

HADOTI POWER TRANSMISSION SERVICE LIMITED

2nd
ANNUAL REPORT
&
FINANCIAL STATEMENTS

2017-18

HADOTI POWER TRANSMISSION SERVICE LIMITED

CIN: U40106RJ2016SGC054887

(A wholly owned Subsidiary Company of Rajasthan Rajya Vidyut Prasaran Nigam Limited)

HADOTI POWER TRANSMISSION SERVICE LIMITED

BOARD OF DIRECTORS

- Sh. Kamal Jain - Chairman & Director
Sh. Rajesh Kumar Jain - Director
Sh. Vipin Mathur - Director

AUDITORS

M/s Jain Shrimal & Co
Chartered Accountants
F.R.N. No. 001704C
62, Ganagwal Park, M. D. Road,
Jaipur-302004

BANKER

State Bank of India

REGD. OFFICE & HEAD OFFICE

Vidyut Bhawan
Janpath, Jyoti Nagar, Jaipur-302005
Website : www.energy.rajasthan.gov.in/rvpnl

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HADOTI POWER TRANSMISSION SERVICE LIMITED

CIN: U40106RJ2016SGC054887

BALANCE SHEET AS AT 01st AUGUST, 2017

(Amount in ₹)

Particulars	Notes	As at 01st August, 2017	As at 31st March 2017
ASSETS			
1) Non-current assets			
(a) Property, Plant and Equipment		-	-
(b) Other Intangible assets		-	-
(c) Financial Assets			
(i) Trade receivables		-	-
(ii) Others (to be specified)		-	-
(d) Other non-current assets	1	138,198,285	
2) Current assets			
(a) Financial Assets			
(i) Trade Receivable		-	-
(ii) Cash and cash equivalent	2	500,000	500,000
(iii) Bank balances other than (ii) above		-	-
(iv) Others (to be specified)			
(b) Other current assets	3	4,068,448	-
Total Assets		142,766,733	500,000
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	4	500,000	500,000
(b) Other Equity	5	-970,473	-147,709
LIABILITIES			
1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables		-	-
(iii) Other financial liabilities		-	-
(b) Provisions		-	-
2) Current liabilities			
(a) Financial Liabilities			

HADOTI POWER TRANSMISSION SERVICE LIMITED

(Amount in ₹)

Particulars	Notes	As at 01st August, 2017	As at 31st March 2017
(i) Trade payables			
(ii) Other financial liabilities (other than those specified in item (c))	6	143,237,206	147,709
(b) Other current liabilities			
(c) Provisions			
Total Equity and Liabilities		142,766,733	500,000

For and on Behalf of the Board of Directors
HADOTI POWER TRANSMISSION SERVICE LIMITED

As per our Separate Report of even date
For Jain Shrimal & Co
Chartered Accountants
FRN No.:001704C

Sd/-
(KAMAL JAIN)
Director & Chairman
DIN 07565644

Sd/-
(RAJESH KUMAR JAIN)
Director
DIN 07635410

Sd/-
(NAMAN SHRIMAL)
Partner
M.No. 412044

Place : Jaipur
Dated : 10.08.2017

HADOTI POWER TRANSMISSION SERVICE LIMITED

CIN: U40106RJ2016SGC054887

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 01st AUGUST, 2017

(Amount in ₹)

Particulars	Note No.	For the period 1st April, 2017 to 01st August, 2017	For the period 10th May, 2016 to 31st March, 2017
I Revenue From Operations		-	-
II Other Income		-	-
III Total Income (I+II)		-	-
IV Expenses:			
Finance costs	7	545,206	
Other Expenses	8	277,558	147,709
Total Expenses (IV)		822,764	147,709
V Profit / (Loss) Before Exceptional Items and Tax (III-IV)		(822,764)	(147,709)
VI Exceptional Items		-	-
VII Profit / (Loss) Before Tax (V-VI)		(822,764)	(147,709)
VIII Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
IX Profit / (Loss) For The Year (VII-VIII)		(822,764)	(147,709)
X Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the period)(IX+X)		(822,764)	(147,709)
XII Earnings per equity share	9		
(1) Basic		(16.46)	(2.95)
(2) Diluted		(16.46)	(2.95)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS	A to D		

For and on Behalf of the Board of Directors
HADOTI POWER TRANSMISSION SERVICE LIMITED

As per our Separate Report of even date
For Jain Shrimal & Co
Chartered Accountants
FRN No.:001704C

Sd/-
(KAMAL JAIN)
Director & Chairman
DIN 07565644

Sd/-
(RAJESH KUMAR JAIN)
Director
DIN 07635410

Sd/-
(NAMAN SHRIMAL)
Partner
M.No. 412044

Place : Jaipur
Dated : 10.08.2017

HADOTI POWER TRANSMISSION SERVICE LIMITED

CIN: U40106RJ2016SGC054887

**STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 01.08.2017**

(Amount in ₹)

PARTICULARS	For the period 1st April 2017 to 01.08.2017		For the period 10th May, 2016 to 31st March, 2017	
	A. CASH FLOW FROM OPERATING ACTIVITIES :			
Net Profit/(Loss) before tax as per Statement of Profit & Loss		(822,764)		(147,709)
Changes in operating assets and liabilities				
Increase/(Decrease) in Other Financial assests		(138,198,285)		
Payable for Expenses		(53,949)		53,949
		(4,068,448)		
Cash Generated from operations		(143,143,446)		(93,760)
Taxes Paid				-
Net cash Inflow / (outflow) from operating activities (A)		(143,143,446)		(93,760)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Net cash Inflow / (outflow) from investing activities (B)		-		-
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of equity shares		-	500,000	
Financial Assistance received from Holding Company	143,143,446		93,760	
Net cash Inflow / (outflow) in financing activities (C)		143,143,446		593,760
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(0)		500,000
Cash and Cash equivalents at the beginning of the year		500,000		-
Cash and Cash equivalents at the close of the year (As per Note No. 1)		500,000		500,000

Note:-

The company was incorporated as Special Purpose Vehicle (SPV) by its holding company Rajasthan Rajya Vidyut Prasaran Nigam Limited (RVPN) for selection of Transmission Service Providers(s) for development of 220 kV and 132 kV Grid Sub-Stations (GSS) with associated lines through tariff based competitive bidding process on PPP Mode as per MoP, Gol guidelines on Built, Own, Operate and Maintain basis in the State of Rajasthan (Jaipur/Ajmer Discom Area). The expenses in connection with above objective have been incurred from time to time by RVPN on behalf of the company and accounted for in the books of accounts of company with no inflow/outflow of cash. The amount payable to RVPN has been treated as current liability since the company has no unconditional right to defer settlement of such liability for at least 12 months after the reporting date. The said liability has been treated as financial assistance received from holding company and accordingly treated as cash flow from financial activity as per requirement of Indian Accounting Standard -7 on 'Statement of Cash Flow'.

For and on Behalf of the Board of Directors
HADOTI POWER TRANSMISSION SERVICE LIMITED

As per our Separate Report of even date
For Jain Shrimal & Co
Chartered Accountants
FRN No.:001704C

Sd/-
(KAMAL JAIN)
Director & Chairman
DIN 07565644

Sd/-
(RAJESH KUMAR JAIN)
Director
DIN 07635410

Sd/-
(NAMAN SHRIMAL)
Partner
M.No. 412044

Place : Jaipur
Dated : 10.08.2017

CIN: U40106RJ2016SGC054887

Statements of changes in equity for the period ended on 01.08.2017**A. Equity Share Capital**

(Amount in ₹)

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of reporting period
5,00,000	-	5,00,000

(B) OTHER EQUITY

(Amount in ₹)

Particulars	Share Application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			Debt instruments through other Comprehensive Income	Equity Instruments through other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Effective Portion of Cash Flow hedges	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves								
Balance at the beginning of the reporting period													-147,709
Changes in accounting policy or prior period errors													-
Restated balance at the beginning of the reporting period													-147,709
Total Comprehensive Income for the Year													-822,764
Dividends													-
Transfer to retained earnings													-
Any other change (to be specified)													-
Balance at the end of the reporting period													-970,473

For and on Behalf of the Board of Directors
HADOTI POWER TRANSMISSION SERVICE LIMITED

As per our Separate Report of even date

For Jain Shrimal & Co
Chartered Accountants
FRN No.:001704C

Sd/-
(KAMAL JAIN)
Director & Chairman
DIN 07565644

Sd/-
(RAJESH KUMAR JAIN)
Director
DIN 07635410

Sd/-
(NAMAN SHRIMAL)
Partner
M.No. 412044

Place : Jaipur
Dated : 10.08.2017

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

A. **Company Overview :**

HADOTI POWER TRANSMISSION SERVICE LIMITED is a wholly owned subsidiary of Rajasthan Rajya Vidhyut Prasaran Nigam Limited (RVPN) and the same was incorporated on 10th May, 2016 under the Companies Act, 2013, pursuant to decision taken by the Board of Directors of RVPN, in its 238th meeting held on 9th November 2015, as a Special Purpose Vehicle (SPV) for selection of Transmission Service Provider(s) for development of 220 kV and 132 kV Grid Sub-Stations (GSS) with associated lines through tariff based competitive bidding process on PPP Mode as per MoP, GoI guidelines on Built, Own, Operate and Maintain basis in the State of Rajasthan (Jaipur/Ajmer Discom Area).

B. **Basis of Preparation**

1. **Statement of Compliance**

These financial statements are prepared on accrual basis of accounting and comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable. Figures of the current year as well as previous year have been rounded off to the nearest rupees.

2. **Basis of Accounting :**

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value.

3. **Functional and Presentation Currency:**

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Rupee, except as stated otherwise.

HADOTI POWER TRANSMISSION SERVICE LIMITED

C. Significant Accounting Policies

1. Leases

Finance leases

Leases of property, plant and equipment where the company, as lessee has substantially all risks and rewards of ownership are classified as finance lease. On initial recognition assets held under finance lease are recorded as property, plant and equipment and related liability is recognised under borrowings. At inception of the lease, finance lease are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating lease. Payments made under operating lease are recognised as an expense over the lease term. Lease incentive received are recognised as an integral part of the total lease expense, over the term of lease.

2. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction/ exploration/ development or erection of qualifying asset are capitalised as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take substantial period of time to get ready for their intended use or sale.

When company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalised. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalisation of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition, construction/exploration or erection of the qualifying asset.

HADOTI POWER TRANSMISSION SERVICE LIMITED

Capitalisation of borrowing cost ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Income earned on temporary investments of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are recognised as an expense in the year in which they are incurred.

3. **Preliminary Expenses:**

Preliminary Expenses are fully charged to Statement of Profit & Loss in the year of incurrence in compliance with Ind AS-38 on Intangible assets.

4. **Income Taxes :**

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in OCI or equity.

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

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the 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.

5. **Earnings per share :**

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number

HADOTI POWER TRANSMISSION SERVICE LIMITED

of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

6. **Statement of Cash Flow :**

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

7. **Current and non-current classification:**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- 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 current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

8. Accounting Policies are adopted by company to the extent applicable during the period.

HADOTI POWER TRANSMISSION SERVICE LIMITED

D. Notes on Financial Statements

Note No. 1:- Other Non- Current Assets

(Amount in ₹)

Particulars	As at 01.08.2017	As at 31.03.2017
Prepaid Lease Charges (One Time)*	142,395,679	-
Less: Charged to expense	128,946	-
Less: Carried to current assets (Current Portion)	4,068,448	-
TOTAL	138,198,285	-

Note No. 2:- Cash and Cash equivalents

(Amount in ₹)

Particulars	As at 01.08.2017	As at 31.03.2017
Cash on Hand	-	-
Balances with banks	500,000	500,000
TOTAL	500,000	500,000

Note No. 3:- Other Current Assets

(Amount in ₹)

Particulars	As at 01.08.2017	As at 31.03.2017
Prepaid Lease Charges (Carried From Note No-1)	4,068,448	-
TOTAL	4,068,448	-

SHAREHOLDERS' FUNDS

Note No.4:- Equity Share Capital

(Amount in ₹)

Particulars	As at 01.08.2017	As at 31.03.2017
Authorised Share Capital		
50,000 Equity Shares of ₹10/- each	500,000	500,000
Issued, Subscribed & Paid Up Share Capital		
50,000 Equity Shares of ₹10/- fully paid up.	500,000	500,000
TOTAL	500,000	500,000

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share and dividend as and when declared by the Company.

The dividend, if 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.

HADOTI POWER TRANSMISSION SERVICE LIMITED

4.1 Reconciliation of the number of Equity Shares

Particulars	No. of Shares	
	2017-18	2016-17
At the beginning of the year	50,000	-
Add: Issued during the year	-	50,000
At the end of the year	50,000	50,000

Shares held by each shareholder holding more than 5 percent of number of shares

Name of Shareholder	As at 01.08.2017		As at 31.03.2017	
	Shares held	% of Holding	Shares held	% of Holding
Rajasthan Rajya Vidyut Prasaran Nigam Limited (Holding Company) & its Nominees	50,000	100%	50,000	100%
Total	50,000	100%	50,000	100%

Note No.5:- Other Equity

(Amount in ₹)

Particulars	As at 01.08.2017	As at 31.03.2017
Retained Earning		
Opening Balance	-147,709	-
Add: Profit/(Loss) for the period	-822,764	-147,709
Closing Balance	-970,473	-147,709
Total	(970,473)	(147,709)

Note No. 6:- Other Financial Liabilities

(Amount in ₹)

Particulars	As at 01.08.2017	As at 31.03.2017
Others		
Payable to Holding Company (RVPNL)	143,237,206	93,760
Payable for Expenses		53,949
TOTAL	143,237,206	147,709

HADOTI POWER TRANSMISSION SERVICE LIMITED

Note No. 7:- Finance Cost

(Amount in ₹)

Particulars	As at 01.08.2017	As at 31.03.2017
Interest	545,206	-
TOTAL	545,206	-

Paid to the RRVPNL on SBIBPLR rates on advance received from RRVPNL

Note No. 8:- Other Expenses

(Amount in ₹)

Particulars	For the period 1st April, 2017 to 01st August, 2017	For the period 10th May, 2016 to 31st March, 2017
Statutory Audit Fees	25,960	25,300.00
Remuneration/Honorarium Service Charge	20,433	30,783.00
Fees & Subscriptions	2,300	1,600
Advertisement Expenses	28,789	-
Preliminary Expenses	-	40,926
Stationary Charges	1,000	-
Lease Charges	128,946	-
Stamp Postage Charges	-	500
Professional Charges	70,130	48,600
TOTAL	277,558	147709

Note No. 9:- Earnings Per Equity Share (EPS) and Diluted EPS

Particulars	Unit	For the period 1st April, 2017 to 01st August, 2017	For the year ended 31-Mar-2017
		Basic and Diluted	Basic and Diluted
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (a)	₹	(822,764)	(147,709)
Weighted Average number of equity shares used as denominator for calculating EPS (b)	No.	50,000	50,000
Earning Per Share (EPS)	₹	(16.46)	(2.95)
Face Value per equity share	₹	10	10

HADOTI POWER TRANSMISSION SERVICE LIMITED

10. Other Notes:

A. Contingent Liabilities and Commitments:

Based on information as made available by Holding company RVPN and other information, the Company does not have any outstanding Contingent liability and Commitment as on 01.08.2017.

B. No amount was outstanding to Suppliers having their status as Micro Enterprises or Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

C. Related Parties

a) Holding Company:

Rajasthan Rajya Vidyut Prasaran Nigam Limited

(b) Key Managerial Personnel :

S.No.	Name	Designation	Date of	Date of
1	Sh. R. K. Bhandari	Director & Chairman	03.08.2016 09.02.2017	15.05.2017 15.05.2017
2	Sh. Kamal Jain	Director & Chairman	03.08.2016 15.05.2017	Continue
3	Sh. R. K. Jain	Director	09.02.2017	Continue
4	Sh.Vipin Mathur	Director	15.05.2017	Continue
5	Sh.Vinod Kumar Mishra	Director	15.05.2017	Continue
6	Sh.Anil Kumar Gupta	Director	15.05.2017	Continue

D. Transactions with Related Parties

S. No.	Name of the Company	Nature of transaction	For the period 1st April,2017 to 01st Aug, 2017	For the year ended 31st March, 2017
1	RRVPNL (Holding Company)	Financial Assistance	143,143,446	93,760
2	RRVPNL (Holding Company)	Interest Expenses	545,206	-

HADOTI POWER TRANSMISSION SERVICE LIMITED

E. Outstanding Balances with related parties

Particulars	As on 01.08.2017	As on 31st March 2017
Amount Payable		
-To Holding Company	143,237,206	93,760
-To Key Managerial Personnels	-	
-To Post Employment Benefit Plans	-	
-To Others	-	

- F. All assets and liabilities are presented as Current or Non-current as per general instructions set out in Schedule III to the Company's Act, 2013.
- G. The Board of Directors of RVPN in its 257th meeting held on 26th April 2017 approved the transfer of 100% shareholding held by RVPN and its nominees in the company to M/s Adani Transmission Limited, the selected bidder (TSP). The bidder shall also discharge the amount payable to RVPN in the books of the company, which comprise of cost of land and other expenses already incurred, overheads @ 7.5% on the cost of land and actual expenses plus interest @ SBI BPLR on the amount advanced by RVPN to company from time to time as per Audited Balance Sheet of the company on the closing date 01.08.2017 @ SBIBPLR rate of 13.85% as approved by RVPN. The sub-lease agreement of the lands have been registered by RVPN in favour of company during June and July 2017 for 35 years/ tenure of transmission license. Accordingly the cost of land and actual expenses already incurred, overheads @ 7.5% on the cost of land and actual expenses has been accounted for as lease charges/ prepaid lease charges (Including GST), being this transaction is an operating Lease .Interest expense on amount payable to RRVPNL has been charged to Statement of Profit & Loss.
- H. No provision for deferred tax assets / liability pursuant to Ind AS-12 "Income Taxes" has been made by the company as there is no virtual certainty supported by convincing evidence that there shall be any future tax liability against which the provisions can be adjusted. Therefore it has been considered that no provision be made pursuant to Ind AS-12.
- I. **Disclosure as per Ind AS 17 'Lease'**

The company has taken various land on lease for a period of 35 years and amount of lease charges (one time) has been disclosed as prepaid lease payment (Refer Note-1)

The future minimum lease payments to be made under non-cancellable operating leases are as follows:

HADOTI POWER TRANSMISSION SERVICE LIMITED

PARTICULARS	As on 01.08 2017	As on 31.03 2017
Within one year	6,870,027	-
Later than one year but not later than 5 years	27,480,108	-
Later than 5 years	206,100,810	-

J. Figures of the current year have been rounded off to the nearest rupees.

For and on Behalf of the Board of Directors
HADOTI POWER TRANSMISSION SERVICE LIMITED

As per our Separate Report of even date
For Jain Shrimal & Co
Chartered Accountants
FRN No.:001704C

Sd/-
(KAMAL JAIN)
Director & Chairman
DIN 07565644

Sd/-
(RAJESH KUMAR JAIN)
Director
DIN 07635410

Sd/-
(NAMAN SHRIMAL)
Partner
M.No. 412044

Place : Jaipur
Dated : 10.08.2017

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
Hadoti Power Transmission Service Limited
Report on the Financial Statements

We have audited the accompanying financial statements of Hadoti Power Transmission Service Limited, which comprise the Balance Sheet as at 1st August 2017, the Statement of Profit and Loss, the Cash Flow Statement for the period 1st April, 2017 to 1st August, 2017 and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness

HADOTI POWER TRANSMISSION SERVICE LIMITED

of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 1st August, 2017, and its loss and its cash flows for the period 1st April, 2017 to 1st August, 2017.

We have framed our opinion on the basis of financial statements prepared for the reporting period i.e. from 01.04.2017 to 01.08.2017 (closing date as decided and intimated by the management), however the 100% shareholding of company will be transferred at a future date to the successful bidder as per holding company BOD resolution dated 26.4.2017. Therefore, our opinion is limited to that extent.

Report on Other Legal and Regulatory Requirements

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 Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

The holding company has decided to transfer the ownership of the company to successful bidder on going concern basis in BOD Meeting dated 26.04.2017. The closing date for financial statements has been decided as 01.08.2017 as reported by the management during the course of audit.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) In terms of Notification No. F.NO. 1/2/2014-CL.V dated 05.06.2015 issued by the Ministry of Corporate Affairs, the company being Government Company, is exempt from provisions of section 164(2) of the Companies Act, 2013 regarding disqualification of Director.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

As required by section 143(5) of the Act, we give a statement on the compliance to the Directions issued by the comptroller & Auditor General of India,

- a) Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available?
 - As per records made available to us and according to the information and explanations given to us, company does not own any land as at Balance Sheet date. The company has received lands for establishment of 132 KV GSS at various locations from Holding Company on sub lease basis for the period(including extended period, if any) of transmission license or termination of transmission agreement whichever is earlier. The ownership of land lies with the parent company i.e. Rajasthan Rajya Vidyut Prasaran Nigam Limited(RVPN). However, since the ownership of land does not lie with the Company , therefore reporting for this direction is not applicable.
- b) Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and amount involved.
 - As per explanation provided to us by the Management, there are no cases of waiver/write off of debts/loans/interest etc.
- c) Whether proper records are maintained for inventories lying with third parties & assets received as gifts/grant(s) from the Govt. or other authorities.
 - As per explanation provided to us by the Management, there are no cases of inventories lying with third parties & assets received as gifts/grant(s) from the Govt. or other authorities.

For **Jain Shrimal & Co.**
Chartered Accountants
FRN 001704C

Sd/-
(Naman Shrimal)
Partner
M. No. 412044

Place: Jaipur

Dated: 10.08.2017

Annexure "A"- Other Legal and Regulatory Requirements.

Re: Hadoti Power Transmission Service Limited

- i. Based on our scrutiny of the company's books of account and other records and according to the information and explanations received by us from the management, we are of the opinion that the question of commenting on maintenance of proper records of fixed assets does not arise since the company had no fixed assets as on 1st August, 2017 nor at any time during the period ended 1st August, 2017.
- ii. As the company has not purchased /sold goods during the period nor is there any opening stocks, requirement of reporting on physical verification of stocks or maintenance of inventory records, in our opinion, does not arise.
- iii. According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has not granted loans, making investments and providing guarantees and securities therefore the provisions of section 185 and 186 of Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities is not applicable.
- v. Based on our scrutiny of the company's records and according to the information and explanations provided by the management, in our opinion, the company has not accepted any loans or deposits which are 'deposits' within the meaning of Rule2(b) of the Companies(Acceptance of Deposits) Rules, 2014.
- vi. As per Companies (Cost Records and Audit Rules),2014 to applicability of maintenance of cost records the general threshold turnover limit Rs.35 Cr has been prescribed, so therefore the maintenance of cost records under sub-section (1) of section 148 of the Companies Act for mentioned in the clause (vi) of paragraph of the order are not applicable.
- vii. (a) There are no arrears of outstanding statutory dues as at the last day of the period concerned for a period of more than six months from the date they became payable. All expenditures pertaining to the company has been incurred by the holding company and tax has been deducted and deposit by holding company itself except for TDS to be deposited on lease rent which is incurred by auditee but will be deposited by holding company on behalf of auditee.
(b) There are no dues of income tax or sales tax or service tax or duty of customs or value added tax which has not been deposited on account of any dispute.
- viii. According to records of the company, the company has not borrowed from financial institutions

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or banks or Government or issued debentures till 1st August, 2017. Hence, in our opinion, the question of reporting on defaults in repayment of loans or borrowing to a financial institutions, banks, government or dues to debenture holders does not arise.

- ix. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the period. No Term loan has been obtained by the Company during the period.
- x. According to the information and explanations given to us, no fraud by the company or fraud on the company by its officers or employees has been noticed or reported during the period.
- xi. Section 197 is not applicable on the government company; therefore, reporting under clause 3(xi) is not applicable.
- xii. In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is not a Nidhi Company hence, in our opinion, the requirement of Clause3(xii) of the order do not apply to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under audit.
- xv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause (xv) of Para 3 of the Order is not applicable.
- xvi. According to the information and explanations given to us and based on our examination of the records of the company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Jain Shrimal & Co.**
Chartered Accountants
FRN 001704C

Sd/-
(Naman Shrimal)
Partner
M. No. 412044

Place: Jaipur

Dated: 10.08.2017

संख्या : सीएडब्ल्यू-1/वा.ले./एचपीटीएसएल/2017-18/के-697/प्रे. 1449

भारतीय लेखापरीक्षा और लेखा विभाग

कार्यालय महालेखाकार (आर्थिक एवं राजस्व क्षेत्र लेखा परीक्षा), राजस्थान
जनपथ, जयपुर-302005

INDIAN AUDIT AND ACCOUNTS DEPARTMENT

OFFICE OF THE ACCOUNTANT GENERAL (ECONOMIC & REVENUE SECTOR AUDIT) RAJASTHAN
JANPATH, JAIPUR - 302005

दिनांक 16.10.2017

अध्यक्ष एवं प्रबंध निदेशक
राजस्थान राज्य विद्युत प्रसारण निगम लिमिटेड
विद्युत भवन, ज्योति नगर, जयपुर।

विषय : हाड़ौती पॉवर प्रसारण सेवा लिमिटेड (एचपीटीएसएल) के 01.08.2017 को समाप्त अवधि के वित्तीय विवरणों का अनुपूरक अंकेक्षण।

महोदय,

कम्पनी के वित्तीय विवरणों का अनुपूरक अंकेक्षण इस कार्यालय द्वारा 21.08.2017 से 23.08.2017 की अवधि के दौरान किया गया था। अंकेक्षण के दौरान चार आक्षेप पाये गये थे। पीओएम संख्या 3, निर्माण अवधि के दौरान ब्याज का तथा भूमि की लागत में अन्य व्ययों का समावेश नहीं करने से संबंधित है, इस संदर्भ में लेखा-पुस्तकों में आवश्यक समायोजन किया जा सकता है।

चूंकि 01 अगस्त, 2017 तक के अंकेक्षित लेखों के आधार पर, एचपीटीएसएल अंश क्रय समझौता दिनांक 11 अगस्त, 2017 के अनुसार यथा सरकारी कम्पनी के समाप्त हो गयी है अतः एचपीटीएसएल के 01.04.2017 से 01.08.2017 की अवधि के वित्तीय विवरणों पर कम्पनी अधिनियम, 2013 के अधीन अंकेक्षण प्रमाण-पत्र जारी करने की आवश्यकता नहीं है।

भवदीय

ह./-

वरि. उप महालेखाकार
(आर्थिक क्षेत्र-I)