



MAHESHWARI & ASSOCIATES

Chartered Accountants

8B, Middleton Street, 6A Geetanjali

Kolkata 700071, India

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INDEPENDENT AUDITORS' REPORT

To the Members of
NERGS I Power Transmission Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NERGS I Power Transmission Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2025 and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS), of the state of affairs of the Company as at 31st March, 2025, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is the information included in the annual 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 on the other information obtained prior to the date of this auditor's report, 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.





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Responsibility of Management for the 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.





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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The financial statements of NERGS I Power Transmission Limited ("the Company") for the year ended March 31, 2024, were audited by another auditor who expressed an unmodified opinion vide their report dated 25th April 2024.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;





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- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
- e) On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 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, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls with reference to Financial Statements;
- g) In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid or provided by the Company to its directors during the year;
- 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, as amended, 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 as at March 31, 2025 which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts w for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, 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 the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) above, contain any material misstatement;





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- v. No dividend has been declared or paid by the Company during the year; and
- vi. Based on our examination which included test checks, the Company has used an accounting software which is owned and operated by its Holding Company i.e Techno Electric and Engineering Company Limited for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Additionally, the audit trail has been preserved by the Company (at Holding company level), as per the statutory requirements for record retention.

For Maheshwari & Associates

Chartered Accountants

Firm's Registration Number: 311008E

CA. Bijay Murmuria

Partner

Membership No. : 055788

UDIN: 25055788BMLAYS4073

Place: Kolkata

Date: 24/05/2025





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"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of **NERGS I Power Transmission Limited** on the financial statements for the year ended 31st March, 2025]

- i) In our opinion and according to the information and explanation given, the Company does not own any Property, Plant and Equipment (including ROU assets) and Intangible asset in its name and there are no proceedings that have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act. Accordingly, the provisions of Clause 3(i) of the Order are not applicable to the Company.
- ii) In our opinion, the Company do not have any inventory and working capital loan during the year. Therefore, the provisions of clause 3(ii) the Order are not applicable to the Company.
- iii) In our opinion and according to the information and explanations given and on the basis of our audit procedures performed by us, during the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties. Accordingly, the provisions stated in Clause 3(iii) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans, made any investments or provided any guarantee or security which requires compliance of section 185 and 186 of the Companies Act, 2013.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit or amounts deemed to be deposits within the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder. Hence, reporting under Clause (v) of the Order is not applicable.
- vi) Maintenance of cost records has not been prescribed for the Company by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company.
- vii)
 - (a) In our opinion and according to the information and explanations given and the records of the company examined by us, the Company has been regular in depositing undisputed statutory dues including goods and services tax, income tax, cess and other material statutory dues applicable to it, to the appropriate authorities. Accordingly, there are no arrears of outstanding statutory dues as on 31st March, 2025 for a period of more than six months from the date they became payable.
 - (b) In our opinion and according to the information and explanations given and the records of the company examined by us, there are no statutory dues referred to in sub-clause (a) above, which have not been deposited on account of any dispute.





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- viii) According to the information and explanations given to us and on the basis of our audit procedures performed by us, there were no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) (a) In our opinion and according to the information and explanations given and the records of the Company examined by us, the Company has not defaulted in repayment of loans and other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given and the records of the Company examined by us, the Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year. Accordingly, the provisions stated in Clause 3(ix)(c) of the Order are not applicable to the Company.
- (d) In our opinion and on the basis of audit procedures performed by us, we report that the company did not raise any short-term funds during the period under audit. Hence, the requirement to report on clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and in our opinion, the Company does not have any subsidiary, associate or joint venture company. Accordingly, the provisions of Clause 3 (ix)(e) & (f) of the Order are not applicable to the Company.
- x) (a) In our opinion and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- xi) (a) In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.
- (b) No report on fraud under section 143(12) of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii) In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of Clause 3 (xii) of the Order are not applicable to the Company.





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- xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act, 2013. Accordingly, the provisions of Clause 3 (xiv) of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) (a) In our opinion and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934(2 of 1934). Hence, reporting under Clause 3 (xvi)(a), (b) and (c) of the Order is not applicable to the Company.
- (b) In our opinion, 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 is yet to start its operation and earning revenue therefrom. However, it has been incurring the required expenditure for the project to become operational as planned and intended by the management. Resultantly, the incurrence of such expenditure without simultaneous revenue has been a cause of cash losses during the financial year under audit as well as immediately preceding financial year tabulated as below:-

Year	Cash Losses (₹)
FY 2024-25	2,41,690
FY 2023-24	35,66,079

- xviii) According to the information and explanations given to us, there has been no resignation of the Statutory auditors during the year and accordingly this clause is not applicable to the Company.
- 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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.





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xx) Since Section 135 of the Companies Act, 2013 is not applicable to the Company. Hence, reporting under Clause 3(xx)(a) and (b) of the Order are not applicable to the Company.

For Maheshwari & Associates

Chartered Accountants

Firm's Registration Number: 311008E

CA. Bijay Murmuria

Partner

Membership No. : 055788

UDIN: 25055788BMLAYS4073



Place: Kolkata

Date : 24/05/2025



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"Annexure-B" to the Independent Auditors' Report of NERGS - I Power Transmission Limited

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

We have audited the internal financial controls with reference to Financial Statements of NERGS - I Power Transmission Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the '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 with reference to Financial Statements 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 the 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 with reference to Financial Statements. 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 with reference to Financial Statements 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 with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, 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 with reference to Financial Statements.





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Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to Financial Statements 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 with reference to Financial Statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, 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 with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2025, based on the criteria for Internal Financial Control with reference to Financial Statements 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 Maheshwari & Associates

Chartered Accountants

Firm's Registration Number: 311008E

CA. Bijay Murmuria

Partner

Membership No.: 055788

UDIN: 25055788BMLAYS4073

Place: Kolkata

Date: 24/05/2025



NERGS - I POWER TRANSMISSION LIMITED

CIN: U42202DL2023PLC423849
Balance Sheet as at 31 March 2025

(in ₹ '00)

Particulars	Note No.	As on 31 March 2025	As on 31 March 2024
I ASSETS :			
1 Non-Current Assets			
- Capital Work in Progress	2	5,94,527.54	-
		<u>5,94,527.54</u>	<u>-</u>
2 Current Assets			
(a) Financial Assets			
- Cash & cash equivalents	3	5,084.38	5,000.00
(b) Other Current Assets	4	95,432.05	-
		<u>1,00,516.43</u>	<u>5,000.00</u>
TOTAL ASSETS		<u><u>6,95,043.97</u></u>	<u><u>5,000.00</u></u>
II EQUITY AND LIABILITIES:			
1 Equity			
(a) Equity Share capital	5	5,000.00	5,000.00
(b) Other Equity	6	(38,077.69)	(35,660.79)
		<u>(33,077.69)</u>	<u>(30,660.79)</u>
2 Non-Current Liabilities			
Financial Liabilities :			
- Borrowings	7	7,25,846.44	-
		<u>7,25,846.44</u>	<u>-</u>
3 Current Liabilities			
(a) Financial Liabilities			
- Other financials liabilities	8	900.00	32,631.06
(b) Other current Liabilities	9	1,375.22	3,029.73
		<u>2,275.22</u>	<u>35,660.79</u>
TOTAL EQUITY AND LIABILITIES		<u><u>6,95,043.97</u></u>	<u><u>5,000.00</u></u>

Material accounting policies

1

The accompanying notes are an integral part of these financial statements.

2 to 30

This is the Balance Sheet referred to in our report of even date.

For Maheshwari & Associates

Chartered Accountants

FRN : 311008E

CA. Bijay Murmuria

Partner

M. No. 055788

Place : Kolkata

Date: 24-05-2025



For and on behalf of the Board of Directors

Dinesh Parakh

Dinesh Parakh

Director

DIN: 00057091

Raj Kumar Raina

Raj Kumar Raina

Director

DIN : 03311376

Place : Gurgaon

Date: 24-05-2025

NERGS - I POWER TRANSMISSION LIMITED

Statement of Profit & Loss for the year ended 31 March 2025

(in ₹ '00)

Particulars	Note No.	For the year ended 31 March 2025	For the period from 13 December, 2023 to 31 March 2024
I Revenue From operations		-	-
II Other Income		-	-
III Total Income (I +II)		-	-
IV EXPENSES			
Other expenses	10	2,416.90	35,660.79
Total expenses (IV)		2,416.90	35,660.79
V Profit / (loss) before tax (III - IV)		(2,416.90)	(35,660.79)
VI Tax Expenses			
a) Current Tax		-	-
b) Deferred Tax		-	-
VII Profit / (loss) for the year (V - VI)		(2,416.90)	(35,660.79)
Other comprehensive income		-	-
VIII Total Comprehensive Income for the year		(2,416.90)	(35,660.79)
IX Earnings per equity share			
1) Basic (₹)	11	(4.83)	(71.32)
2) Diluted (₹)		(4.83)	(71.32)

Material accounting policies 1

The accompanying notes are an integral part of these Profit and Loss Statement

2 to 30

This is the Statement of Profit and Loss referred to in our report of even date.

For Maheshwari & Associates

Chartered Accountants

FRN : 311008E

CA. Bijay Murmuria

Partner

M. No. 055788



Place : Kolkata

Date: 24-05-2025

For and on behalf of the Board of Directors

Dinesh Parakh
Dinesh Parakh

Director

DIN: 00057091

Raj Kumar Raina
Raj Kumar Raina

Director

DIN : 03311376

Place : Gurgaon

Date: 24-05-2025

NERGS - I POWER TRANSMISSION LIMITED
Cash Flow Statement for the year ended 31 March 2025

(in ₹ '00)

	Particulars	For the year ended 31 March 2025	For the period from 13 December, 2023 to 31 March 2024
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit before tax	(2,416.90)	(35,660.79)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(2,416.90)	(35,660.79)
	Adjustment for:		
	Trade and Other Payables	-	-
	Increase/Decrease in other assets	(95,432.05)	-
	Increase/Decrease in other liabilities	(33,385.57)	35,660.79
	CASH GENERATED FROM OPERATIONS	(1,31,234.53)	-
	Income Tax Paid	-	-
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)	(1,31,234.53)	-
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	(Purchase)/Sale of Fixed assets		
	Investment in CWIP	(5,94,527.54)	-
	CASH FROM INVESTING ACTIVITIES (B)	(5,94,527.54)	-
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Issue of Share Capital	-	5,000.00
	Loan from holding Company	7,25,846.44	-
	NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)	7,25,846.44	5,000.00
D.	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT (A) + (B) + (C)	84.38	5,000.00
E.	CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	5,000.00	-
F.	CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	5,084.38	5,000.00
	Particulars	For the year ended 31 March 2025	For the period from 13 December, 2023 to 31 March 2024
	Cash and Cash Equivalents at the end of the year comprises :		
	Balances with Bank		
	(i) In current accounts	5,084.38	5,000.00
	Cash and Cash Equivalent as per Cash Flow Statement	5,084.38	5,000.00

This is the Statement of Cash Flow referred to in our report of even date.

For Maheshwari & Associates
Chartered Accountants
FRN : 311008E

CA. Bijay Murmuria
Partner
M. No. 055788

Place : Kolkata
Date: 24-05-2025



For and on behalf of the Board of Directors

Dinesh Parakh
Dinesh Parakh
Director
DIN: 00057091

Raj Kumar Raina
Raj Kumar Raina
Director
DIN : 03311376

Place : Gurgaon
Date: 24-05-2025

NERGS - I POWER TRANSMISSION LIMITED

Statement of Change in Equity for the year ended 31 March 2025

A : Equity Share Capital

(in ₹'00)

	Amount
Balance as on 31st March, 2023	-
Changes in equity share capital during financial year 2023-24	5,000.00
Balance as on 31st March, 2024	5,000.00
Changes in equity share capital during financial year 2024-25	-
Balance as on 31 March 2025	5,000.00

B : Other Equity

(in ₹'00)

	Reserve & Surplus		Other Comprehensive Income	Total
	Securities Premium Reserve	Retained Earning		
Balance as on 31st March, 2023	-	-	-	-
Loss for Year 2023-24	-	(35,660.79)	-	(35,660.79)
Balance as on 31st March, 2024	-	(35,660.79)	-	(35,660.79)
Loss for Year 2024-25	-	(2,416.90)	-	(2,416.90)
Balance as on 31 March 2025	-	(38,077.69)	-	(38,077.69)

This is the Statement of Changes in Equity referred to in our report of even date.

For Maheshwari & Associates

Chartered Accountants

FRN : 311008E

CA. Bijay Murmuria

Partner

M. No. 055788

Place : Kolkata

Date: 24-05-2025



For and on behalf of the Board of Directors

Dinesh Parakh

Dinesh Parakh

Director

DIN: 00057091

Place : Gurgaon

Date: 24-05-2025

Raj Kumar Raina

Raj Kumar Raina

Director

DIN : 03311376

NERGS-I POWER TRANSMISSION LIMITED

Summary of material accounting policies & other information for the year ending 31st March 2025

(All amounts in Rupees thousand, unless stated otherwise)

1. Notes to the Financial Statements

1.1 Company overview

NERGS I Power Transmission Limited ("the Company") is a Special Purpose Vehicle incorporated SPV for "North Eastern Region Generation Scheme-I (NERGS-I)". The Government of India has appointed REC Power Development and Consultancy Limited (RECPDCL) as Bid Process Co-ordinator for the purpose of selection of Bidder as Transmission Service Provider (TSP) to establish Inter- State transmission system for "North Eastern Region Generation Scheme – I (NERGS – I)" through tariff based competitive bidding process ("the project")

On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities. Techno Electric & Engineering Company Limited, being declared the successful bidder acquired the Company from REC Power Development and Consultancy Ltd. on 30 July 2024 vide Share Purchase Agreement dated 30 July 2024.

Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act").

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

1.2 Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017.

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 the accounting policy hitherto in use.

1.3 Functional & 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 hundreds (upto two digits), unless otherwise indicated.

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.5.



NERGS-I POWER TRANSMISSION LIMITED

Summary of material accounting policies & other information for the year ending 31st March 2025

(All amounts in Rupees thousand, unless stated otherwise)

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Material Accounting Policies

a. **Property, Plant and Equipment**

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

b. **Capital Work in Progress:**

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress"

Capital Work-in-Progress is stated at cost and includes development and other expenses, including financing cost relating to borrowed funds for construction or acquisition of Property, Plant and Equipment.

Expenses directly related to project activity is transferred to the Capital Work-in-Progress. Indirect expenditure incurred during the year is transferred to Capital Work-in-Progress to the extent it is related to project or is incidental thereto. Other indirect expenditure incurred during the period which is not related to the project activity nor is incidental thereto is charged to Statement of Profit and Loss. The same will be allocated to the respective Property, Plant and Equipment on completion / erection of the capital project/ Property, Plant and Equipment.

c. **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above.



NERGS-I POWER TRANSMISSION LIMITED

Summary of material accounting policies & other information for the year ending 31st March 2025

(All amounts in Rupees thousand, unless stated otherwise)

d. instruments - initial recognition, subsequent measurement and impairmentInitial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-recognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.



NERGS-I POWER TRANSMISSION LIMITED

Summary of material accounting policies & other information for the year ending 31st March 2025
(All amounts in Rupees thousand, unless stated otherwise)

e. Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

The amount of borrowing costs capitalized during a period does not exceed the amount borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

f. Taxation

Income tax expense represents the sum of current and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income, in such cases the tax is also recognized directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognized in equity or other comprehensive income is also recognized in equity or other comprehensive income, such change could be for change in tax rate.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

g. Revenue recognition and other income

i) Revenue from Power Transmission

Revenue from power transmission is recognized on the basis of availability of plant and power transmission as per service contract.



NERGS-I POWER TRANSMISSION LIMITED

Summary of material accounting policies & other information for the year ending 31st March 2025

(All amounts in Rupees thousand, unless stated otherwise)

ii) Other Income

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

h. Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

The weighted no. of equity share outstanding during the period and for all period presented are adjusted for events other than the conversion of potential equity shares, that have changed the no. of equity shares outstanding without a corresponding change in resources.

i. Provisions and contingencies

I) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

II) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.



NERGS-I POWER TRANSMISSION LIMITED

Summary of material accounting policies & other information for the year ending 31st March 2025

(All amounts in Rupees thousand, unless stated otherwise)

j. Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

- i) Expected to be realized or intended to be sold or consumed in normal operating cycle,
- ii) Held primarily for the purpose of trading,
- iii) Expected to be realized within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when it is:

- i) Expected to be settled in normal operating cycle,
- ii) Held primarily for the purpose of trading,
- iii) Due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

k. Segment Reporting

The Company does not have more than one reportable segment in accordance with the principle outlined in Indian Accounting Standard (Ind AS 108) "Segment Reporting". Hence, the disclosures requirements on segment reporting are not applicable.



NERGS - I POWER TRANSMISSION LIMITED

Summary of material accounting policies and other explanatory information to the financial statements for the the year ended 31 March 2025

Note 2 Capital Work-in-progress

(in ₹ '00)

Particulars	As on 31 March 2025	As on 31 March 2024
Expenditure pending for allocation :		
-BPC Professional fess	5,00,000.00	-
-Advertisement Expenses	6,230.89	-
-Consultancy Charges	11,925.36	-
-Survey Expenses	750.00	-
-Technical Services	2,500.00	-
-Common / Establishment Expenses	2,149.59	-
-Finance Cost	34,031.31	-
-Salary Allocated Expenses	10,850.39	-
-Audit Fees	90.00	-
-Adoption of Tariff fees	1,000.00	-
-Transmission License fees	25,000.00	-
	<u>5,94,527.54</u>	<u>-</u>

Particulars	Amount in CWIP as on 31 March 2025				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress #	5,94,527.54	-	-	-	5,94,527.54
Total	5,94,527.54	-	-	-	5,94,527.54

The project in progress includes capital-work-in progress, whose completion is neither overdue nor exceeded its cost compared to its original plan.

Note 3 Financial Assets - Cash and cash equivalents

(in ₹ '00)

Particulars	As at 31 March 2025	As at 31 March 2024
Balances with banks		
- In current accounts	5,084.38	5,000.00
	<u>5,084.38</u>	<u>5,000.00</u>

Note 4 Other Current Assets

(in ₹ '00)

Particulars	As on 31 March 2025	As on 31 March 2024
Balance with Govt. Authorities	95,432.05	-
- Goods and Service Tax	95,432.05	-
	<u>95,432.05</u>	<u>-</u>

Note 5 Equity Share Capital

(in ₹ '00)

Particulars	As on 31 March 2025	As on 31 March 2024
Equity Share capital		
Authorised :		
50,000 (Previous year - 50000) of ₹ 10 each	5,000.00	5,000.00
	<u>5,000.00</u>	<u>5,000.00</u>
Issued, subscribed and paid up shares :		
50,000 Equity shares of ₹.10/- each fully paid-up	5,000.00	5,000.00
(Previous Year 50,000 Equity shares of ₹.10/- each fully paid-up)		
Total Issued, subscribed and fully paid up share capital	<u>5,000.00</u>	<u>5,000.00</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As on 31 March 2025		As on 31 March 2024	
	No. of Shares	(in ₹ '00)	No. of Shares	(in ₹ '00)
At the beginning of the year	50,000	5,000.00	-	-
Issued during the year	-	-	50,000	5,000.00
Outstanding at the end of the year	50,000	5,000.00	50,000	5,000.00

b. Rights, preferences and restrictions attached to the shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- per share.

Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



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NERGS - I POWER TRANSMISSION LIMITED

Summary of material accounting policies and other explanatory information to the financial statements for the the year ended 31 March 2025

c. Details of shareholders holding more than 5% shares in the company

Particulars	As on 31 March 2025		As on 31 March 2024	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity Shares of Rs. 10 each fully paid				
REC Power Development & Consultancy Limited (RECPDCL)	-	-	49,994	99.988
Through Nominee of RECPDCL	-	-	6	0.012
Techno Electric & Engineering Co Ltd, the Holding Company (TEECL)	49,999	99.998	-	-
Through Nominee of TEECL	1	0.002	-	-
	50,000	100	50,000	100

d. Shares held by promoters at the end of the year

Promoter name	As on		As on		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
REC Power Development & Consultancy Limited (RECPDCL)	-	-	49,994	99.988	(99.99)
Through Nominee of RECPDCL	-	-	6	0.012	(0.01)
Techno Electric & Engineering Co Ltd, the Holding Company (TEECL)	49,999	99.998	-	-	99.988
Through Nominee of TEECL	1	0.002	-	-	-
Total	50,000	100	50,000	100	

Note 6 Other Equity

(in ₹ '00)

Particulars	As on	
	31 March 2025	31 March 2024
Retained Earnings:		
Surplus at the beginning of the year	(35,660.79)	-
Add : Profit for the year	(2,416.90)	(35,660.79)
	(38,077.69)	(35,660.79)
Total	(38,077.69)	(35,660.79)

Note 7 Borrowings

(in ₹ '00)

Particulars	As on	
	31 March 2025	31 March 2024
Unsecured		
Loan from Holding Company -TEECL (including unpaid interest)*	7,25,846.44	-
	<u>7,25,846.44</u>	<u>-</u>

*The Company has entered into arrangement for Inter Corporate Loan from its Holding Company upto amount of INR 10 Crores to be availed on requirement basis. The rate of interest is 7% p.a as agreed and repayable before 30/06/2025. The period may be extended as per mutually agreed terms and condition and in line with lender's sanction. Interest to be charged from the day lender has funded and the same to be accrued and payable in line with terms of Lender's Sanction.

Early repayment is allowed/may be converted into Equity. No penal interest/charges shall be levied in case of prepayment by the borrower.

Further, the borrower agrees to indemnify and hold harmless the Lender, from and against any and all losses, claims, damages, liabilities, costs, (including reasonable attorney's fees) and expenses (collectively, "Losses").

Note 8 Other Financial Liabilities

(in ₹ '00)

Particulars	As on	
	31 March 2025	31 March 2024
Payable to Holding Co	-	32,181.06
Audit fees payable	900.00	450.00
	<u>900.00</u>	<u>32,631.06</u>

Note 9 Other Current Liabilities

(in ₹ '00)

Particulars	As on	
	31 March 2025	31 March 2024
TDS Payable	1,375.22	3,029.73
	<u>1,375.22</u>	<u>3,029.73</u>



Qp

by L. Banerjee

NERGS - I POWER TRANSMISSION LIMITED

Summary of material accounting policies and other explanatory information to the financial statements for the year ended 31 March 2025

Note 10 Other Expenses

(in ₹'00)

Particulars	For the year ended 31 March 2025	For the period from 13 December, 2023 to 31 March 2024
Filling Fees	4.00	218.34
Legal & Professional Fees	618.00	24810.45
Service Charges	336.00	0.00
Advertisement	0.00	9714.10
Misc Exp	0.00	417.90
Rent	312.50	0.00
Auditors Remuneration (a)	1100.00	500.00
Interest on delay payment of TDS	46.40	0.00
	2416.90	35660.79
a) Auditors Remuneration		
Statutory Audit	1000.00	500.00
Certification	100.00	0.00
	1100.00	500.00

Note 11 Earnings per share

Particulars	For the year ended 31 March 2025	For the period from 13 December, 2023 to 31 March 2024
Net Profit after tax as per Statement of Profit & Loss (in ₹'00)	(2,416.90)	(35,660.79)
Weighted Average number of equity shares	50000	50000
Basic and Diluted Earnings per share (₹)	(4.83)	(71.32)
Face Value per equity share (₹)	10.00	10.00



NERGS - I POWER TRANSMISSION LIMITED

Summary of material accounting policies and other explanatory information to the financial statements for the year ended 31 March 2025

Note : 12. FAIR VALUE MEASUREMENT

(a) Category wise classification of financial instruments

	(In ₹'00)	
Particulars	As at March 31, 2025	As at March 31, 2024
A. Financial assets:		
Carried at amortised cost (refer note below)		
Cash and cash equivalents	5,084.38	5,000.00
Total financial assets	5084.38	5000.00
B. Financial Liabilities: (refer note below)		
Measured at amortized cost		
Borrowings	7,25,846.44	-
Others	900.00	32,631.06
Total financial liabilities	7,26,746.44	32,631.06

Notes:

The management assessed that the fair value of cash and cash equivalents, borrowings and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments.

(b) Fair value hierarchy

The fair value of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly market between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note (a) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs. The categories used are as follows:

- Level 1: quoted prices (unadjusted) in active markets for financial instruments.
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents fair value hierarchy of assets and liabilities measured at fair value as of 31 March 2025:

(In ₹ '00)

Particulars	Fair Value	Fair value measurement using		
		Level 1	Level 2	Level 3
Assets:				
Cash & cash equivalents	5084.38	5084.38	-	-
Total	5084.38	5084.38	-	-
Liabilities:				
Trade payables	-			-
Total	-	-	-	-

The carrying amount of cash and cash equivalents & trade payables are considered to be the same as their fair value due to their short term nature and are in close approximation of fair value.



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By L. Karan

NERGS - I POWER TRANSMISSION LIMITED

Summary of material accounting policies and other explanatory information to the financial statements for the year ended 31 March 2025

(c) **Computation of fair values**

The company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing use of relevant observable inputs and minimizing the use of unobservable inputs.

(d) **Fair value of assets and liabilities measured at cost/amortized cost**

The carrying amount of financial assets and financial liabilities measured at amortized cost are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amount would be significantly different from the values that would be eventually received or settled. Management assessed that fair values of cash and cash equivalents, other bank balances and other financial liabilities approximate their carrying amounts due to the short term maturities of these instruments.

Note : 13. Financial risk management

Company's business activities are exposed to a variety of financial risks like credit risk, market risks and liquidity risk. Company's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies approved by the Board of Directors. Such risk management strategies and objectives are established to identify and analyze potential risks faced by the Company, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance. Any change in Company's risk management objectives and policies need approval of its Board of Directors.

(a) **Credit risk**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, other balances with banks, loans and other receivables. Since the Company has not started its operation it has no exposure to such risk.

Other financial instruments

Credit risks from other financial instruments includes mainly cash and cash equivalents and deposits with banks. Such risks is managed by the central treasury department of the Company with accordance with Company's overall investment policy approved by its Board of Directors.

(b) **Market risk:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risks comprises of three types - interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risks include long term borrowings.

(i) **Foreign currency risk management**

Foreign currency is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to change in foreign currency rates. Company has no exposure to such risks.

(ii) **Interest rate risk management**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to change in market interest rates. The Company do avail working capital loans and term loans from highly reputed banks for meeting its requirements. The Company's central treasury department manages such interest rate risk in accordance with its overall risk policy approved by the Board of Directors. The Company has no major exposure to such risks as at the balance sheet date.

(iii) **Price risk**

Price risk is the risk that the fair value or future cash flows will fluctuate due to change in market prices. Company's central treasury department manages such risk in accordance with its overall risk management policy approved by the Board of Directors.

(c) **Liquidity risk:**

Liquidity risk is the risk that the Company may not be able to meet its contractual obligations associated with its financial liabilities. The central treasury department of the Company manages its liquidity risk by preparing and continuously monitoring business plans or rolling cash flow forecasts which ensures that the funds required for carrying on its business operations and meeting its financial liabilities are available in a timely manner and at an optimal cost. The Company has also entered into inter corporate loan arrangement with its holding company to meet the contractual obligations.

(d) **Capital management**

For the purpose of Company's capital management, capital includes issued equity share capital, other equity reserves. The primary objective of capital management is to maintain an efficient capital structure to reduce the cost of capital, support corporate expansion strategies and to maximize shareholder's value. Company has fund based credit facilities limit of Rs 10 cr. with its Holding Co., i.e., Techno Electric & Engineering Co. Ltd. to meet its capital requirements.



NERGS - I POWER TRANSMISSION LIMITED

Summary of material accounting policies and other explanatory information to the financial statements for the year ended 31 March 2025

Note : 14 a) NERGS I Power Transmission Limited ("the Company") is a special purpose vehicle (SPV) incorporated for "North Eastern Region Generation Scheme-I (NERGS-I)". The Government of India has appointed RECPDCL as Bid Process Co-ordinator for selection of the developer for the project through tariff based competitive bidding process. On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities. Techno Electric & Engineering Company Limited, being declared the successful bidder acquired the Company from REC Power Development and Consultancy Ltd. on 30 July 2024 vide Share Purchase Agreement dated 30 July 2024 at acquisition price of INR 6.64 Crores.

b) For Financing the said acquisition from RECPDCL and for other purpose in due course, NERGS I Power Transmission Limited ("the Company") has entered into inter-corporate loan arrangement with its holding company being the Techno Electric & Engineering Company Limited upto an amount of INR 10.00 Crores @ 7% p.a.

Note : 15 During the year the company has no employees on his roll. Accordingly, provision of IndAS 19 (2015) on "Employees Benefits" are not applicable.

Note : 16 In accordance with the Accounting Standard on "Related Party Disclosures", the disclosures in respect of Related Parties and transactions with them, as identified and certified by the management, are as follows:

Related party Disclosures :

(i) List of Related Parties:

(a) Key Management Personnel

S. No.	Name	Designation	Remark
1	Shri Ajay Mathur	Director	Resigned on 30/07/2024
2	Shri Alok Singh	Director	Resigned on 30/07/2024
3	Shri Mukul Agarwal	Director	Resigned on 30/07/2024
4	Shri Dinesh Parakh	Director	Appointed wef 30/07/2024
5	Shri Raj Kumar Raina	Director	Appointed wef 30/07/2024
6	Shri Ankit Saraiya	Director	Appointed wef 30/07/2024
7	Shri Rajiv Agarwal	Director	Appointed wef 06/11/2024
8	Shri Ankit Saraiya	Director	Resigned on 06/11/2024

(b) Details of Related parties and nature of relationship

Name of the Related Party	Nature of Relationship
REC Power Development and Consultancy Ltd (RECPDCL)	Holding company upto 30/07/2024
Techno Electric & Engineering Company Limited (TEECL)	Holding company from 30/07/2024

(c) Disclosure of significant transactions with related parties and the status of outstanding balances

Transactions during the year

Particulars	Year ended 31 March 2025 (₹ in '00)
Techno Electric & Engineering Company Limited (Holding Company)	
Loan taken	6,96,468.85
Interest expense	32,641.76

Outstanding during the year

Particulars	Year ended 31 March 2025 (₹ in '00)
Techno Electric & Engineering Company Limited (Holding Company)	
Loan taken	6,96,468.85
Interest expense	29,377.59

Note : Related party relationships as above has been identified by the Company and relied upon by the Auditor.

Note : 17 Borrowing cost capitalised during the year under Capital Work in Progress is ₹ 34,030.13 (₹ in '00).



Q.P.

H. L. Sharma

NERGS - I POWER TRANSMISSION LIMITED

Summary of material accounting policies and other explanatory information to the financial statements for the year ended 31 March 2025

Note : 18 Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for variance
Current ratio	Current Assets	Current Liabilities	44.18	0.14	31456%	Substantial increase in current assets along with decrease in current liabilities.
Debt-equity ratio	Total Debt	Shareholder's Equity	(21.94)	-	100%	Debt introduced from holding company, compared to nil in previous FY.
Debt service coverage ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Debt service = Interest & Lease Payments + Principal Repayments	-	NA	NA	NA
Return on equity ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	0.07	1.16	-94%	Decrease in loss with simultaneous increase in average shareholder's equity.
Inventory turnover ratio	Net sales	Average inventory = (Opening + Closing balance / 2)	NA	NA	NA	NA
Trade receivables turnover ratio	Net sales	Average trade debtors = (Opening + Closing balance / 2)	NA	NA	NA	NA
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	NA	NA	NA	NA
Net capital turnover ratio	Net Sales	Working Capital = current assets minus current liabilities.	NA	NA	NA	NA
Net profit ratio	Net profit after tax	Net Sales	NA	NA	NA	NA
Return on capital employed	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	(0.003)	1.16	-100%	Decrease in loss vis-a-vis debt financing from holding company
Return on investment	Income Generated from Invested Fund	Average Invested Funds	NA	NA	NA	NA

Note : 19 Disclosure Regarding Crypto Currencies:

The Company has not traded or invested in crypto currency or virtual currency during the reporting period.

Note : 20 Details of Benami Property held

The Company does not have any benami property, where any proceedings have been initiated or pending against the company for holding any benami property under Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made there under.

Note : 21 Borrowings secured against current assets

The company does not have any borrowings from banks or financial institutions on the basis of security of current assets.

Note : 22 Wilful Defaulter:

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

Note : 23 Undisclosed Income:

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the reporting period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Further, there is no previously unrecorded income and related assets that have been recorded in the books of account during the reporting period.

Note : 24 Registration of charges or satisfaction with Registrar of Companies (ROC):

All filings related to the registration of charges or satisfaction of charges with ROC have been done within statutory date.

Note : 25 Compliance with number of layers of companies:

The Company is in compliance with Section 2(87) of the Companies Act 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

Note : 26 There is no transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of The Companies Act, 1956.

Note : 27 The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall :
 (a) 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
 (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Note : 28 The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall :

(a) 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
 (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiary.



Qf

M. L. Das

NERGS - I POWER TRANSMISSION LIMITED

Summary of material accounting policies and other explanatory information to the financial statements for the year ended 31 March 2025

Note : 29 The expenditures incurred including the borrowing cost during the initial project period are classified as "Capital Work-in-progress" pending capitalization and will be apportioned to the Assets on completion.

Note : 30 The previous year figures have been regrouped/reclassified, wherever necessary to conform to current presentation.

Signatories to Notes 1 to 30

Notes forming part of Financial Statements

As per our report of even date

For Maheshwari & Associates

Chartered Accountants

FRN : 311008E

CA. Bijay Murmuria

Partner

M. No. 055788

Place : Kolkata

Date: 24-05-2025



For and on behalf of the Board of Directors

 

Dinesh Parakh

Raj Kumar Raina

Director

Director

DIN: 00057091

DIN : 03311376

Place : Gurgaon

Date: 24-05-2025