

Compliance Certificate

We have conducted the audit of annual accounts of **RAMGARH II TRANSMISSION LIMITED** for the year ended 31st March 2023 in accordance with the directions /sub-directions issued by the C& AG of the India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions /Sub-directions issued to us.

For, Ashok Shyam & Associates
Chartered Accountant

FRN:-011223N



Ashok B. Gupta
(Partner)

M. No. 089858

UDIN: 23089858BGUYXT5758

Place: New Delhi
Date : 04.05.2023

Independent Auditor's Report

To the Members of RAMGARH II TRANSMISSION LIMITED

Report on the Financial Statements

Opinion

We have audited the accompanying Ind -AS financial statements of **RAMGARH II TRANSMISSION LIMITED**("the Company") which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (Herein after referred to as Ind-AS financial Statement")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind-As financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and Loss, the changes in equity its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The Other information comprises the information included in the Management Discussion and analysis; Board's Report including



Annexure to the Board's Report and Shareholders Information but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard as the said information is expected to be made available to us after auditor's report date.

Responsibility of Management for the Ind-AS 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 Ind-AS financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the Indian Accounting Standard (Ind AS) prescribed under section 133 of the Act read with the companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Ind-AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that



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

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

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

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.

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



Emphasis of Matter

1. According to the information and explanation given to us, Ramgarh II Transmission Limited (“the Company”) was incorporated on 20.04.2022 at New Delhi. The Company is a wholly owned subsidiary of REC Power Development & Consultancy Limited (RECPDCL). The Company is a special purpose vehicle incorporated for “Transmission system for evacuation of power from REZ in Rajasthan (20GW) Under Phase-III Part C1”. The Government of India has appointed RECPDCL as Bid Process Co-coordinator for selection of the developer for the project through tariff based competitive bidding process and RECPDCL incorporated Ramgarh II Transmission Limited as a SPV for execution of the work. On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities. ***It is come to our notice that there is no written agreement between Ramgarh II Transmission Limited and RECPDCL regarding execution of work between both the companies.***
2. All the direct expenses incurred by holding company for SPV has been booked to the SPV as per invoicing done by the holding company. All Indirect / Common Expenses are allocated and invoiced to SPV on the proportionate basis from the month of issue of RFQ / RFP (If RFQ stage is not adopted in the Bidding Process) or incorporation of SPV, whichever is earlier, till the month in which tenth day from the date of issue of Letter of Intent (LOI) for the transfer of the SPV falls. Part of the month, if any, is considered as full month for cost allocation. ***As all the expenses incurred by holding company for SPV has been booked to the SPV all the income from Sale of Tender and anyother Income related to Ramgarh II Transmission Limited should also be booked to the SPV but same has not done rather income from sale of tender like RFP document fees related to Ramgarh II Transmission Limited booked in the books of Holding Company i.e. RECPDCL.***
3. The holding company charges interest on the funds deployed by it based on the REC interest rate circular for T & D loans for ungraded organizations, as on the beginning of the period, but ***there is no written agreement between Ramgarh II Transmission Limited and RECPDCL for charging interest on funds deployed.***

Report on Other Legal and Regulatory Requirements

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

As required by the directions issued by the Comptroller and Auditor-General of India we have obtained and provided the details in Annexure “B” in accordance with the directions issued under section 143(5) of the Act, 2013



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

- a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary, for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid Ind-AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Relevant Rule there under.
- e. Being a Government Company, Section 164(2) of the Companies Act, 2013 regarding "whether any director is disqualified from being appointed as a director, is not applicable to the company in view of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs.
- 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 C"
- g. The provisions of section 197 read with Schedule V of the Act are not applicable to the company for the period ended March 31, 2023.
- 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 does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has not declared or paid any dividend during the year.

For ASHOK SHYAM AND ASSOCIATES
Chartered Accountants

Firm's registration number: 011223N

A. M.



ASHOK B. GUPTA

Partner

Membership number: 089858

UDIN: 23089858BGUYXT5758

Place: New Delhi

Date: 04.05.2023

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31st, 2023:

(i) Fixed Assets:

The Company is not having any fixed asset and Intangible asset as on date of report hence clause (a) to (e) of (i) is not applicable.

(ii) Inventory:

(a) Company does not have any inventory; hence this clause is not applicable.

(b) Company has not been sanctioned any working capital limits from banks or financial institution on the basis of security of current assets during the financial.

(iii) Loans given by the company:

According to the information explanation provided to us, the Company has not granted any loans secured or unsecured to companies, firms, LLP, or other parties covered in the Register maintained under section 189 of the Act. Accordingly, our comment on the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

(iv) Loans, Investment, Guarantees and Security provided by the company:

In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

(v) Public Deposit:

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.



(vi) **Cost Records:**

The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

(vii) **Statutory Dues:**

(a) According to the information and explanations given to us, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have been regularly deposited by the company with the appropriate authorities in all cases during the year.

(b) According to the information and explanation given to us, there are no material dues in respect of provident fund, employees state insurance, sales tax, duty of customs, duty of excise, value added tax, that have not been deposited with the appropriate authorities on the account of any dispute.

viii) **Undisclosed Income**

According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix) **Repayment of dues to Banks / FIs / Government and Debenture holders:**

(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender; hence this clause is not applicable;

(b) The company has not declared willful defaulter by any bank or financial institution or other lender, hence this clause is not applicable;

(c) The company has not obtained any term loan; hence this clause is not applicable;

(d) The company has not raised any short term fund; hence this clause is not applicable;

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures; hence this clause is not applicable;

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies; hence this clause is not applicable.



(x) Preferential Allotment and Public Deposit

(a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

(xi) Fraud:

- a. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor on the Company.
- b. We have not come across of any instance of fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- c. As represented to us by the management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.

(xii) Nidhi Companies

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

(xiii) Related Party Transactions:

In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.



(xiv) Internal Audit

- (a) In our opinion and based on our examination, the Company does not require to comply with provision of section 138 of the Act. Hence, the provisions stated in paragraph 3(xiv) (a) to (b) of the Order are not applicable to the Company.

(xv) Non-Cash Transaction:

Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

(xvi) Registration with RBI

(a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.

(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company.

(c.) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.

(d.) The Company does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph clause 3 (xvi)(d) of the Order are not applicable to the Company.

(xvii) Cash Loss

Based on the overall review of financial statements, the Company has incurred cash losses of Rs. 74.3044 lacs in the current financial year.

(xviii) Statutory Auditor

There is no resignation of statutory auditors during the year; hence this clause is not applicable.

(xix) Financial Ratio

According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realization of financial assets and payment of liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and



management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is 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) CSR

According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Hence, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.

(xxi) Consolidate

According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For ASHOK SHYAM AND ASSOCIATES

Chartered Accountants

Firm's registration number: 011223N

ASHOK B. GUPTA

Partner

Membership number: 089858

UDIN: 23089858BGUYXT5758

Place: New Delhi

Date: 04.05.2023



“Annexure B” to the Independent Auditor’s Report

Compliance of the Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013 during the course of audit of annual accounts for the year 2022-23 of RAMGARH II TRANSMISSION LIMITED

1. Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing transactions outside IT system on the integrity of the accounts along with the financial implications, if yes, may be stated.

Reply: -According to the information and explanation given to us the company has system to process all the accounting transactions through accounting package Tally Software on computers. Accounting Package work on Single System and no other person other than authorized person can access the systems. Since all transactions are made in accounting package in IT system through authorized access only, therefore accounting process is made in the safe environment. However, the Financials are made in excel with the data extracted from Tally only the same is prone to human error.

2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loan/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 auditor of lender Company)

Reply: -As per information & explanation given to us and as per our verification, there is no such case in the organization during the year.

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

Reply: -As per information & explanation given to us and as per our verification, there is no such case in the organization during the year.

For ASHOK SHYAM AND ASSOCIATES

Chartered Accountants

Firm’s registration number: 011223N

ASHOK B. GUPTA

Partner

Membership number: 089858

UDIN: 23089858BGUYXT5758

Place: New Delhi

Date: 04.05.2023



“Annexure C” to the Independent Auditor’s Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting **RAMGARH II TRANSMISSION LIMITED** (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For ASHOK SHYAM AND ASSOCIATES

Chartered Accountants

Firm's registration number: 011223N


ASHOK B. GUPTA
Partner

Membership number: 089858

UDIN: 23089858BGUYXT5758

Place: New Delhi

Date: 04.05.2023



4.5.23

RAMGARH II TRANSMISSION LIMITED

CIN U40106DL2022GOI396994

Balance Sheet as at 31 March, 2023

(All amounts in ₹ thousands, unless stated otherwise)

Particulars	Notes	As at 31 March, 2023	As at 31 March, 2022
ASSETS			
Non-current assets		-	-
Total non current assets		-	-
Current assets			
Financial assets			
Cash and cash equivalents	4	72.41	-
Other financial assets	5	2.33	-
Total current assets		74.74	-
TOTAL ASSETS		74.74	-
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	500.00	-
Other equity	7	(7,430.44)	-
Total equity		(6,930.44)	-
Current liabilities			
Financial liabilities			
Other financial liabilities	8	7,005.18	-
Other current liabilities	9	-	-
Total current liabilities		7,005.18	-
Total liabilities		7,005.18	-
TOTAL EQUITY & LIABILITIES		74.74	-

Summary of significant accounting policies & other information 1 to 3

The accompanying notes from 4 to 17 are integral part of the financial statements.

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

For Ashok Shyam & Associates
Chartered Accountants
FRN: 011223N

For and on behalf of Board of Directors of
RAMGARH II TRANSMISSION LIMITED

Ashok B. Gupta
Partner
Membership no: 089858
Place: New Delhi



Saurabh Rastogi
Director
DIN: 05317155

Mohan Lal Kumawat
Director
DIN: 07682898

Date: 04.05.2023

UDIN - 230898083004XT5758

4.5.23

RAMGARH II TRANSMISSION LIMITED

CIN U40106DL2022GOI396994

Statement of Profit and Loss for the period from 20.04.2022 to 31.03.2023

(All amounts in ₹ thousands, unless stated otherwise)

Particulars	Notes	For the period ended 31 March, 2023	For the year ended 31 March, 2022
Income			
Other income	10	-	-
Total Income		-	-
Expenses			
Other expenses	11	7,430.44	-
Total expenses		7,430.44	-
Profit/(Loss) before tax		(7,430.44)	-
Tax expense	12		
Current tax		-	-
Deferred tax expense/(credit)		-	-
Earlier year taxes/(refunds)		-	-
Total tax expenses		-	-
Net profit/(loss) for the year / period		(7,430.44)	-
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		-	-
Income tax relating to these items		-	-
Other comprehensive income/(loss) for the year / period		-	-
Total comprehensive income/(loss) for the year / period		(7,430.44)	-
Earnings/(Loss) per equity share			
Basic/diluted earnings/ (loss) per share (In ₹)	13	(148.61)	-

Summary of significant accounting policies & other information 1 to 3

The accompanying notes from 4 to 17 are integral part of the financial statements.

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

For Ashok Shyam & Associates

Chartered Accountants

FRN: 011223N

A. Gupta
4/5/23

Ashok B. Gupta

Partner

Membership no: 089858

Place: New Delhi

Date: 04.05.2023

UDIN - 23089858 B10UYXTS75R



For and on behalf of Board of Directors of
RAMGARH II TRANSMISSION LIMITED

Saurabh Rastogi

Saurabh Rastogi

Director

DIN: 05317155

Mohan Lal Kumawat

Mohan Lal Kumawat

Director

DIN: 07682898

4.5.22

RAMGARH II TRANSMISSION LIMITED
CIN U40106DL2022GOI396994
Statement of Cash Flows for the period ended 31 March, 2023

(All amounts in ₹ thousands, unless stated otherwise)

Particulars	For the period ended 31 March, 2023	For the year ended 31 March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(7,430.44)	-
Operating profit before working capital changes	(7,430.44)	-
Changes in working capital:		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Other financial assets (current)	(2.33)	-
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Other financial liabilities (current)	7,005.18	-
Cash generated from operations	(427.59)	-
Less: Tax paid	-	-
Net cash used in operating activities (A)	(427.59)	-
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Sale/(Purchase) of property, plant and equipment (including capital work-in-progress and intangibles)	-	-
Net cash flow from investing activities (B)	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of share capital	500.00	-
Net cash flow from financing activities (C)	500.00	-
Net increase/decrease in cash and cash equivalents (A+B+C)	72.41	-
Cash and cash equivalents at the beginning of the year / period	-	-
Cash and cash equivalents at the end of the year / period	72.41	-
Reconciliation of cash and cash equivalents as per the cash flow statement	72.41	-

Summary of significant accounting policies & other information 1 to 3

The accompanying notes from 4 to 17 are integral part of the financial statements.

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

For Ashok Shyam & Associates

Chartered Accountants

FRN: 011223N

Ashok B. Gupta

Partner

Membership no: 089858

Place: New Delhi

Date: 04.05.2023

UDIN- 23089858 60704 XT5758



For and on behalf of Board of Directors of

RAMGARH II TRANSMISSION LIMITED**Saurabh Rastogi**

Director

DIN: 05317155

Mohan Lal Kumawat

Director

DIN: 07682898

4.5.23

RAMGARH II TRANSMISSION LIMITED

CIN U40106DL2022GOI396994

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

(All amounts in ₹ thousands, unless stated otherwise)

A Equity share capital

Particular	Amount
Balance as at 20 April, 2022	500.00
Changes in equity share capital during the year	-
Balance as at 31 March, 2023	500.00

B Other equity

	Retained Earnings	Total
Balance as at 20 April, 2022	-	-
Changes in accounting policy or prior period error	-	-
Restated Balance as at 20 April, 2022	-	-
Profit / (Loss) for the year	(7,430.44)	(7,430.44)
Dividend	-	-
Balance as at 31 March, 2023	(7,430.44)	(7,430.44)

Summary of significant accounting policies & other information 1 to 3

The accompanying notes from 4 to 17 are integral part of the financial statements.

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

For Ashok Shyam & Associates

Chartered Accountants

FRN: 011223N

For and on behalf of Board of Directors of

RAMGARH II TRANSMISSION LIMITED

Ashok B. Gupta

Partner

Membership no: 089858

Place: New Delhi

Date: 04.05.2023



Saurabh Rastogi

Saurabh Rastogi

Director

DIN: 05317155

Mohan Lal Kumawat

Mohan Lal Kumawat

Director

DIN: 07682898

UDIN - 23089858 BUUYXT 5758

RAMGARH II TRANSMISSION LIMITED

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

1. COMPANY OVERVIEW

Ramgarh II Transmission Limited (“the Company”) was incorporated on 20.04.2022 at New Delhi. The Company is a wholly owned subsidiary of REC Power Development & Consultancy Limited (RECPDCL). The Company is a special purpose vehicle incorporated for “Transmission system for evacuation of power from REZ in Rajasthan (20GW) Under Phase-III Part C1”. The Government of India has appointed RECPDCL as Bid Process Co-ordinator for selection of the developer for the project through tariff based competitive bidding process. On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities.

2. BASIS OF PREPERATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and measurement

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

The Company prepared its Standalone Financial Statements in accordance with the requirements of Indian Accounting Standards (referred to as “Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These Standalone Financial Statements comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines.

The financial statements for the period ended 31st March, 2023 were authorized and approved by the Board of Directors on 4th May, 2023.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

2.2 Significant accounting policies

(i) Going concern and basis of measurement

The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis except for certain financial assets and financial liabilities are measured at fair values at the end of each reporting period.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

(ii) Functional and presentation currency:

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



RAMGARH II TRANSMISSION LIMITED

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

(iii) Revenue recognition

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

(iv) Property, Plant and Equipment

Property Plant and Equipment are carried at cost less accumulated amortization and impairment losses, if any. Cost includes all expenses, direct and indirect, specifically attributable to its acquisition and bringing it to its working condition for its intended use. Incidental expenditure pending allocation and attributable to the acquisition of fixed assets is allocated/capitalized with the related assets. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

(v) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets:

Initial recognition and measurement All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Financial assets carried at amortized cost – a financial asset is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the Statement of Profit and Loss.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognized (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.



RAMGARH II TRANSMISSION LIMITED

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure: a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance b) Financial guarantee contracts which are not measured at Fair value through profit & loss account. (FVTPL).

Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

Subsequent measurement

Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

De-recognition

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

Offsetting of financial instruments

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

(vi) Fair value measurement

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

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



RAMGARH II TRANSMISSION LIMITED

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

(vii) Taxation

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax. It is recognized in Statement of Profit and Loss, except when it relates to an item that is recognized in Other comprehensive income (OCI) or directly in equity, in which case, the tax is also recognized in Other comprehensive income or directly in equity.

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

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

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



RAMGARH II TRANSMISSION LIMITED

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

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

(viii) Provisions, Contingent Liabilities, and Contingent Assets

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

A contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

In those cases, where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized or disclosure is made.

Any reimbursement that the Company can be virtually certain to collect from a third party concerning the obligation (such as from insurance) is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

Contingent assets are not recognized. However, when the inflow of economic benefits is probable, the related asset is disclosed.

(ix) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(x) Cash and cash equivalents

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

(xi) Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that



RAMGARH II TRANSMISSION LIMITED

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

those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

(xii) Borrowing costs

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

(xiii) Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

(xiv) Rates and taxes

Overseas taxes on foreign assignments, indirect taxes, including Goods & Service Tax, professional tax, property tax, entry tax, labour cess, octroi and any other applicable taxes etc. paid/accrued in India or abroad for which credit are not available to the company are charged to the Statement of Profit and Loss.

(xv) Expenditure incurred by Holding Company

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

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



RAMGARH II TRANSMISSION LIMITED

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

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

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

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

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

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

3. Significant estimates and judgment's

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

Significant management judgments

Recognition of deferred tax assets/ liability – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

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

Significant estimates

Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected



RAMGARH II TRANSMISSION LIMITED

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

utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

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

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



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

(All amounts in ₹ thousands, unless stated otherwise)

4 Cash and cash equivalents

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balances with banks:		
- with bank in current accounts	72.41	-
	72.41	-

5 Other financial assets (Current)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Other receivables	2.33	-
	2.33	-

5 Other current assets

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



RAMGARH II TRANSMISSION LIMITED

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

(All amounts in ₹ thousands, unless stated otherwise)

6 Equity share capital

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

i) Terms & Right attached to equity shares:

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

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

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

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

	As at 31 March, 2023		As at 31 March, 2022	
	No. of shares	% holding	No. of shares	% holding
49,994 Equity Shares held by REC Power Development & Consultancy Limited And Balance 6 Equity Shares through other nominee of REC-PDCL.	50,000	100.00%	-	-

iv) Shares held by Promotor:

	As at 31 March, 2023		As at 31 March, 2022	
	No. of shares	% holding	No. of shares	% holding
49,994 Equity Shares held by REC Power Development & Consultancy Limited And Balance 6 Equity Shares through other nominee of REC-PDCL.	50,000	100.00%	-	-

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

7 Other equity

Particulars	As at	As at
	31 March, 2023	31 March, 2022
Retained earnings		
Balance at the beginning of the period / year	-	-
Add: Changes due to Accounting Policy	-	-
Add: Transferred from statement of profit and loss	(7,430.44)	-
Closing Balance at the end of the period / year	(7,430.44)	-
Total other equity	(7,430.44)	-



RAMGARH II TRANSMISSION LIMITED

Notes forming part of Financial Statements for the period ending 31st March 2023
(All amounts in ₹ thousands, unless stated otherwise)

8 Other financial liabilities (Current)

Particulars	As at	As at
	31 March, 2023	31 March, 2022
Advance from holding company*	6,960.18	-
Audit fees payable	45.00	-
	7,005.18	-

* Refer note 16 on related party transactions

9 Other current liabilities

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

10 Other income

Particulars	For the period ended	For the year ended
	31 March, 2023	31 March, 2022
Income from sale of RFP documents	-	-
	-	-



RAMGARH II TRANSMISSION LIMITED

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

(All amounts in ₹ thousands, unless stated otherwise)

11 Other expenses

Particulars	For the period ended 31 March, 2023	For the year ended 31 March, 2022
Advertisement	358.27	-
Survey	225.96	-
MCA & ROC Filings	15.09	-
Auditors' remuneration	50.00	-
Common Expenses Allocated by Holding Company	2,148.11	-
Salary Expenses allocated by Holding Company	4,201.19	-
Technical / IT Expenses	77.88	-
Interest on Advance	353.92	-
Bank Charges	0.02	-
	7,430.44	-

12 Tax expense

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

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

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

Accounting Loss before income tax	(7,430.44)	-
At country's statutory income tax rate of 26 th	0.00	0.00
Adjustments in respect of taxes earlier years		
(i) Non-deductible expenses for tax purposes	0.00	0.00
(ii) Non-taxable incomes	0.00	0.00
(iii) Earlier year taxes	0.00	0.00
(iv) Deferred tax on allowable provisional expenditure of earlier year	0.00	0.00
(v) Deferred tax change due to rate change	0.00	0.00
	<u>0.00</u>	<u>0.00</u>

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

13 Basic/diluted earnings/ loss per share

Net profit/(loss) for the year	(7,430.44)	-
Weighted average number of equity shares for EPS (in numbers)	50,000	-
Par value per share (in ₹)	10	-
Earnings per share - Basic and diluted (in ₹)	(148.61)	-



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

(All amounts in ₹ thousands, unless stated otherwise)

14 Related party transactions

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

a. Details of related parties:

Description of relationship	Names of related parties
Holding company	REC Power Development & Consultancy Limited (RECPDCL)
Parent's Holding company	REC Limited
Common Directors	
	CHANDIL TRANSMISSION LIMITED
	KODERMA TRANSMISSION LIMITED
	DUMKA TRANSMISSION LIMITED
	MANDAR TRANSMISSION LIMITED
	BEAWAR TRANSMISSION LIMITED
	KPSI TRANSMISSION LIMITED
	SIKAR KHETRI TRANSMISSION LIMITED
	BIDAR TRANSMISSION LIMITED

Key management personnel (KMP)

The Company is a wholly owned subsidiary of REC Power Development & Consultancy Limited, which is further wholly owned by REC Limited. The Key Managerial Personnel of the Company are employees of REC Limited, deployed on part time basis. No managerial remuneration is paid to them by the Company. The details of such Key Managerial Personnel are as below.

Name	Designation	Date of Appointment	Date of resignation
MOHAN LAL KUMAWAT	Director	20.04.2022	-
SAURABH RASTOGI	Chairman and Director	20.04.2022	-
SOMYA KANT	Director	20.04.2022	02.08.2022
JATIN KUMAR NAYAK	Director	02.08.2022	-

KMP;s / Directors Remuneration	For the period ended 31 March, 2023	For the year ended 31 March, 2022
Remuneration to KMP's	0.00	0.00

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

	Name of Related Party	For period ended 31 March, 2023	Year Ended March 31, 2022
(i) Transactions during the year			
BPC Professional Fees	Holding Company (RECPDCL)	-	-
Interest	Holding Company (RECPDCL)	353.92	-
Reimbursement of expenses	Holding Company (RECPDCL)	7,026.50	-
(ii) Outstanding Balances at year end			
Advance from Holding Co.	Holding Company (RECPDCL)	6,960.18	-

15 Capital management policies and procedures

The Company's capital includes issued share capital and all other distributable reserves (except for specific restricted reserves). The primary objective of the Company's capital management is to maximise shareholder value and to maintain an optimal capital structure to reduce the cost of capital. The Company does not have any non-current borrowings and all its capital needs are met by capital or shareholders only.



4.5.23

RAMGARH II TRANSMISSION LIMITED

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

(All amounts in ₹ thousands, unless stated otherwise)

16 Ratios Analysis

Ratio	31 March, 2023			31 March, 2022			Analysis	
	Numerator	Denominator	Ratios	Numerator	Denominator	Ratios	% Variance	Reason for Variance
Current Ratio	74.74	7,005.18	0.01	NA	NA	NA	NA	
Return on Equity Ratio	(7,430.44)	(6,930.44)	1.07	NA	NA	NA	NA	
Return on Capital employed	(7,430.44)	(6,930.44)	1.07	NA	NA	NA	NA	

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

Reasons for variation more than 25%

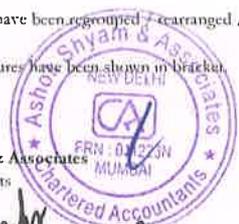
- (a) Current ratio is reduced due to decrease in Current Asset.
- (a) Return on equity ratio reduced due to increase in Loss.
- (c) Return on capital employed reduced due to increase in loss.

17 Other notes to accounts

- 17.1 As per the policy of Holding Company the invoice for the services provided is raised at the end of the financial year or on the date of the transfer of the SPV or on the receipt of advance/acquisition price, whichever is earlier.
- 17.2 There is no employee in the roll of the Company. Employees working for the Company are in the roll of the holding company i.e. RECPDCL and ultimate holding company i.e. REC Limited. The employee expenses including contributions in respect of liabilities for employee benefit expense towards leave, provident fund, superannuation and all other benefits as applicable are accounted for by the holding company and ultimate holding company. Hence, disclosure requirements under Ind AS 19 is not applicable.
- 17.3 The code on social security 2020 (Code) relating to employee benefit during employment and post employment benefit received presidential accent in September 2020. The code has been published in the Gazette of India. However, the date on which the code will come in to effect has not been notified. However, there are no employees on roll of company.
- 17.4 The company is incorporated on 20.04.2022. This is the first year of the incorporation of company. Hence data related to previous year has not been given.
- 17.5 The Company is operating in a single segment and therefore disclosure requirements under Ind AS 108 is not applicable.
- 17.6 There has no transaction under section 248 of the companies Act, 2013 with stuck off companies during the year.
- 17.7 The Companies does not have more than 2 layers as specified in sub rule (2) of companies (Restriction on number of layers) Rules, 2017.
- 17.8 The capital commitments, contingent liabilities and claims against the company not acknowledged as debt is Nil.
- 17.9 The company has no non material adjustment event after reporting period.
- 17.10 As per the provision of the companies Act, 2013, the figures have been rounded off to the nearest of Thousand and decimal thereof.
- 17.11 There are no foreign currency transactions during the year. Therefore no disclosures are required under Schedule III of the Companies Act, 2013.
- 17.12 The figures have been regrouped / rearranged / recast, wherever necessary, for better presentation to make them comparable.
- 17.13 Negative figures have been shown in bracket.

For Ashok Shyam & Associates
Chartered Accountants
FRN: 011223N

Ashok B. Gupta
Partner
Membership no: 089858
Place: New Delhi
Date: 04.05.2023



For and on behalf of Board of Directors of
RAMGARH II TRANSMISSION LIMITED

Saurabh Rastogi
Director
DIN: 05317155

Mohan Lal Kumawat
Director
DIN: 07682898

UDIN-23084858 BHU JXT5758

No-DG A(E) REP/01-126/Rangh/57/2023-24/DL-858019.



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

75
आज़ादी का
अमृत महोत्सव

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

Dated: 16-6-23-

सेवा में,

निदेशक,
रामगढ़ ॥ ट्रांसमिशन लिमिटेड,
नई दिल्ली ।

विषय: 31 मार्च 2023 को समाप्त अवधि के लिए रामगढ़ ॥ 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, रामगढ़ ॥ 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 अग्रेषित कर रहा हूँ।

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

भवदीय,

संलग्नक:- यथोपरि।

संजय कुमार

(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 RAMGARH II TRANSMISSION LIMITED FOR THE PERIOD ENDED 31 MARCH 2023

The preparation of financial statements of Ramgarh II 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 04.05.2023.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Ramgarh II 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.