

INDEPENDENT AUDITORS' REPORT

To
The Members of
Karur Transmission Limited

Report on Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Karur Transmission Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), statement of change in equity and statement of cash flow for the year ended on that date, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013["Act"] in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 and Accounting Principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its loss, cash flow and the change in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of The 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statement under the provisions of Act and the rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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



Emphasis of Matters

We draw attention to accounting policy number 2(d) and Note no 18 of financial statement, which states that all the expenses including general and administrative in nature (refer note 13 to financial statements) have being capitalized as Capital Work in Progress and revenue received on tender sale is netted off/ adjusted with Capital work in progress. In the opinion of management, as per management representation, these all expenses including general and administrative in nature are directly related to Transmission project in line with Ind AS. These are incurred by holding company and charged to the company.

Information other than the Financial Statements and Auditors's Report thereon

The Company's Board of Directors is responsible for the preparation and presentation of other information. The other information comprises the information included in the Board's Report including annexures to Board's Report, Business Responsibility Report but does not include the financial statement 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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

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

Auditor's Responsibility

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 judgement and maintain professional skepticism throughout the audit. We also:

1. 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.
2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in Financial Statements made by management.
4. 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 condition may cause the Company to cease to continue as a going concern.



5. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matter specified in the paragraph 3 and 4 of the order , to the extent applicable.
2. We are enclosing our report in terms of Section 143(5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India in " Annexure B" on the basis of the records made available and according to information and explanations given to us by the management of the company.
3. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss, statement of change in equity and the statement of cash flow dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) This being a Government Company, provision of Section 164(2) of the Act, regarding disqualification of the Directors is not applicable, pursuant to notification No G.S.R. 463 (E) dated; 05.06.2015.
- f) With respect to the adequacy of internal financial control over financial reporting of the company and the operating effectiveness of such controls refer our separate report in "Annexure C".
- g) We have enclosed the compliance certificate in terms of Section 143(5) of the Act, and certify that we have complied with all directions issued to us by the Comptroller and Auditor General of India in "Annexure D".
- 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 explanations given to us:
- i. The Company has no pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;
 - iii. There were no amounts required to be transferred to investor education and protection fund by the company.

For V P C A AND ASSOCIATES
Firm Registration No. 000843N
Chartered Accountants

Vipin Kumar



Place : Delhi

(Vipin Kumar)

Partner.

Dated : 23.12.2021

Membership No. 086302

Annexure "A"

Referred to in the Independent Auditor's Report to the members of: Karur Transmission Limited on the financial statements for the year ended 31st March 2021.

1. The Company does not have any fixed assets other than capital work in progress. Hence, paragraph 3(i) of the Order is not applicable.
2. The Company does not hold any inventories, Hence, paragraph 3(ii) of the Order is not applicable.
3. In respect of Loans: The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraphs 3(iii) (a), (b) and (c) of "the Order" are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, the company has not given any loan, guarantee and, security to and on behalf of any of its director as stipulated in the provisions of section 185 and 186 of the Companies Act, 2013. Hence, paragraph 3(iv) of the Order is not applicable.
5. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits. Accordingly, paragraph 3(v) of the Order is not applicable.
6. In our opinion and according to the information and explanation given to us, The Central Government has not prescribed the maintenance of the cost records under Section 148(1) of the Companies Act, 2013, for the activities carried out by the company. Accordingly, maintenance of cost records under paragraph 3(vi) of the Order is not applicable.
7. In respect of statutory dues:
 - a. The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, GST, custom duty, excise duty, cess and other material statutory dues applicable to it.
 - b. According to the information and explanations given to us no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2021 for a period of more than six months from the date of becoming payable and there is no amount pending on account of dispute in respect of aforesaid dues.
 - c. According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
8. Based on our audit procedures and according to the information and explanation given to us, The Company has not taken any loan from banks/financial institutions during year and there was no such loan outstanding at the beginning of year and it has not defaulted in any repayment of dues to financial institutions, banks, and Government or debenture holders. Hence, paragraph 3(viii) of the Order is not applicable.



9. According to the information and explanations given to us, the company has not raised money by the way of initial public offer or further public offer including debts instruments. Hence, paragraph 3(ix) of the Order is not applicable.
10. According to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.
11. Being a Government Company, the provisions of section 197 read with Schedule V to the Companies Act , regarding managerial remuneration are not applicable to the company, pursuant to Notification G.S.R. 463(E) dated 06.06.2015. Hence, paragraph 3(xi) of the order is not applicable.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in its ordinary course of business at arm's length in compliance with 188 of Companies Act, 2013 and provisions of section 177 are not applicable being a government company. However, the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. 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.
16. 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 of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For V P C A AND ASSOCIATES
Firm Registration No. 000843N
Chartered Accountants





Place : Delhi

(Vipin Kumar)

Partner.

Dated : 23.12.2021

Membership No. 086302

ANNEXURE "B" referred to in our report of even date on Financial Statements of Karur Transmission Limited .

Report on the Directions issued by the Comptroller & Auditor General of India to Statutory Auditor under section 143(5) of the Companies Act, 2013 for the financial year ended on 31.3.2021

S. No	Directions	Reply/ response to Directions
1.	Whether the company has system in place to process all the accounting transactions through IT System? If yes, the implication of processing of accounting transactions outside IT system on the integrity of accounts along with financial implication, if any may be stated	Yes , Company has system in place to process all the accounting transactions through IT System. In our opinion and to the best of our information and according to explanations given to us, the company has adequate control systems in place to verify and ensure the correctness of accounting transaction posted in IT System.
2.	Whether there is any restructuring of an existing loan or case of waiver/ write off of debt/loans/interest etc. made by the lender to the company due to the company's inability to repay 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 the lender company).	There is no case of waiver/write off of debt/loan/interest etc., came to our notice during the course of audit . Hence this Clause is not applicable.
3	Whether funds (grants/subsidy etc.) received /receivable for specific scheme from Central /State Government or its agencies were properly accounted for / utilized as per its term and condition? List the cases of deviation.	There is no funds received or receivable in respect of specific scheme from Central /State Government or its agencies came to our notice during the course of audit of financial statements. Hence this clause is not applicable.

For V P C A AND ASSOCIATES
Firm Registration No. 000843N
Chartered Accountants

Vipin Kumar



Place : Delhi

(Vipin Kumar)

Partner.

Dated : 23.12.2021

Membership No. 086302

ANNEXURE "C" referred to in paragraph II (f) under the heading "Report on Other Legal and regulatory requirement" of our report of even date on Financial Statements of Karur Transmission Limited .

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

The Members of **Karur Transmission Limited**

We have audited the internal financial controls over financial reporting of **Karur Transmission Limited** ('the Company') as of 31st March 2021 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 Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). 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, as specified under section 143(10) of the Companies Act, 2013, both issued by Institute of chartered Accountants of India, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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 31st March 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For V P C A AND ASSOCIATES
Firm Registration No. 000843N
Chartered Accountants




(Vipin Kumar)

Partner.

Membership No. 086302

Place : Delhi

Dated : 23.12.2021

V P C A AND ASSOCIATES

CHARTERED ACCOUNTANTS

107, Vardhaman A.C. Market,
Vigyan Vihar, Delhi -110 092
Tel. 091-11-22165626,
Email: vipin@vsmc.co.in

ANNEXURE "D" referred to in our report of even date on Financial Statements of Karur Transmission Limited .

Compliance Certificate

We have conducted the audit of annual accounts of Karur Transmission Limited , for the year ended 31 March, 2021 in accordance with the directions/sub-directions issued by 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 V P C A AND ASSOCIATES
Firm Registration No. 000843N
Chartered Accountants



Place : Delhi

(Vipin Kumar)

Partner.

Membership No. 086302

Dated : 23.12.2021

KARUR TRANSMISSION LIMITED

(CIN: U40106DL2019GOI357791)

Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001

E-mail - finance.pfccl@pfcindia.com Phone: 011- 22443700

Balance Sheet as at March 31, 2021

(₹ in Hundreds)

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
(I)	Assets			
(1)	Non-current Assets			
	(a) Capital Work-In-Progress	3	271,211.32	167,305.07
(2)	Current Assets			
	(a) Financial assets			
	(i) Trade Receivables	4	-	-
	(i) Cash and Cash Equivalents	5	990.80	999.29
	(b) Other Current Assets	6	38,246.12	18,825.08
	Total Assets		310,448.24	187,129.44
(II)	Equity and Liabilities			
(1)	Equity			
	(a) Equity Share Capital	7	1,000.00	1,000.00
	(b) Other Equity	8	(1,339.91)	(539.91)
			(339.91)	460.09
(2)	Liabilities			
(A)	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	9	307,767.04	183,904.48
	(ii) Other Financial Liabilities	10	740.00	360.00
	(b) Other Current Liabilities	11	2,281.11	2,404.87
			310,788.15	186,669.35
	Total Equity and Liabilities		310,448.24	187,129.44

See accompanying notes to the Financial Statements

1,2 and from 12 to 32

As per our report of even date attached

For V P C A AND ASSOCIATES

Chartered Accountants

Firm Registration No. :000843N

Vipin Kumar



Vipin Kumar

Partner

Membership No. 086302

For and on behalf of Board of Directors

Sanjay Kr. Nayak

Sanjay Kr. Nayak

(Director)

DIN:08197193

Neeraj Singh

Neeraj Singh

(Chairman)

DIN:08613892

Place: New Delhi

Date: 23-12-2021

UDIN 21086302 AAAAA@2905



Sanjay Kr. Nayak *Neeraj Singh*

KARUR TRANSMISSION LIMITED
(CIN: U40106DL2019GOI357791)

Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001

E-mail - finance.pfccl@pfcindia.com Phone: 011- 22443700

Statement of Profit and Loss for the year ending 31st March 2021

(₹ in Hundreds)

Particulars	Note No.	For the year ending 31st March 2021	For the period ending 31st March 2020
Revenue from Operations		-	-
Other Income		-	-
Total Income (I)		-	-
Expenses			
Other Expenses	12	800.00	539.91
Total Expenses (II)		800.00	539.91
Profit/(Loss) before tax (I- II =III)		(800.00)	(539.91)
Tax expenses: (IV)			
Current tax		-	-
Deferred tax		-	-
Profit/(Loss) for the period (III - IV = V)		(800.00)	(539.91)
Other Comprehensive Income (VI)		-	-
Total Comprehensive Income for the period (V + VI =VII)		(800.00)	(539.91)
Earnings per equity share : (VIII)			
Basic and Diluted (in ₹) (Par value Rs. 10/- per share)	14	(8.00)	(5.40)

See accompanying notes to the Financial Statements

1,2 and from 12 to 32

As per our report of even date attached

For V P C A AND ASSOCIATES

Chartered Accountants

Firm Registration No. :000843N




Vipin Kumar

Partner

Membership No. 086302

For and on behalf of Board of Directors



Sanjay Kr. Nayak

(Director)

DIN:08197193



Neeraj Singh

(Chairman)

DIN:08613892

Place: New Delhi

Date: 23-12-2021

UDIN 21086302 AAAAAQ 2905




KARUR TRANSMISSION LIMITED
(CIN: U40106DL2019GOI357791)

Regd Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001

E-mail - finance.pfcl@pfcindia.com Phone: 011- 22443700

Statement of Cash Flows for the year ending 31st March 2021

(₹ in Hundreds)

Particulars	For the year ending 31st March 2021	For the period ending 31st March 2020
A. Cash Flow from Operating Activities:		
Net profit/(loss) before tax	(800.00)	(539.91)
Adjustments for:		
Adjustments	-	-
Operating Profit before Working Capital changes	(800.00)	(539.91)
Adjustments for changes in Working Capital :		
- Increase/(decrease) in Other financial liabilities	380.00	360.00
- Increase/(decrease) in Other current liabilities	(123.76)	2,404.87
- (Increase)/decrease in Other current assets	(19,421.04)	(18,825.08)
- (Increase)/decrease in Trade receivables	-	-
Cash Generated From Operating Activities	(19,964.80)	(16,600.12)
Income Taxes paid	-	-
Net Cash from Operating Activities	(19,964.80)	(16,600.12)
B. Cash Flow from Investing Activities:		
Addition in Capital work in Progress	(103,906.25)	(167,305.07)
Net Cash from Investing Activities	(103,906.25)	(167,305.07)
C. Cash Flow from Financing Activities:		
Increase in Borrowings	123,862.56	183,904.48
Issue of Share Capital	-	1,000.00
Net Cash from Financing Activities	123,862.56	184,904.48
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(8.49)	999.29
Cash and Cash Equivalents as at beginning	999.29	-
Cash and Cash Equivalents as at Closing at 31st March 2021 (Note-5)	990.80	999.29
Cash and Cash Equivalents Comprising of:		
Balance with Banks in Current Accounts	990.80	999.29

See accompanying notes to the Financial Statements

1,2 and from 12 to 32

As per our report of even date attached

For V P C A AND ASSOCIATES

Chartered Accountants

Firm Registration No. :000843N



Vipin Kumar

Partner

Membership No. 086302

Place: New Delhi

Date: 23-12-2021

UDIN 21086302 AAAAA@2905

For and on behalf of Board of Directors


Sanjay Kr. Nayak
(Director)
DIN:08197193


Neeraj Singh
(Chairman)
DIN:08613892





KARUR TRANSMISSION LIMITED
(CIN: U40106DL2019GOI357791)

Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001

E-mail - finance.pfccl@pfcindia.com Phone: 011- 22443700

Statement of Changes in Equity for the year ending 31st March 2021

A. EQUITY SHARE CAPITAL

(₹ in Hundreds)

Particulars	Amount
Balance at the Beginning of the Reporting Year as at 20th November, 2019	-
Changes in Equity Share Capital during the Year	1,000.00
Balance at the end of the Reporting Year as at March 31, 2020	1,000.00
Changes in Equity Share Capital during the Year	-
Balance at the end of the Reporting Year as at March 31, 2021	1,000.00

B. OTHER EQUITY

(₹ in Hundreds)

Particulars	Amount
Retained Earnings:	
Balance at 20th November, 2019	-
Profit/(Loss) for the Year	(539.91)
Other comprehensive income for the Year	-
Total comprehensive income for the Year	(539.91)
Balance at March 31, 2020	(539.91)
Profit/(Loss) for the Year	(800.00)
Other comprehensive income for the Year	-
Total comprehensive income for the Year	(800.00)
Balance at March 31, 2021	(1,339.91)

See accompanying notes to the Financial Statements 1,2 and from 12 to 32

As per our report of even date attached

For V P C A AND ASSOCIATES

Chartered Accountants

Firm Registration No. :000843N

Vipin Kumar



Vipin Kumar

Partner

Membership No. 086302

For and on behalf of Board of Directors

Sanjay Kr. Nayak

Sanjay Kr. Nayak

(Director)

DIN:08197193

Neeraj Singh

Neeraj Singh

(Chairman)

DIN:08613892

Place: New Delhi

Date: 23-12-2021

UDIN 21086302 AAAAAG 2905



Sanjay Kr. Nayak

KARUR TRANSMISSION LIMITED
(CIN: U40106DL2019GOI357791)

Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001

E-mail - finance.pfccl@pfcindia.com Phone: 011- 22443700

Notes to the Financial Statements for the year ending 31st March 2021

1 Corporate Information

Karur Transmission Limited "the Company" was incorporated on 20th November 2019 under the Companies Act, 2013, as a wholly owned subsidiary of PFC Consulting Limited "PFCL", which is a wholly owned subsidiary of Power Finance Corporation Ltd (PFC Ltd), a Govt. of India undertaking. The registered office of the Company is located at 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001. The company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forest clearance etc., if required for the purpose of transmission of electricity and to conduct bidding process etc. for the selection of transmission service provider. The company has undertaken single project namely "Evacuation of power from RE source in Karur / Tiruppur Wind Energy Zone (Tamil Nadu)". The company will be transferred to developer selected as per tariff based competitive bidding guidelines for Transmission Service issued by Ministry of Power, Government of India.

2 Significant accounting policies

a. Basis of Preparation and Statement of Compliance

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

The Company's financial statements are presented in Indian Rupees (INR), which is its functional currency and amounts in these financial statements have been rounded off to 'nearest hundreds upto two decimal points (unless otherwise indicated).

b. Use of Estimates

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

c. Recognition of Income / Expenditure

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

d. Capital Work in Progress

Expenditure incurred during the year on Consultancy /Administration /Interest /Manpower Charges/ Legal and Professional charges etc is considered as expenditure done during construction period/setting up of project (net of incomes) and is capitalized and shown under Capital Work In Progress.

e. Expenditure incurred by Holding Company

Expenditure incurred by the company for the Project is funded by the Holding Company (PFCL) and is considered as Borrowings and disclosed under the head "Current Liabilities". Interest is charged by holding company (PFCL) as per rate applicable from time to time in accordance with Financing Agreement executed between Karur Transmission Limited and Holding Company (PFCL) vide agreement dated 27.05.2020.

f. Preliminary Expenses

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

g. Borrowing Costs

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



h. Provisions, Contingent Liabilities and Contingent Assets

- (i) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- (ii) Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.
- (iii) Contingent Assets are not recognised in the financial statements but are disclosed, where an inflow of economic benefit is probable.
- (iv) These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

i. Cash & Cash Equivalents

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

j. Cash Flow Statement

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

k. Taxes on Income

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

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

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



[Handwritten signature]

KARUR TRANSMISSION LIMITED
(CIN: U40106DL2019GOI357791)

Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001

E-mail - finance.pfcl@pfcindia.com Phone: 011- 22443700

Notes to the Financial Statements for the year ending 31st March 2021

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

Additional Income Tax that arises from the distribution of dividend is recognized at the same time when the liability to pay dividend is recognized.

I. Financial Instruments

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

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

I.1 Financial Assets

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

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

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

a) Financial Assets at Amortised Cost:

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

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

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

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

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

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

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

ii) Impairment of Financial Assets

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

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



Handwritten signatures in blue ink.

KARUR TRANSMISSION LIMITED
(CIN: U40106DL2019GOI357791)

Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001

E-mail - finance.pfcl@pfcindia.com Phone: 011- 22443700

Notes to the Financial Statements for the year ending 31st March 2021

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

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

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

iii) De-recognition of Financial Assets

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

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

1.2 Financial Liabilities

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

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

ii) De-recognition of financial liabilities

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

(m) Earnings Per Share

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



[Handwritten signatures]

KARUR TRANSMISSION LIMITED
(CIN: U40106DL2019GOI357791)

Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001

E-mail - finance.pfccl@pfcindia.com Phone: 011- 22443700

Notes to the Financial Statements for the year ending 31st March 2021

3. CAPITAL-WORK-IN-PROGRESS

(₹ in Hundreds)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	167,305.07	-
Transferred from expenditure during construction period (Note:13)	103,906.25	167,305.07
TOTAL	271,211.32	167,305.07

4. TRADE RECEIVABLES

(₹ in Hundreds)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables considered good - Unsecured	-	-
TOTAL	-	-

5. CASH AND CASH EQUIVALENTS

(₹ in Hundreds)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with Bank in Current Account	990.80	999.29
TOTAL	990.80	999.29

6. OTHER CURRENT ASSETS

(₹ in Hundreds)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with revenue authorities (Input Tax Credit-GST)	32,346.12	18,825.08
Other Receivable- Sale of RFP Documents	5,900.00	
TOTAL	38,246.12	18,825.08



KARUR TRANSMISSION LIMITED

(CIN: U40106DL2019GOI357791)

Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001

E-mail - finance.pfcl@pfcindia.com Phone: 011- 22443700

Notes to the Financial Statements for the year ending 31st March 2021

7. EQUITY SHARE CAPITAL

(₹ in Hundreds)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Capital		
10,000 Equity shares of Rs.10/- each (As at 31.03.2020: 10,000 Equity shares of Rs.10/- each)	1,000.00	1,000.00
Issued, Subscribed and Paid up		
10,000 Equity shares of Rs.10/- each fully paid up (As at 31.03.2020: 10,000 Equity shares of Rs.10/- each fully paid up)	1,000.00	1,000.00
TOTAL	1,000.00	1,000.00

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares at the beginning of the period	10,000	1,000.00	-	-
Add: Addition during the period	-	-	10,000	1,000.00
Equity shares at the end of the period	10,000	1,000.00	10,000	1,000.00

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

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

(iii) Equity Shares held by the Holding Company:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	%	No of shares	%
Equity Shares				
PFC Consulting Limited, the Holding Company	9,400	94%	9,400	94%
Nominee of PFC Consulting Limited	600	6%	600	6%

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	%	No of shares	%
Equity Shares				
PFC Consulting Limited, the Holding Company	9,400	94%	9,400	94%
Nominee of PFC Consulting Limited	600	6%	600	6%



KARUR TRANSMISSION LIMITED

(CIN: U40106DL2019GOI357791)

Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001

E-mail - finance.pfccl@pfcindia.com Phone: 011- 22443700

Notes to the Financial Statements for the year ending 31st March 2021

8. OTHER EQUITY

(₹ in Hundreds)

Particulars	As at March 31, 2021	As at March 31, 2020
Retained Earnings:		
Balance at the beginning of the Period	(539.91)	-
Add: Total Comprehensive Income for the period	(800.00)	(539.91)
Balance at the end of the period	(1,339.91)	(539.91)

9. BORROWINGS

(₹ in Hundreds)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Liabilities carried at Amortised Cost (Unsecured)		
Loans from related party (PFC Consulting Limited, Holding company)	276,728.35	180,259.43
Interest accrued but not due on loans from related party	31,038.69	3,645.05
TOTAL	307,767.04	183,904.48

10. OTHER FINANCIAL LIABILITIES

(₹ in Hundreds)

Particulars	As at March 31, 2021	As at March 31, 2020
Expenses Payable	740.00	360.00
TOTAL	740.00	360.00

11. OTHER CURRENT LIABILITIES

(₹ in Hundreds)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues Payable	2,281.11	2,404.87
TOTAL	2,281.11	2,404.87



KARUR TRANSMISSION LIMITED

(CIN: U40106DL2019GOI357791)

Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001

E-mail - finance.pfccl@pfcindia.com Phone: 011- 22443700

Notes to the Financial Statements for the year ending 31st March 2021

12. OTHER EXPENSES

(₹ in Hundreds)

Particulars	For the year ending 31st March 2021	For the period ending 31st March 2020
Preliminary Expenses	-	139.91
Audit Fee	800.00	400.00
TOTAL	800.00	539.91

13. EXPENDITURE DURING CONSTRUCTION PERIOD

(₹ in Hundreds)

Particulars	For the year ending 31st March 2021	For the period ending 31st March 2020
Manpower Charges	83,275.51	106,890.05
Consultancy Charges	536.17	3,737.50
Outsourcing Expenses	6,950.52	9,667.36
Advertisement	-	26,856.34
Tour & Travelling	-	2,118.63
Rates & Taxes	-	4,199.20
Legal and Filing Fees	18.00	-
Professional Charges	165.20	-
Other Expenses	3,337.61	9,785.93
Interest Expenses	29,614.75	4,050.06
Bank Charges	8.50	-
Total	123,906.25	167,305.07
Less: Sale of RFP documents	20,000.00	-
TOTAL (Transferred to CWIP, Note-3)	103,906.25	167,305.07

14. EARNINGS PER SHARE

(₹ in Hundreds)

Particulars	For the year ending 31st March 2021	For the period ending 31st March 2020
Basic and Diluted Earning Per Share		
Face value per equity share (in ₹)	10	10
Net Profit / (loss) after Tax as per Statement of Profit & Loss attributable to Equity Shareholders	(800.00)	(539.91)
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	10,000	10,000
Basic and Diluted Earning Per Share (in ₹)	(8.00)	(5.40)
There are no dilutive instruments issued by the company.		



Handwritten signatures and initials.

KARUR TRANSMISSION LIMITED
(CIN: U40106DL2019GOI357791)
Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001
E-mail - finance.pfcl@pfcindia.com Phone: 011- 22443700
Notes to the Financial Statements for the year ending 31st March 2021

15. STATEMENT OF TRANSACTIONS WITH RELATED PARTIES

15.1 Name of related parties and description of relationship:

Ultimate Holding Company			
1	Power Finance Corporation Limited (PFCL)		
Holding Company			
1	PFC Consulting Limited (PFCL)		
Enterprise Under Common Control			
1	REC Limited (RECL)	2	REC Power Distribution Company Ltd (through RECL)
3	REC Transmission Projects Company Limited (through RECL)	4	Power Equity Capital Advisors (Pvt) Limited (PECAP)
5	Coastal Maharashtra Mega Power Limited (through PFCL)	6	Sakhigopal Integrated Power Company Limited (through PFCL)
7	Orissa Integrated Power Limited (through PFCL)	8	Ghogarpalli Integrated Power Company Limited (through PFCL)
9	Coastal Karnataka Power Limited (through PFCL)	10	Tatiya Andhra Mega Power Limited (through PFCL)
11	Coastal Tamil Nadu Power Limited (through PFCL)	12	Deoghar Mega Power Limited (through PFCL)
13	Chhattisgarh Surguja Power Limited (through PFCL)	14	Cheyur Infra Limited (through PFCL)
15	Deoghar Infra Limited (through PFCL)	16	Odisha Infrapower Limited (through PFCL)
17	Bihar Infrapower Limited (through PFCL)	18	Bihar Mega Power Limited (through PFCL)
19	Jharkhand Infrapower Limited (through PFCL)	20	Jam Khambaliya Transco Limited (through RECL)- transferred to Adani Transmission Limited on 13th November, 2019
21	Mandar Transmission Limited (through RECL)	22	Chandil Transmission Limited (through RECL)
23	Koderma Transmission Limited (through RECL)	24	Dumka Transmission Limited (through RECL)
25	Dinchang Transmission Limited (through RECL)	26	Bhind-Guna Transmission Limited (through RECL) - transferred to PGCIL on 11th September 2019
27	Ajmer Phagi Transco Limited (through RECL)-transferred to PGCIL on 3rd October, 2019	28	Udupi Kasagode Transmission Limited (through RECL)- transferred to Sterlite Grid on 12th September, 2019
29	WRSS XXI (A) Transco Limited (through RECL) - transferred to Adani Transmission Limited on 14th October, 2019	30	Khetri Transco Limited (through RECL)- transferred to PGCIL on 29th August 2019
31	Lakadia Banaskantha Transco Limited (through RECL) - transferred to Adani Transmission Limited on 13th November, 2019	32	Rampur Shambhal Transco Limited - Incorporated on 02.05.2019 and transferred to Power Grid Corporation of India Limited (PGCIL) on 12th December, 2019
Fellow Subsidiary			
1	Shongtong Karcham-Wangtoo Transmission Limited	2	Vapi II North Lakhimpur Transmission Limited transferred to Sterlite Grid Ltd on 26 June'2020
3	Bijawar-Vidarbha Transmission Limited	4	Koppal-Narendra Transmission Limited
5	Tanda Transmission Company Limited	6	Bikaner-Khetri Transmission Limited transferred to ATL on 19th September, 2019
7	Meerut-Simbhawali Transmission Limited transferred to PGCIL on 19th December, 2019	8	Fatehgarh-II Transco Limited transferred to PGCIL on 14th October, 2019
9	Bhuj-II Transmission Limited transferred to PGCIL on 16th October, 2019	10	Lakadia-Vadodara Transmission Project Limited transferred to Sterlite on 26th November, 2019
11	Ananthpuram Kurnool Transmission Limited	12	Sikar -II Aligarh Transmission Limited transferred to PFCIL on 08th June'2021
13	Bhadla Sikar Transmission Limited	14	Bikaner -II Bhiwadi Transco Limited transferred to PGCIL on 25th March'2020
15	Khetri- Nerela Transmission Limited		
Joint Venture of PFCL			
1	Energy Efficiency Services Limited (through PFCL)	2	Ceighton Energy Limited (through EESL)
3	EESL EnergyPro Assets Limited (through EESL)	4	Edina Acquisitions Limited (through EESL)
5	Aneco Energy Services (South) Limited (through EESL)	6	Edina Limited (through EESL)
7	EPAL Holdings Limited (through EESL)	8	Edina Australia Pty Limited (through EESL)
9	Edina Power Services Limited (through EESL)	10	Stanbeck Limited (through EESL)
11	Edina UK Limited (through EESL)	12	Edina Power Limited (through EESL)
13	Armoura Holdings Limited (through EESL)	14	Edina Manufacturing Limited (through EESL)



Handwritten signatures in blue ink.

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

S. No.	Name	Designation	Date of Appointment	Date of Cessation
1	Shri Neeraj Singh	Chairman	20.11.2019	Continuing
2	Shri Sachin Shukla	Director	20.11.2019	Continuing
3	Shri Sanjay Nayak	Director	20.11.2019	Continuing

15.3 Details of Transactions:

15.3.1 Transactions with Related Parties during the year

(₹ in Hundreds)

Particulars	For the year ending 31st March 2021	For the period ending 31st March 2020
<u>PFC Consulting Limited (Holding Company)</u>		
- Interest on borrowings	29,614.75	4,050.06
- Manpower charges	83,275.51	106,890.05
- Reimbursement of expenses	11,015.99	56,364.96
- Loans received (Net)	96,468.92	180,259.43

15.3.2 Outstanding Balances with Related Parties as on Balance Sheet date

Particulars	As at March 31, 2021	As at March 31, 2020
<u>PFC Consulting Limited (Holding Company)</u>		
- Borrowings	276,728.35	180,259.43
- Interest Accrued but not due on Borrowings	31,038.69	3,645.05



KARUR TRANSMISSION LIMITED
(CIN: U40106DL2019GOI357791)

Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001

E-mail - finance.pfcl@pfcindia.com Phone: 011- 22443700

Notes to the Financial Statements for the year ending 31st March 2021

16. Financial Instruments

(i) Categories of Financial Instruments

Particulars	(₹ in Hundreds)	
	As at March 31, 2021	As at March 31, 2020
Financial Assets:		
Measured at amortised cost		
(a) Cash and Cash Equivalents	990.80	999.29
Financial Liabilities:		
Measured at amortised cost		
(a) Borrowings	276,728.35	180,259.43
(b) Interest on Borrowings	31,038.69	3,645.05
(c) Other Financial Liabilities	740.00	360.00

(ii) Financial Risk Management Objectives

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

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

(iii) Market Risk

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

Market risk exposures are measured using sensitivity analysis.

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

(iv) Interest Rate Risk Management

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

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

(v) Interest Rate Sensitivity Analysis

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

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



Handwritten signatures and a faint circular stamp.

KARUR TRANSMISSION LIMITED

(CIN: U40106DL2019GOI357791)

Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001

E-mail - finance.pfcl@pfcindia.com Phone: 011- 22443700

Notes to the Financial Statements for the year ending 31st March 2021

16. Financial Instruments

If increase by 50 basis point

Particulars	For the year ending 31st March 2021	For the period ending 31st March 2020
Impact for Profit or (Loss)	-	-
Impact for Other comprehensive income	-	-

If decrease by 50 basis point

Particulars	For the year ending 31st March 2021	For the period ending 31st March 2020
Impact for Profit or (Loss)	-	-
Impact for Other comprehensive income	-	-

(vi) Credit Risk Management

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

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

(vii) Liquidity Risk Management

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

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

The table below provides details regarding the contractual maturities of Financial Liabilities as at 31st March, 2021:

(₹ in Hundreds)

Particulars	Carrying Amount	Due in 1st year	Due in 2-5 year	Due in More than 5 year	Due Date not Specified	Total Contracted Cash Flows
Financial Liabilities						
Borrowings	276,728.35	276,728.35	-	-	-	276,728.35
Interest on Borrowings	31,038.69	31,038.69	-	-	-	31,038.69
Other Financial Liabilities	740.00	740.00	-	-	-	740.00

The table below provides details regarding the contractual maturities of Financial Liabilities as at 31st March, 2020:

(₹ in Hundreds)

Particulars	Carrying Amount	Due in 1st year	Due in 2-5 year	Due in More than 5 year	Due Date not Specified	Total Contracted Cash Flows
Financial Liabilities						
Borrowings	180,259.43	180,259.43	-	-	-	180,259.43
Interest on Borrowings	3,645.05	3,645.05	-	-	-	3,645.05
Other Financial Liabilities	360.00	360.00	-	-	-	360.00



Handwritten signatures in blue ink.

KARUR TRANSMISSION LIMITED

(CIN: U40106DL2019GOI357791)

Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001

E-mail - finance.pfcl@pfcindia.com Phone: 011- 22443700

Notes to the Financial Statements for the year ending 31st March 2021

17. Capital management:

The Company manages its capital to ensure that it will be able to meet the expenses towards the setting up of Independent Transmission Project. The capital structure of the Company consists of equity and debt from its holding company. For the purpose of the capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's management is to maximise the shareholder value. The Company is not subject to any externally imposed capital requirements. The Company's Board reviews the capital structure of the Company on need basis. During the year company has obtained loan from its holding company of Rs. 96,468.92 hundreds (Previous Year Rs. 180,259.43 hundred). Equity share capital as on March 31, 2021 of Rs. 1,000.00 hundreds.

18. All the expenses incurred by the Company are towards the setting up of Independent Transmission Project. Since the project is identified, all the expenditures are required to be capitalized as Capital work-in-progress. Hence, expenditure during construction Period as mentioned in Note 12 containing all expenses has been transferred to Capital work-in-progress (Refer Accounting Policy Number 2(d)).

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

20. Employees working for the Company are from holding company i.e. PFC Consulting Ltd. (PFCL). The expenses appearing in the Note No. 13 "Expenditure during construction period" include manpower charges of PFCL employees of Rs. 83,275.51 hundreds (PY. Rs.106,890.05 hundreds). The manpower cost of PFCL employees are charged by PFCL to KTL on the basis of cost to company based on actual time spent by the PFCL employees for KTL. The manpower charges includes manpower charges in respect of Shri Neeraj Singh, Chairman Rs.4522.13 hundreds (PY. Rs.8,227.78 hundreds) and Shri Sanjay Kr. Nayak, Director, Rs. 5904.78 hundreds (PY. Rs.19,552.81 hundreds).

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

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

23. Segment Information

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



A faint circular stamp with the text "V.P.C.A. AND ASSOCIATES" and "New Delhi" is visible. Below it, there is a handwritten signature in blue ink.

KARUR TRANSMISSION LIMITED

(CIN: U40106DL2019GOI357791)

Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001

E-mail - finance.pfcl@pfclindia.com Phone: 011- 22443700

Notes to the Financial Statements for the year ending 31st March 2021

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

Particulars	As at March 31, 2021	As at March 31, 2020
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting period	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act 2006	-	-
(d) the amount of interest accrued and remaining unpaid at the end of accounting period	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act 2006	-	-

25. Commitments:

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
Other commitments	-	-

26. Contingent Liabilities and Contingent assets

Particulars	As at March 31, 2021	As at March 31, 2020
Contingent liabilities of the company and claims against the company not acknowledged by the company as certified by the management for the year	-	-
Further, No contingent assets and contingent gains are probable to the company.	-	-

27. In accordance with the accounting policy of the company stated in Note 2(d), all the expenditure during construction period (net of incomes) are capitalised. Income from Sale of RFP documents is considered as directly and inextricably linked with the setting up of the project of the company and therefore capitalised and netted off with expenditure during construction period in Note 13.

28. Employee Benefit Plans

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



Handwritten signatures in blue ink.

KARUR TRANSMISSION LIMITED

(CIN: U40106DL2019GOI357791)

Regd. Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001

E-mail - finance.pfccl@pfcindia.com Phone: 011- 22443700

Notes to the Financial Statements for the year ending 31st March 2021

29. Auditors Remuneration

(₹ in Hundreds)

Particulars	For the year ending 31st March 2021	For the period ending 31st March 2020
Statutory Audit Fees (excluding taxes)	800.00	400.00

30. Prior period items:

As per requirements of Ind AS 8, Company has corrected Material prior period(s) errors retrospectively by restating the comparative amounts for the prior periods to the extent practicable. The details of prior period errors and their impact on financial statements are as under: -

Particulars	As on 31.03.2020 as per last audited Balance Sheet	Prior period items	As on 31.03.2020 Restated
Balance Sheet (relevant items)			
Assets			
Capital Work-In-Progress	169,546.27	(2,241.20)	167,305.07
Other Current Assets	16,583.88	2,241.20	18,825.08
Expenditure during construction period			
Rates and taxes	6,440.40	(2,241.20)	4,199.20

The above adjustment is made for correcting the GST on expenses wrongly credited in 'Input Tax Credit-GST' in place of expenditure account as the same was pertaining to period before GST registration.

31. Other Disclosures:

(a) Expenditure in foreign currency- NIL

(b) Income in foreign exchange- NIL

32. Approval of Financial Statements

The Financial Statements for the year ended 31st March 2021 were approved by the Board of Directors and authorised for issue on 20th December 2021

As per our report of even date attached

For V P C A AND ASSOCIATES

Chartered Accountants

Firm Registration No. :000843N

Vipin Kumar


Vipin Kumar

Partner

Membership No. 086302

For and on behalf of Board of Directors

Sanjay Nayak

Sanjay Nayak

(Director)

DIN:08197193

Neeraj Singh

Neeraj Singh

(Chairman)

DIN:08613892

Place: New Delhi

Date: 23-12-2021

UDIN 21086302AAAAA02905



Sanjay Nayak
Neeraj Singh