Maharashtra Mega Power Limited*
5	Cheyur Infra Limited
6	Sakhigopal Integrated Power Company Limited
7	Ghogarpalli Integrated Power Company Limited
8	Coastal Karnataka Power Limited (upto 30.06.2022)
9	Orissa Integrated Power Limited
10	Chhattisgarh Surguja Power Limited *
11	Tatiya Andhra Mega Power Limited *
12	Deoghar Mega Power Limited
13	Deoghar Infra Limited
14	Coastal Tamil Nadu Power Limited
15	Bihar Infrapower Limited
16	Odisha Infrapower Limited
17	Jharkhand Infrapower Limited
18	Bihar Mega Power Limited

Associate of RECL	
1	Dumka Transmission Limited
2	Chandil Transmission Limited
3	Koderma Transmission Limited
4	Bidar Transmission Limited
5	Mandar Transmission Limited
6	Beawar Transmission Limited (incorporated on 27.04.2022)
7	Ramgarh II Transmission Limited (incorporated on 20.04.2022)
8	Luhri Power Transmission Limited (incorporated on 28.10.2022)
9	Sikar Khetri Transmission Limited (incorporated on 06.05.2022)
10	NERES XVI Power Transmission Limited (incorporated on 10.01.2023)
11	Meerut Shamli Power Transmission Limited (incorporated on 14.12.2022)
12	Rajgarh Transmission Limited (transferred on 30.05.2022)
13	Khavda II-D Transmission Limited (incorporated on 25.04.2022)*
14	ER NER Transmission Limited (transferred on 10.10. 2022)
15	Neemuch Transmission Limited (incorporated on 12.04.2022 and transferred on 24.08.2022)
16	MP Power Transmission Package-I Limited (transferred on 21.01 2023)
17	WRSR Power Transmission Ltd.(incorporated on 22.09.2022 and transferred on 17.01.2023)
18	Khavda II-C Transmission Limited (incorporated on 22.04.2022 and transferred on 21.03.2023)
19	Khavda II-B Transmission Limited (incorporated on 21.04.2022 and transferred on 21.03.2023)
20	Khavda RE Transmission Limited (incorporated on 02.05.2022 and transferred on 21.03.2023)
21	KPS3 Transmission Limited(incorporated on 29.04.2022 and transferred on 21.03.2023)
22	ERSR Power Transmission Ltd.(incorporated on 27.09.2022 and transferred on 21.03. 2023)
23	KPS2 Transmission Limited(incorporated on 04.05.2022 and transferred on 21.03.2023)
24	KPS1 Transmission Limited(incorporated on 06.05.2022 and transferred on 20.04.2023)
25	Khavda II-A Transmission Limited(incorporated on 19.04.2022 and transferred on 28.03.2023)
26	GADAG II-A Transmission Limited(transferred on 18.11.2022)

\*Striked off/under process of striking off





13.2 The Key Management Personnel of the Company are Employees of the ultimate Holding Company (PFC) and deployed on Part Time basis:

S. No.	Name	Designation	Date of Appointment	Date of Cessation
1	Milind M. Dafade	Chairman	27.05.2022	Continuing
2	Sanjay Kumar Nayak	Director	27.05.2022	Continuing
3	Prashant Moundekar	Director	27.05.2022	Continuing

13.3 Details of Transactions:

13.3.1 Transactions with Related Parties

Particulars		(₹ in Hundreds) For the period ended on March 31, 2023
PFC Consulting Limited (Holding Company)		
- Manpower charges		105,330.38
- Interest on borrowings		6,005.34
- Reimbursement of expenses		36,736.31
- Loans received (Net)		140,051.22

13.3.2 Outstanding Balances with Related Parties

Particulars		(₹ in Hundreds) As at March 31, 2023
PFC Consulting Limited (Holding Company)		
- Borrowings		140,051.22
- Interest Accrued but not due on Borrowings		5,404.81

13.4 Compensation of Key Management Personnel:

The employees in the company are on contractual terms as per agreement entered with PFC/PFCCL. No sitting fees has been paid to the directors.



**BHADLA III TRANSMISSION LIMITED**

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Notes to the Financial Statements for the period ended on March 31, 2023

**14. Financial Instruments****(i) Categories of Financial Instruments**

(₹ in Hundreds)	
Particulars	As at March 31, 2023
<b>Financial Assets:</b>	
Measured at amortised cost	
(a) Cash and Cash Equivalents	1,000.00
<b>Financial Liabilities:</b>	
Measured at amortised cost	
(a) Borrowings	145,456.03
(b) Other Financial Liabilities	295.00

**(ii) Financial Risk Management Objectives**

The Company's financial liabilities comprise of borrowings and other payables. The Company's financial assets comprise mainly of cash and cash equivalents. The Company is exposed to market risk (including currency risk, interest risk and other price risk), credit risk and liquidity risk.

The Company's management monitors and manages the financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. Since the entire operations of the company are in India, the currency risk is not applicable to the company.

**(iii) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. The Company has no exposure from the international market as the Company operations are in India only. Financial instruments affected by interest rate risk includes borrowings. The Company is not exposed to other price risk.

Market risk exposures are measured using sensitivity analysis.

There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

**(iv) Interest Rate Risk Management**

The Company is exposed to interest rate risk because it borrow funds at the floating rate of interest charged by Power Finance Corporation Limited (Ultimate Holding Company) under category of "State Sector Borrowers (Category 'A') as determined from time to time.

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

**(v) Interest Rate Sensitivity Analysis**

The sensitivity analysis below have been determined based on the exposure to interest rates at the end of the financial year. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the financial year was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Sensitivity analysis for a 50 basis points fluctuation in interest and all other variables were held constant is explained below:

(₹ in Hundreds)	
Particulars	For the period ended on March 31, 2023
<b>If increase by 50 basis point</b>	
Impact for Profit or (Loss)	-
Impact for Other comprehensive income	-

(₹ in Hundreds)	
Particulars	For the period ended on March 31, 2023
<b>If decrease by 50 basis point</b>	
Impact for Profit or (Loss)	-
Impact for Other comprehensive income	-





**BHADLA III TRANSMISSION LIMITED**

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Notes to the Financial Statements for the period ended on March 31, 2023

**14. Financial Instruments****(vi) Credit Risk Management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Company's bank balances are held with a reputed and creditworthy banking institution resulting to limited credit risk from the counterparties.

**(vii) Liquidity Risk Management**

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company's financial liabilities comprises majorly of unsecured borrowings from its holding company (PFCCL).

The table below provides details regarding the contractual maturities of Financial Liabilities as at March 31, 2023 :

(₹ in Hundreds)

Particulars	Carrying Amount	Due in 1st year	Due in 2-5 year	Due in More than 5 year	Due Date not Specified
<b>Financial Liabilities</b>					
Borrowings	145,456.03	145,456.03	-	-	-
Other Financial Liabilities	295.00	295.00	-	-	-

**(viii) Fair Value Measurements**

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis is as follows:

(₹ in Hundreds)

Particulars	Fair Value Hierarchy	March 31, 2023	
		Carrying Amount	Fair Value
<b>Financial Liabilities</b>			
Borrowings	Level 3	145,456.03	145,456.03
Other Financial Liabilities	Level 3	295.00	295.00

There was no transfer between Level 1, Level 2 and Level 3 in the year. The carrying amount of financial assets and financial liabilities measured at amortised cost in the Ind AS financial statements are a reasonable approximation of their fair value since the Company does not anticipate that carrying value would be significantly different from the values that would eventually be received or settled.



**BHADLA III TRANSMISSION LIMITED**

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**Notes to the Financial Statements for the period ended on March 31, 2023**

**15. Capital management:**

The Company manages its capital to ensure that it will be able to meet the expenses towards the setting up of Independent Transmission Project. The capital structure of the Company consists of equity and debt from its holding company. For the purpose of the capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's management is to maximise the shareholder value. The Company is not subject to any externally imposed capital requirements. The Company's Board reviews the capital structure of the Company on need basis. As at the end of the reporting period, balance of borrowings from its holding company (including interest) Rs. 1,45,456.03 hundreds and equity share capital of Rs. 1,000.00 hundreds.

16. All the expenses incurred by the Company are towards the setting up of Independent Transmission Project. Since the project is identified, all the expenditures are required to be capitalized as Capital work-in-progress. Hence, expenditure during construction period as mentioned in Note 11 containing all expenses has been transferred to Capital work-in-progress (Refer Accounting Policy Number 2(d)).

17. The expenses are mainly allocated by PFCCL to Bhadla III Transmission Limited. Direct Expenditures related to ITP are allocated on 100% basis and common expenditure are allocated based on sharing of services between various ITPs. Original supporting bills in respect of such expenditure incurred by the PFCCL are in the name of PFCCL and retained by them of which copies are available with the company. PFCCL is complying with all the statutory provisions relating to the 'Deduction of Tax At Source (TDS) and GST etc as applicable to these expenses.

18. Employees working for the Company are from holding company i.e. PFC Consulting Ltd. (PFCCL). The expenses appearing in the Note No. 11 "Expenditure during construction period" include manpower charges of PFCCL employees of Rs. 1,05,330.38 hundreds. The manpower cost of PFCCL employees are charged by PFCCL on the basis of cost to company based on actual time spent by the employees for the Company as per invoice raised by PFCCL. This includes manpower charges of Shri Milind M. Dafade, Chairman, Rs. 9,373.68 hundreds, Shri Prashant Moundekar, Director, Rs. 3,492.53 hundreds and Shri Sanjay Kumar Nayak, Director, Rs. 12,775.32 hundreds.

19. The expenditure on development of the project are incurred by PFC Consulting Limited (PFCCL) (Holding Co.). The company shall pay interest to PFCCL on the expenditure incurred by PFCCL. The rate of interest charged / paid is as applicable in PFC Ltd. for the Project Loan/Schemes (Transmission) for Borrowers under category "State Sector Borrowers (Category 'A') as determined from time to time.

20. During the period, deferred tax asset on the timing difference on carried forward of losses has arisen, however, in absence of virtual certainty of future taxable profit, the same has not been recognised in the Financial Statements.

**21. Details of Benami property held**

There are no proceedings that have been initiated or pending against the company for holding any Benami property under the Prohibition of Benami Property Transaction Act, 1988 (as amended from time to time) (earlier Benami Transactions (Prohibition) Act, 1988) and the rules made thereunder.

**22. Relation & Transaction with struck off companies**

The Company has no transaction with the companies struck off under 248 of the Companies Act, 2013

**23. Utilization of borrowed funds and share premium**

The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entity including foreign entities (intermediaries) with the understanding (Whether recorded in writing or otherwise) that the intermediary shall

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiary); or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any person(s) or entity(s), including foreign entities ("Funding Party") with the understanding (Whether recorded in writing or otherwise) that the company shall

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(ii) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

24. The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

25. The company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the assessments under Income Tax Act, 1961 (Such as, search or survey or any other relevant provisions of the Income Tax Act 1961. Further, there was no previously unrecorded income and no additional assets were required to be recorded in the books of account during the year.





26. The company has no borrowings from bank and financial institutions on the basis of security of current assets.

**27. Details of crypto currency or virtual currency**

The company has neither traded nor invested in crypto currency or virtual currency during the financial year ended march 31, 2023. Further, the company has also not received any deposits or advances from any person for the purpose of trading or investing in crypto currency or virtual currency.

**28. Segment Information**

The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company. The Company is mainly engaged in the business of transmission of electricity and all activities of the Company revolve around this main business as a single unit. Further there are no geographical segments as all the operations of the Company are in India. Therefore, there is no separate reportable segment for the Company as per the requirement of Ind AS 108 "Operating Segments".

29. The Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), based on the information available with the Company:

(₹ in Hundreds)	
Particulars	As at March 31, 2023
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting period	-
(b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act 2006	-
(d) the amount of interest accrued and remaining unpaid at the end of accounting period	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act 2006	-

**30. Commitments:**

(₹ in Hundreds)	
Particulars	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	-
Other commitments	-

**31. Contingent Liabilities and Contingent assets**

(₹ in Hundreds)	
Particulars	As at March 31, 2023
Contingent liabilities of the company and claims against the company not acknowledged by the company as certified by the management for the period	-
Further, No contingent assets and contingent gains are probable to the company.	-

**32. Employee Benefit Plans**

Since there are no employees in the company, the disclosure requirement as per Ind AS- 19 is not applicable.



## 33. Auditor's Remuneration

(₹ in Hundreds)

Particulars	For the period ended on March 31, 2023
Statutory Audit Fees (including taxes)	295.00

## 34. Other Disclosures:

- (a) Expenditure in foreign currency- NIL  
(b) Income in foreign exchange- NIL

## 35. Ratios:

Details of ratios are as under: -

Ratio	Numerator	Denominator	As at March 31, 2023
(a) Current Ratio	Current Assets	Current Liabilities	0.01
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	173.66
(c) Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	-
(d) Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	(0.18)
(e) Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	-
(f) Trade Receivables turnover ratio	Net Credit Sales	Average Trade Receivables	-
(g) Trade payables turnover ratio	Net Credit Purchases of services	Average Trade Payables	-
(h) Net capital turnover ratio	Net Sales	Working Capital	-
(i) Net profit ratio	Net Profit after taxes	Net Sales	-
(j) Return on Capital employed	Earning before interest and taxes	Capital Employed	(0.001)
(k) Return on investment	Return	Investment	-

\*Capital employed = Tangible network + Total debt

36. The financial statements have been prepared from the date of incorporation of company on 27th May 2022 to 31st March 2023. This being the first year of its operations, hence previous period figures are not applicable.


## 37. Approval of Financial Statements

The Financial Statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issue on 11.05.2023.


For and on behalf of Board of Directors

  
Sanjay Kumar Nayak  
(Director)  
DIN:08197193

  
Prashant Moundekar  
(Director)  
DIN:09193121

  
Milind M. Dafade  
(Chairman)  
DIN:09587967

As per our report of even date  
For Satish Jindal & Co.  
Chartered Accountants  
Firm Reg No. : 009180N

  
Satish Kumar Gupta  
(Partner)  
Mem. No.: 087902  
UDIN: 23087902BQV5W1784



Place: New Delhi  
Date: 11/05/2023