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INDEPENDENT AUDITOR'S REPORT

To the Members of
Kempegowda Power Transmission Limited
Report on audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS Financial Statements of **Kempegowda Power Transmission Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Change in Equity, the Statement of Cash Flows for the year then ended, and notes to the Ind AS Financial Statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Ind AS Financial Statements").

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, ("the Act") in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS"), of the state of the affairs of the Company as at March 31, 2026, and its loss (including other comprehensive income), changes in equity and its cash flow 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We



believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The Company was incorporated on 30 September 2025. In accordance with the established policy of the holding company, RECPDCL, all indirect and common expenses have been allocated to the Company for the entire month of September 2025. This allocation has been made on a full-month basis, notwithstanding the fact that the Company was incorporated only on the last day of the month. The treatment ensures consistency with the expense allocation methodology applied across all subsidiaries of RECPDCL.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, 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 the 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.

The other information is expected to be made available to us after the date of this audit report. When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those Charged with Governance for the Ind AS Financial Statement

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of 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 (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate



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

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process

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

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 SA's 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 Ind AS 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 Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedure that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company



has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Ind AS 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 & 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 and on the basis of such checks of the books and records of the company, as we considered appropriate and according to the information & explanation given to us, we give in the



Annexure "A", a statement on the matters specified in Paragraph 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement Cash Flow 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 specified under section 133 of the Act read with relevant rules and amendments issued thereunder.
- (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses for which provision was required to be made under the applicable law or accounting standard.
 - iii) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) (a) Management has represented that, to the best of it's 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 kinds of funds) by the company to or in any other person(s) or entity (ies), including foreign entities ("Intermediaries"), with the understanding, 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.

(b) Management has represented to us that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("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;

(c) Based on our audit procedure conducted that have been considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2)(g)(iv)(a) and (b) contain any material misstatement.

- v) The Company has not declared or paid any dividend during the year.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using such accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is also applicable. The Company is complying with all the requirements mentioned under respective rules.

For K Kumar Gupta & Associates

Chartered Accountants

Firm Reg. No.004480N



CA Seema Arora

Partner

Membership no. 096158

Place: Gurgaon

Date: 25/06/2026

UDIN: 26096158XV2N928638

ANNEXURE "A" TO AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members **Kempegowda Power Transmission Limited** on the Ind AS Financial Statements for the year ended March 31, 2026, we report that:

- I. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company does not have any Property, Plant and Equipment. Hence, clause 3(i)(a)(A) is not applicable.
(B) The Company does not have any Intangible Assets. Hence, clause 3(i)(a)(B) is not applicable.
 - (b) The Company does not have any Property, Plant and Equipment. Hence, clause 3(i)(b) is not applicable.
 - (c) The Company does not own any immovable properties and hence clause 3(i)(c) is not applicable.
 - (d) The Company does not have any Property, Plant and Equipment or Intangible Assets hence, clause 3(i)(d) is not applicable.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- II.
 - (a) The company does not have inventory as on March 31, 2026 or during the year under consideration. Hence, clause 3(ii) (a) is not applicable.
 - (b) The company has not availed any working capital loans from banks or financial institution as on March 31, 2026 or during the year. Hence, clause 3(ii) (b) is not applicable.
- III. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, clause 3(iii) sub-clause (a) to (f), including sub clause (iii)(a) (A) & (B) are not applicable.
- IV. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans or provided any



guarantee or security as specified under Section 185 of the Companies Act, 2013. Accordingly, Section 185 is not applicable for the year under consideration. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013.

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

VI. According to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

VII. In respect of statutory dues:

(a) The Company does not have liability in respect of sales tax, service tax, duty of excise and value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is not registered for Goods and Services Tax, provident fund, employees' state insurance, duty of custom, duty of excise, cess and accordingly there are no such statutory dues.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is regular in depositing undisputed statutory dues, including income tax and any other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Goods and Service Tax, provident fund, employees' state Insurance, income-tax, sales tax, service tax, duty of customs, value added tax, cess or other statutory dues which have not been deposited by the Company on account of disputes.



- VIII. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- IX. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not availed any loan or borrowings from any lender Accordingly, reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank, financial institution or other lender.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not availed term loans during the year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds have been raised on short-term basis have been utilized for long term purpose.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does not have any subsidiaries, associate or joint venture as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that, the Company does not have any subsidiaries, joint ventures or associate companies as defined under the Companies Act 2013. Accordingly, clause 3(ix) (f) of the Order is not applicable.
- X. (a) Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x) (a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, during the year, the Company has not made any preferential allotment or private placement of shares convertible debentures (fully or partly). Accordingly, reporting under clause 3(x) (b) of the Order is not applicable.



- XI. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there is no whistle blower complaints received by the Company during the year.
- XII. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable.
- XIII. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- XIV. (a) In our opinion, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Hence, reporting under clause (xiv) of paragraph 3 of the Order is not applicable.
- (b) The Company did not have an internal audit system for the period under audit. Hence, no Internal Audit Reports of the Company for the aforesaid period were provided
- XV. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors, hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- XVI. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable



b) According to the information and explanations given to us, the company has not conducted any non-banking financial or housing finance activities without a valid certificate of registration from the Reserve Bank of India as per Reserve Bank of India Act, 1934.

c) According to the 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 is not applicable.

d) In our opinion and according to the information and explanations provided to us during the course of audit, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi) (d) of the Order is not applicable.

XVII. The Company has incurred cash losses of Rs. 32, 49,255/- during the financial year covered by our audit. This is the First year of the Company so previous year figures are not applicable.

XVIII. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is 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 realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, we are of the view that the Company has been incorporated in last financial year as Special Purpose Vehicle (SPV), and the entire funding for running the Company is done by the holding company REC Power Development & Consultancy Limited. Further the ultimate holding Company is REC Limited is a PSU and we have been represented by the Management that all the liabilities and other financial requirements will be met by REC Power Development & Consultancy Limited. Accordingly, basis the management representation, status of the holding Company, ultimate holding company and the purpose for which the Company has been incorporated, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating 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



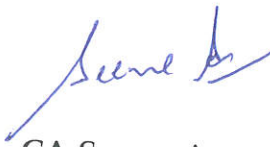
not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- XX. The provisions of section 135 of the Act are not applicable to the Company. Hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable.
- XXI. That the above reporting is pertaining to Standalone Financial Statements and hence reporting under clause (xxi) is not required.

For **K Kumar Gupta & Associates**

Chartered Accountants

Firm Reg. No.004480N


CA Seema Arora



Partner

Membership no. 096158

Place: Gurgaon

Date: 25/06/2026

UDIN: 26096158XVZNXZ 8638

"Annexure B" 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 of **Kempegowda Power Transmission Limited** ("the Company") as of March 31, 2026 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, 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 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 at March 31, 2026, 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 K Kumar Gupta & Associates

Chartered Accountants

Firm Reg. No.004480



CA Seema Arora

Partner

Membership no. 096158

Place: Gurgaon

Date: 25/06/2026

UDIN: 26096158 X V Z N X Z 8838



K KUMAR GUPTA & ASSOCIATES

CHARTERED ACCOUNTANTS

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Netaji Subhash Place, Delhi-110034

Annexure-I

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Kempegowda Power Transmission Limited for the year 2025-26 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013

Sl. No.	Directions	Action Taken	Impact on Ind AS Financial Statements
1.	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post-retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements	There are no employees on the roll of the Company. Employees working for the Company are on the roll of the holding company i.e. RECPDCL and ultimate holding company i.e. REC Limited. The employee related expenses and all other benefits as applicable are accounted for by the holding company and ultimate holding company. Hence, this clause is not applicable.	No impact on the Ind AS Financial Statements
2.	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies, financial reporting process as well as cyber security has been done by Information Security Auditing Organisations empaneled by Cert-In at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported.	The Company has Tally ERP Prime(edit Log) to process all the accounting & operational transactions through IT system.	No impact on the Ind AS Financial Statements
3.	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not received any funds for specific schemes from central/ state agencies for utilization.	No impact on the Ind AS Financial Statements



	been done as per terms and conditions of the Grant. List the cases of deviation		
4.	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately	Company is formed as SPV (Special Purpose Vehicle) for transferring to successful bidder on conclusion of bid process coordinator (RECPDCL). In view of the same risk management policy has not been formulated. The Company doesn't have any data assets and consequently are not been subject to valuation.	No impact on the Ind AS Financial Statements
5.	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	Based on our examination of the relevant records, documents, and information and explanations provided by the management, the Company is generally in compliance with all the statutory compliance wherever applicable. Being an unlisted public Company provisions of Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI are not applicable to the Company. Further, as per information and explanations provided by the management, directions of Department of Public Enterprises, Department of Investment and Public Asset Management, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India are not applicable to the Company.	No impact on the Ind AS Financial Statements

For K KUMAR GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN : 004480N

DATE : 25/06/2026
PLACE : Gurugram


(SEEMA ARORA)
Partner
M.NO. 096158



UDIN: 26096158XVZNX28638



GST No. : 07AADFK7740C1ZK



K KUMAR GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS

Registered Office :

20/2780, 2nd Floor, Beadon Pura, Ajmal Khan Road
Karol Bagh, New Delhi-110005
Tel. : 011-45700108, (M) 9811356376, 8383802520
E-mail : cakkgupta@yahoo.com

Correspondence Office :

910, 9th Floor, Aggarwal Cyber Plaza-1,
Netaji Subhash Place, Delhi-110034

Annexure-II

Compliance Certificate

We have conducted the audit of annual accounts of **Kempegowda Power Transmission Limited** for the year ended 31 March 2026 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

For K KUMAR GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN : 004480N

DATE : 25/06/2026
PLACE : Gurugram


(SEEMA ARORA)
Partner
M.NO. 096158



UDIN: 2696158XNZNX28638

KEMPEGOWDA POWER TRANSMISSION LIMITED

CIN U42202DL2025GOI456203

Balance Sheet as at 31 March, 2026

(All amounts in ₹ thousands, unless stated otherwise)

Particulars	Notes	As at 31 March, 2026
ASSETS		
Non-current assets		
Total non current assets		-
Current assets		
Financial assets		
Cash and cash equivalents	4	500.00
Total current assets		500.00
TOTAL ASSETS		500.00
EQUITY AND LIABILITIES		
Equity		
Equity share capital	5	500.00
Other equity	6	(3,249.26)
Total equity		(2,749.26)
Current liabilities		
(a) Financial liabilities		
Other financial liabilities	7	3,249.26
(b) Other current liabilities	8	-
Total current liabilities		3,249.26
Total liabilities		3,249.26
TOTAL EQUITY & LIABILITIES		500.00

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 K Kumar Gupta & Associates

Chartered Accountants

FRN: '004480N



Seema Arora

Partner

Membership no: '096158

Date: 25/06/2026

Place- Gurgaon

UDIN-26096158XUZNK28638

For and on behalf of Board of Directors of

KEMPEGOWDA POWER TRANSMISSION LIMITED

MUKUL AGARWAL

Director

DIN: 10322882

Date: 26.04.2026

RAJESH RAJ

Director

DIN: 11317381

Date: 26.04.2026

KEMPEGOWDA POWER TRANSMISSION LIMITED

CIN U42202DL2025GOI456203

Statement of Profit and Loss for the period from 30 sept 2025 to 31 March, 2026

(All amounts in ₹ thousands, unless stated otherwise)

	Particulars	Notes	For the period from 30 sept 2025 to 31 march 2026.
I	Income		
II	Other income		-
III	Total Income (I+II)		-
IV	Expenses		
	Other expenses	9	3,249.26
	Total expenses		3,249.26
V	Profit/(loss) before exceptional items and tax (III-IV)		(3,249.26)
VI	Exceptional items		-
VII	Profit/(loss) before tax (V-VI)		(3,249.26)
VIII	Tax expense	10	
	Current tax		-
	Deferred tax expense/(credit)		-
	Earlier year taxes/(refunds)		-
	Total tax expenses		-
IX	Profit/(Loss) for the period (VII-VIII)		(3,249.26)
X	Other comprehensive Income		
	- Items that will not be reclassified subsequently to profit or loss		
	Re-measurement gains/(losses) on defined benefit plans		-
	Tax impact on re-measurement gains/(losses) on defined benefit plans		-
XI	Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(3,249.26)
XII	Earnings per equity share (in ₹): 'Basic/diluted earnings/ loss per share	11	(64.99)

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 K Kumar Gupta & Associates

Chartered Accountants

FRN: '004480N

Seema Arora

Partner

Membership no: '096158

Date: 25/06/2026

Place: Gurgaon

UDIN-86098158XV2NX28638

For and on behalf of Board of Directors of

KEMPEGOWDA POWER TRANSMISSION LIMITED

MUKUL AGARWAL

Director

DIN: 10322882

Date: 20.04.2026

BAJESH RAJ

Director

DIN: 11317381

Date: 20.04.2026

KEMPEGOWDA POWER TRANSMISSION LIMITED

CIN U42202DL2025GOI456203

Statement of Cash Flows for the year ended 31 March, 2026

(All amounts in ₹ thousands, unless stated otherwise)

Particulars	For the period from 30 Sep, 2025 to 31 march, 2026
A. CASH FLOW FROM OPERATING ACTIVITIES	
Profit / (Loss) before tax	(3,249.26)
Operating profit before working capital changes	(3,249.26)
Changes in working capital:	
Adjustments for (increase) / decrease in operating assets:	
Adjustments for increase/(decrease) in operating liabilities:	
Other financial liabilities (current)	3,249.26
Other financial liabilities (non current)	
Other current liabilities	
Cash generated from operations	-
Less: Tax paid	-
Net cash used in operating activities (A)	-
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)	500.00
Cash and cash equivalents at the beginning of the year / period	-
Cash and cash equivalents at the end of the year / period	500.00
Reconciliation of cash and cash equivalents as per the cash flow statement	500.00

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 K Kumar Gupta & Associates

Chartered Accountants

FRN: '004480N

Seema Arora

Partner

Membership no: '096158

Date: 25/06/2026

Place- Gurgaon

UDIN-2609P158KV2NX28638



For and on behalf of Board of Directors of

KEMPEGOWDA POWER TRANSMISSION LIMITED

MUKUL AGARWAL

Director

DIN: 10322882

Date: 20.04.2026

RAJESH RAJ

Director

DIN: 11317381

Date: 20.04.2026

KEMPEGOWDA POWER TRANSMISSION LIMITED

CIN U42202DL2025GOI456203

Statement of changes in equity for the year ended 31 March, 2026

(All amounts in ₹ thousands, unless stated otherwise)

A Equity share capital

Particular	Amount
Balance as at 30 September, 2025	-
Add: Issued during the year	500.00
Balance as at 31 March, 2026	500.00

B Other equity

	Retained Earnings	Total
Balance as at 30 September, 2025	-	-
Changes in accounting policy or prior period period error	-	-
Balance as at 31 March, 2026	-	-
Profit / (Loss) for the year	(3,249.26)	(3,249.26)
Add: Other comprehensive Income	-	-
Balance as at 31 March, 2026	(3,249.26)	(3,249.26)

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 K Kumar Gupta & Associates

Chartered Accountants

FRN: '004480N



Seema Arora

Partner

Membership no: '096158

Date: 25/06/2026

place - Gurgaon

UDIN- 26098158XVZNX28638

For and on behalf of Board of Directors of

KEMPEGOWDA POWER TRANSMISSION LIMITED
MUKUL AGARWAL

Director

DIN: 10322882

Date: 20.04.2026


RAJESH RAJ

Director

DIN: 11317381

Date: 20.04.2026

1. COMPANY OVERVIEW

Kempegowda Power Transmission Limited ("the Company") having CIN U42202DL2025GOI456203 was incorporated on 30.09.2025 at New Delhi and principal place of business at Gurgaon. The Company is a wholly owned associate of REC Power Development & Consultancy Limited (RECPDCL). The Company is a Special Purpose Vehicle incorporated for "400 kV Kempegowda layout in Bangaluru Urban". 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. 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, 2026 were authorized and approved by the Board of Directors on 20.04.2026.

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.



(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.

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognize revenue when a performance obligation is satisfied.

Sale proceeds of Request for Proposal (RFP) has been recognized as other income in the books of the holding company i.e., RECPDCL.

(iv) Property, Plant and Equipment

Property Plant and Equipment are carried at cost less accumulated depreciation, 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.

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.

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.

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 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 RFP 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/indirect expenses, interest is charged from the month in which the expenditure is incurred. Such interest is calculated on monthly basis but recognized at the end of the period.

In accordance to the applicable guidelines of TBCB process as issued by Ministry of Power, Govt. of India, all the direct & indirect expenses, interest incurred by the holding company on behalf of SPV are debited to SPV and recoverable from transmission service provider / successful bidder. Further, the Board of Directors of SPV has approved the allocation/booking of all direct and indirect expenses including interest charge and correspondence invoice by the holding company to the SPV

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

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

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

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

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

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

3. Significant estimates and judgment's

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



KEMPEGOWDA POWER TRANSMISSION LIMITED

Summary of Significant accounting policies & other information for the period ending 31st March 2026
(All amounts in Rupees Thousands, unless stated otherwise)

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.

Allocation of indirect / common expenses - Indirect/Common Expenses of the company has been allocated in proportionate basis by the holding company. The allocation percentage has been reviewed based on the prevailing business activities of the holding company during the financial year.

Significant estimates

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

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

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



KEMPEGOWDA POWER TRANSMISSION LIMITED
Notes forming part of Financial Statements for the year ended 31 March, 2026

(All amounts in ₹ thousands, unless stated otherwise)

4 Cash and cash equivalents

Particulars	As at 31 March, 2026
Balances with banks:	
- with bank in current accounts	500.00
	500.00

5 Equity share capital

Particulars	As at 31 March, 2026
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. In the event of the liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders. 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.

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

	As at 31 March, 2026	
	No. of shares	(₹ Thousand)
Equity share capital of ₹ 10 each fully paid up		
Balance as at 30 sept 2025	-	-
Add: Issued during the year	50,000	500.00
Balance at the end of the period	50,000	500.00

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

	As at 31 March, 2026	
	No. of shares	% holding
49,994 Equity Shares held by REC Power Development & Consultancy Limited (RECPDCL) and Balance 6 Equity Shares through other nominee of RECPDCL.	50,000	100.00%

iv) Shares held by Promotor:

	As at 31 March, 2026	
	No. of shares	% holding
49,994 Equity Shares held by REC Power Development & Consultancy Limited (RECPDCL) and Balance 6 Equity Shares through other nominee of RECPDCL.	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.



KEMPEGOWDA POWER TRANSMISSION LIMITED

Notes forming part of Financial Statements for the year ended 31 March, 2026

(All amounts in ₹ thousands, unless stated otherwise)

6 Other equity

Particulars	As at 31 March, 2026
Retained earnings	
Balance at the beginning of the period / year	-
Add: Changes due to Accounting Policy	-
Add : Transferred from statement of profit and loss	(3,249.26)
Closing Balance at the end of the period / year	(3,249.26)
Total other equity	(3,249.26)

7 Other financial liabilities (Current)

Particulars	As at 31 March, 2026
Payable to holding company*	3,195.26
Audit fees payable	54.00
	3,249.26

* Refer note 12 on related party transactions

8 Other current liabilities

Particulars	As at 31 March, 2026
Statutory dues Payable	
- TDS payable	
	-



KEMPEGOWDA POWER TRANSMISSION LIMITED
Statement of Profit and Loss for the period from 30 sept 2025 to 31 March, 2026

(All amounts in ₹ thousands, unless stated otherwise)

9 Other expenses

Particulars	For the period from 30 sept 2025 to 31 march 2026
Auditor Remuneration	59.00
Advertisement	-
Consultancy	-
Survey	-
Legal & Professional Expenses/MCA & ROC Filings	15.10
Salary Expenses Allocated by Holding Company	2,442.45
Common Expenses Allocated by Holding Company	582.50
Interest Expense Allocated by Holding Company	105.12
Miscellaneous Expenses	45.10
Bank Charges	-
	3,249.26

*Comprises of following:

As auditors- statutory audit	59.00
	59.00

10 Tax expense

Particulars	For the period from 30 sept 2025 to 31 march 2026
Current tax	
Tax pertaining to current period	-
Tax pertaining to earlier years	-
Deferred tax expense/(credit)	-
	-

For the period from 30 sept 2025 to 31 march 2026

Tax expense	
(i) Current tax	
Tax pertaining to current year	-
Tax pertaining to earlier years	-
(ii) Deferred tax expense/(credit)	-
	-

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 25.168% .

Accounting Loss before income tax	(3,249.26)
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At country's statutory income tax rate of 25.168%	-
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Adjustments in respect of taxes earlier years

(i) Non-deductible expenses for tax purposes	-
(ii) Non-taxable incomes	-
(iii) Earlier year taxes	-
(iv) Deferred tax on allowable provisional expenditure of earlier year	-
(v) Deferred tax change due to rate change	-
	-

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.

11 Basic/diluted earnings/ loss per share

Net profit/(loss) for the year	(3,249.26)
Weighted average number of equity shares for EPS (in numbers)	50,000
Par value per share (in ₹)	10
Earnings per share - Basic and diluted	(64.99)



KEMPEGOWDA POWER TRANSMISSION LIMITED**Notes forming part of Financial Statements for the year ended 31 March, 2026**

(All amounts in ₹ thousands, unless stated otherwise)

12 Related party transactions

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

a. Details of related parties:

Description of relationship	Names of related parties
Holding company	REC Power Development & Consultancy Limited (RECPDCL)
Parent's Holding company	REC Limited

Key management personnel (KMP)

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

Name	Designation	Date of Appointment	Date of resignation
RAJESH RAJ	Chairman and Director	30 September, 2025	-
VIJAY SHRIDHAR KULKARNI	Director	30 September, 2025	-
MUKUL AGARWAL	Director	30 September, 2025	-

KMP;s / Directors Remuneration	For the period ended 31 March, 2026
Remuneration to KMP's	0.00

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

	Name of Related Party	For period ended 31 March, 2026
(i) Transactions during the year		
Allocation of expenses	Holding Company (RECPDCL)	3,085.14
Interest	Holding Company (RECPDCL)	105.12
(ii) Outstanding Balances at year end		
Payable to Holding Company	Holding Company (RECPDCL)	3,195.26

13 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.



KEMPEGOWDA POWER TRANSMISSION LIMITED

Notes forming part of Financial Statements for the year ended 31 March, 2026
(All amounts in ₹ thousands, unless stated otherwise)

14 Financial instruments**i) Financial instruments by category measured at amortized cost:**

Particulars	As at 31 March, 2026
Financial assets	
Cash and cash equivalents	500.00
Total	500.00
Financial liabilities	
Other financial liabilities (Current)	3,249.26
Total	3,249.26

The carrying amounts of financial assets and liabilities are considered a reasonable approximation of their fair values.

ii) Fair values hierarchy

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

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

15 Financial risk management**i) Risk management**

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

A) Credit risk

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

B) Liquidity risk

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

Maturities of financial liabilities

The Financial liabilities of the Company comprises of :

- Audit Fees payable - which is paid by Holding Co. on behalf of this Co. and
- Liabilities payable to Holding Co. - The same is discharged by the selected bidder(through TBCB process conducted by Holding Co) which purchases the company by taking over all assets and liabilities of the company.However expected date of the same is not determinable.

C) Market risk

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

Currency risk

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

Interest rate risk

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

Price risk

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



KEMPEGOWDA POWER TRANSMISSION LIMITED

Notes forming part of Financial Statements for the year ended 31 March, 2026

(All amounts in ₹ thousands, unless stated otherwise)

16 Ratios Analysis

Ratio	31 March, 2026			31 March, 2025			Analysis	
	Numerator	Denominator	Ratios	Numerator	Denominator	Ratios	% Variance	Reason for Variance
Current Ratio	500.00	3,249.26	0.15	NA	NA	NA	NA	
Return on Equity Ratio	(3,249.26)	(2,749.26)	(1.18)	NA	NA	NA	NA	
Return on Capital	(3,249.26)	(2,749.26)	(1.18)	NA	NA	NA	NA	

1. Current ratio - Numerator includes current assets and Denominator includes current liabilities

2. Return on Equity ratio - Numerator includes Net profit after taxes and Denominator includes average shareholders equity.

3. Return on capital employed - Numerator includes earning before interest and taxes and Denominator includes capital employed (Tangible networth plus total debt plus deferred tax liabilities).

* As the other ratios are NIL or NA, hence the same are not presented

Reasons for variation more than 25%**17 Other notes to accounts**

- 17.1** 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.
- 17.2** 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.
- 17.3** The company is incorporated on 30.09.2025. This is the first year of the incorporation of company. Hence previous years comparative figures are not available.
- 17.4** The Company is operating in a single segment and therefore disclosure requirements under Ind AS 108 is not applicable.
- 17.5** There has no transaction under section 248 of the companies Act, 2013 with stuck off companies during the year.
- 17.6** The Companies does not have more than 2 layers as specified in sub rule (2) of companies (Restriction on number of layers) Rules, 2017.
- 17.7** The capital commitments, contingent liabilities and claims against the company not acknowledged as debt is Nil.
- 17.8** The company has no non material adjustment event after reporting period.
- 17.9** As per the provision of the companies Act, 2013, the figures have been rounded off to the nearest of Thousand and decimal thereof.
- 17.10** There are no foreign currency transactions during the year. Therefore no disclosures are required under Schedule III of the Companies Act, 2013.
- 17.11** Negative figures have been shown in bracket.
- 17.12** Other additional regulatory information are either NIL or not applicable to the Company.
- 17.13** The Company is a wholly owned subsidiary of REC Power Development & Consultancy Limited. The Company is a special purpose vehicle incorporated for "400 kV Kempegowda layout in Bangalore Urban". 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. 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.

For K Kumar Gupta & Associates

Chartered Accountants

FRN: '004480N

For and on behalf of Board of Directors of

KEMPEGOWDA POWER TRANSMISSION LIMITED

Seema Arora

Partner

Membership no: '0961

Date: 25/06/2026

Place - Gurgaon

UDIN - 26096158 KUZN XZ 8638

MUKUL AGARWAL

Director

DIN: 10322882

Date: 20.04.2026

RAVESH RAJ

Director

DIN: 11317381

Date: 20.04.2026