

**INDEPENDENT AUDITORS' REPORT**

To the Members of  
**SHONGTONG KARCHAM – WANGTOO TRANSMISSION LIMITED**  
First Floor, Urjanidhi  
1, Barakhamba Lane, Connaught Place  
New Delhi – 110 001

**REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

**Opinion**

We have audited the accompanying Standalone Financial Statements of **SHONGTONG KARCHAM – WANGTOO TRANSMISSION LIMITED** ("the Company") which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the Financial Statements including a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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, of the State of Affairs of the Company as at March 31, 2020, its losses, 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

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### Material Uncertainty Related to Going Concern

The project for which the company was incorporated i.e. Shongtong Karcham HEP (450 MW) has been de – notified by the Government of India and after getting necessary approvals for closure of the company, the company needs to be struck off. **Therefore, the balance sheet of the company has not been prepared on going concern basis.** Accordingly, the Capital work – in – progress and other expenditure incurred on the project has been adjusted with the other equity of holding company PFC Consulting Limited. Since the company has been de – notified no expenditure has been capitalised and other expenses have been booked by PFC Consulting Limited.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

### Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial 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 standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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### Responsibility of Management for the Standalone Financial Statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company's financial reporting process.



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### **Auditor's Responsibility 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:

- a. 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.
- b. 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
- c. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.
- d. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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



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### Emphasis of Matters

We do not have any individual matters that need specific attention in the Financial Statements. Thus, we have nothing to report in this regard.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of sub – section (11) of Section 143 of the Companies Act, 2013, we give in **Annexure – "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of Section 143(5) of the Act, in the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, in the **Annexure – "B"** on the directions and sub – directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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) As per the information and explanations given to us, the company has no independent branch office. Hence, no individual branch auditor was appointed and there was no requirement to consider report of branch auditor while preparing our report;
  - (d) The balance sheet, the statement of profit and loss, the statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account;
  - (e) 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;



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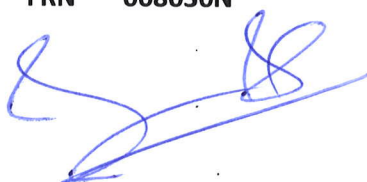
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- (f) Being a Government Company, pursuant to notification no. G.S.R. 463(E) dated 05.06.2015 issued by the Government of India, provisions of Section 164(2) of the Act, regarding disqualification of director is not applicable to the company.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure – "C"**.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the company has not paid any remuneration to its directors during the year under audit, therefore the reporting requirement whether the remuneration paid is in excess of the provisions of section 197 of the Act is not applicable to the company.
- (i) 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;
- a. The Company does not have any pending litigations which would impact its financial position;
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **SINGHAL SUNIL & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN 008030N



**CA SUNIL SINGHAL**  
PARTNER

M. No. 086904

UDIN – 20086904AAAAHN5164

Date : 9<sup>th</sup> June 2020  
Place : New Delhi

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**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF SHONGTONG KARCHAM – WANGTOO TRANSMISSION LIMITED**

*(Referred to in Paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of Shongtong Karcham – Wangtoo Transmission Limited of even date)*

We report that –

1. In respect of Fixed Assets –

The company has no Fixed Assets. Hence, the provisions of clause (i) of paragraph 3 of the Order are not applicable.

2. In respect of Inventories –

The Company does not hold any inventories; hence clause (ii) of paragraph 3 of the Order is not applicable.

3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

4. In our opinion and according to the information and explanations given to us, the company has not given any loan, guarantee and security to and on behalf of any of its Directors as stipulated under section 185 of the Act and the Company has complied with the provisions of section 186 of the Act, with respect to the loans made.

5. Based on our scrutiny of the company's records and according to the information and explanations given to us, in our opinion, the Company has not accepted deposit from the public within the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.

6. According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, for any of the activities of the company. Thus, reporting under clause (vi) of para 3 of the order is not applicable.



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7. In respect of Statutory Dues –

a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax / goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with appropriate authorities. According to the information and explanations given to us, there are no undisputed statutory dues outstanding as at March 31<sup>st</sup>, 2020 for a year of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no material disputed statutory dues payable in respect of income tax, service tax / goods and service tax, duty of customs, duty of excise and value added tax which are outstanding as at March 31<sup>st</sup>, 2020.

8. According to the information and explanations given to us, the company has not taken any loan from any financial institution or bank or debenture holder. Hence, clause (viii) of paragraph 3 of the Order is not applicable.
9. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year, hence clause (ix) of paragraph 3 of the Orders not applicable.
10. Based upon the audit procedures performed, information, and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has not paid / provided for any managerial remuneration during the year as stipulated to section 197 read with Schedule V to the Act, hence clause (xi) of paragraph 3 of the Order is not applicable.
12. The Company is not a Nidhi company hence clause (xii) of paragraph 3 of the Order regarding default is not applicable.
13. 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 have been entered into by the company in its ordinary course of business on an arm's length basis and therefore the provisions of section 177 and 188 of the Act are not applicable to the company, however the details of such transactions have been disclosed in the financial statements as required by the applicable accounting Standards.



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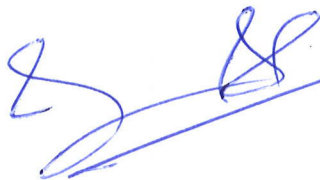
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14. According to the records of Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, provisions of clause (xiv) of paragraph 3 of the Order are not applicable.
15. 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 him. Therefore, provisions of clause (xv) of paragraph 3 of the Order are not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For SINGHAL SUNIL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN 008030N**



**CA SUNIL SINGHAL**  
**PARTNER**  
**M. No. 086904**  
**UDIN – 20086904AAAAHN5164**

**Date : 9<sup>th</sup> June 2020**  
**Place : New Delhi**

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**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF SHONGTONG KARCHAM – WANGTOO TRANSMISSION LIMITED**

(Referred to in Paragraph 2 under 'Report on other legal and regulatory requirements' section of our report to the members of Shongtong Karcham – Wangtoo Transmission Limited of even date)

**Replies to the Directions issued by Comptroller & Auditor General of India to the Statutory Auditors under Section 143(5) of the Companies Act, 2013 for the year ended March 31<sup>st</sup> 2020**

S. No.	PARTICULARS	REPLY
1.	Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes
2.	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	There are no cases of waiver / write off of debts / loans / interest etc., hence this clause is not applicable.
3.	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its terms and conditions? List the cases of deviation.	There are no funds received / receivable for specific schemes from Central / State agencies, hence this clause is not applicable.

**For SINGHAL SUNIL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN 008030N**




**CA SUNIL SINGHAL**  
**PARTNER**

**M. No. 086904**

**UDIN – 20086904AAAAHN5164**

**Date : 9<sup>th</sup> June 2020**  
**Place : New Delhi**

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**ANNEXURE "C" TO THE INDEPENDENT AUDITOR'S REPORT OF SHONGTONG KARCHAM – WANGTOO TRANSMISSION LIMITED**

*(Referred to in Paragraph 3 under 'Report on other legal and regulatory requirements' section of our report to the members of Shongtong Karcham – Wangtoo Transmission Limited of even date)*

**Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of The Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of SHONGTONG KARCHAM – WANGTOO TRANSMISSION LIMITED ("the Company") as of March 31<sup>st</sup> 2020 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 Board of Directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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



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

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that-

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations 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.

### Limitations of Internal Financial Controls over Financial Reporting

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



Page 13 of 15

#### Head Office

105, Laxman Palace, 19 Veer Savarkar Block, Shakarpur, Delhi - 110 092

Phone / Fax: +91-11-4244 4225, 2202 1201, Mobile: +91- 98102 91779, 99589 07329

Email: sunil.singhal.ca@gmail.com, singhal.sunil.88@gmail.com, Website.: www.casunilsinghal.com

#### Branches

AHMEDABAD | BHUBANESWAR | CHANDIGARH | FARIDABAD | GHAZIABAD | JAIPUR | LUCKNOW | MUMBAI | RAMGARH | RANCHI | REWA | SHIMLA | SURAT  
Gujarat Odisha Punjab Haryana Uttar Pradesh Rajasthan Uttar Pradesh Maharashtra Jharkhand Jharkhand Madhya Pradesh Himachal Pradesh Gujarat

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SINGHAL SUNIL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN 008030N**



**CA SUNIL SINGHAL**  
**PARTNER**  
**M. No. 086904**  
**UDIN – 20086904AAAAHN5164**

**Date : 9<sup>th</sup> June 2020**  
**Place : New Delhi**

**Head Office**

**105, Laxman Palace, 19 Veer Savarkar Block, Shakarpur, Delhi - 110 092**  
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Gujarat Odisha Punjab Haryana Uttar Pradesh Rajasthan Uttar Pradesh Maharashtra Jharkhand Jharkhand Madhya Pradesh Himachal Pradesh Gujarat



**COMPLIANCE CERTIFICATE**

We have conducted the audit of annual accounts of **SHONGTONG KARCHAM – WANGTOO TRANSMISSION LIMITED** for the year ended March 31<sup>st</sup>, 2020 in accordance with the directions / sub-directions issued by the Comptroller & Auditor General of India under Section 143(5) of The Companies Act, 2013 and certify that we have complied with all the directions / sub-directions issued to us.

For **SINGHAL SUNIL & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FRN 008030N



**CA SUNIL SINGHAL**  
PARTNER  
M. No. 086904

Date : 9<sup>th</sup> June 2020  
Place : New Delhi

Page 15 of 15

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Gujarat Odisha Punjab Haryana Uttar Pradesh Rajasthan Uttarakhand Maharashtra Jharkhand Jharkhand Madhya Pradesh Himachal Pradesh Gujarat

**SHONGTONG KARCHAM-WANGTOO TRANSMISSION LIMITED**

(CIN: U40300DL2017GOI310556)

Balance Sheet as at March 31, 2020

(₹ in Hundreds)

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(I)	<b>Assets</b>			
(1)	<b>Non-Current Assets</b>			
	(a) Capital Work-in-Progress	3	-	2,07,633.37
(2)	<b>Current Assets</b>			
	(a) Financial Assets			
	(i) Cash and Cash Equivalents	4	-	672.66
	(b) Other Current Assets	5	-	17,247.24
	<b>Total assets</b>		-	<b>2,25,553.27</b>
(II)	<b>Equity and Liabilities</b>			
(1)	<b>Equity</b>			
	(a) Equity Share Capital	6	1,000.00	1,000.00
	(b) Other Equity	7	(1,000.00)	(194.51)
			-	<b>805.49</b>
(2)	<b>Liabilities</b>			
(A)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	8	-	2,24,296.59
	(ii) Other Financial Liabilities	9	-	295.00
	(b) Other Current Liabilities	10	-	156.19
			-	<b>2,24,747.78</b>
	<b>Total equity and liabilities</b>		-	<b>2,25,553.27</b>

See accompanying notes from 1 to 29 to the financial statements

For and on behalf of Board of Directors



(Sanjay Nayak)  
Director  
DIN:08197193



(D. Manavalan)  
Chairman  
DIN:08102722

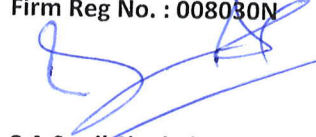
As per our report of even date

For &amp; on behalf of

**Singhal Sunil & Associates**

Chartered Accountants

Firm Reg No. : 008030N



C.A. Sunil Singhal  
(Partner)

M.No. 086904



Place: New Delhi

Date: 22/05/2020




**SHONGTONG KARCHAM-WANGTOO TRANSMISSION LIMITED**  
**(CIN: U40300DL2017GOI310556)**  
**Statement of Profit and Loss for the year ended March 31, 2020**

(₹ in Hundreds)

Particulars	Note No.	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Revenue from operations		-	-
Other income		-	-
<b>Total Income (I)</b>		-	-
<b>Expenses</b>			
Expenditure written off	11	617.64	-
Other expenses	12	187.85	-
<b>Total expenses (II)</b>		<b>805.49</b>	-
<b>Profit/(loss) before tax (I- II =III)</b>		<b>(805.49)</b>	-
Tax expense: (IV)			
Current tax		-	-
Deferred tax		-	-
<b>Profit/(loss) for the period (III - IV = V)</b>		<b>(805.49)</b>	-
<b>Other Comprehensive Income (VI)</b>		-	-
<b>Total Comprehensive Income for the period (V + VI =VII)</b>		<b>(805.49)</b>	-
Earnings per equity share : (VIII)			
Basic and diluted (in ₹), (Par value Rs.10)	14	(8.05)	-

See accompanying notes from 1 to 29 to the financial statements

**For and on behalf of Board of Directors**

  
**(Sanjay Nayak)**  
**Director**  
**DIN:08197193**

  
**(D. Manavalan)**  
**Chairman**  
**DIN:08102722**

As per our report of even date  
For & on behalf of  
**Singhal Sunil & Associates**  
Chartered Accountants  
**Firm Reg No. : 008030N**

  
**C.A. Sunil Singhal**  
**(Partner)**  
**M.No. 086904**



Place: New Delhi  
Date: 22/05/2020

## SHONGTONG KARCHAM-WANGTOO TRANSMISSION LIMITED

(CIN: U40300DL2017GOI310556)

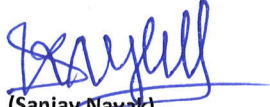
## Statement of Cash Flow for the year ended March 31, 2020

(₹ in Hundreds)

	Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
<b>A.</b>	<b>Cash flow from operating activities:</b>		
	Net profit/(loss) before tax	(805.49)	-
	<b>Adjustments for:</b>		
	Expenditure written off	617.64	-
	<b>Operating Profit before Working Capital changes</b>	<b>(187.85)</b>	<b>-</b>
	<b>Adjustments for changes in Working Capital :</b>		
	- Increase/(decrease) in Other Financial Liabilities	(295.00)	-
	- Increase/(decrease) in Other Current Liabilities	(156.19)	(5,136.48)
	- Increase/(decrease) in Other Current Assets	242.84	(2,140.60)
	<b>Cash generated from operating activities</b>	<b>(396.20)</b>	<b>(7,277.08)</b>
	Income taxes paid	-	-
	<b>Net cash from operating activities</b>	<b>(396.20)</b>	<b>(7,277.08)</b>
<b>B.</b>	<b>Cash flow from Investing activities:</b>		
	(Increase)/decrease in Capital work in progress	1,561.92	(11,920.86)
	<b>Net cash from Investing activities</b>	<b>1,561.92</b>	<b>(11,920.86)</b>
<b>C.</b>	<b>Cash flow from Financing Activities:</b>		
	Issue of Share Capital	-	-
	Increase/(decrease) in Short - term borrowings	(1,838.38)	18,874.40
	<b>Net cash from financing activities</b>	<b>(1,838.38)</b>	<b>18,874.40</b>
	<b>Net Increase/(Decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>(672.66)</b>	<b>(323.54)</b>
	<b>Add: Cash and cash equivalents at the beginning of the period</b>	<b>672.66</b>	<b>996.20</b>
	<b>Cash and Cash Equivalents as at Closing (Note-4)</b>	<b>-</b>	<b>672.66</b>
	<b>Comprising of :</b>		
	Balance with banks in Current Accounts	-	672.66

See accompanying notes from 1 to 29 to the financial statements

For and on behalf of Board of Directors



(Sanjay Nayak)

Director

DIN:08197193



(D. Manavalan)

Chairman

DIN:08102722

As per our report of even date

For &amp; on behalf of

Singhal Sunil &amp; Associates

Chartered Accountants

Firm Reg No. : 008030N



C.A. Sunil Singhal

(Partner)

M.No. 086904



Place: New Delhi

Date: 22/05/2020



**SHONGTONG KARCHAM-WANGTOO TRANSMISSION LIMITED**

(CIN: U40300DL2017GOI310556)

Statement of Changes in Equity for the year ended March 31, 2020

**A. EQUITY SHARE CAPITAL**

(₹ in Hundreds)

	Amount
Balance at the beginning of the reporting period as at 1st April 2018	1,000.00
Changes in equity share capital during the year (FY 2018-19)	-
Balance at the end of the reporting period as at March 31, 2019	1,000.00
Changes in equity share capital during the year (FY 2019-20)	-
Balance at the end of the reporting period as at March 31, 2020	1,000.00


**B. OTHER EQUITY**


(₹ in Hundreds)

Particulars	Amount
<b>Retained Earnings:</b>	
Balance as at 1st April 2018	(194.51)
Total comprehensive income for the year 2018-19	-
Balance at March 31, 2019	(194.51)
Total comprehensive income for the year 2019-20	(805.49)
Balance at March 31, 2020	(1,000.00)

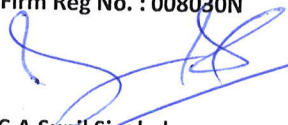
See accompanying notes from 1 to 29 to the financial

For and on behalf of Board of Directors

  
(Sanjay Nayak)  
Director  
DIN:08197193

  
(D. Manavalan)  
Chairman  
DIN:08102722

As per our report of even date  
For & on behalf of  
**Singhal Sunil & Associates**  
Chartered Accountants  
Firm Reg No. : 008030N

  
C.A. Sunil Singhal  
(Partner)  
M.No. 086904



Place: New Delhi

Date: 22/05/2020

# SHONGTONG KARCHAM-WANGTOO TRANSMISSION LIMITED

(CIN: U40300DL2017GOI310556)

Notes to the Financial Statements for the year ended March 31, 2020

## 1 Corporate Information

The Company was incorporated on 13.01.2017 under the Companies Act, 2013 as a wholly owned subsidiary of PFC Consulting Limited (PFCCL), which is a wholly owned subsidiary of Power Finance Corporation Ltd (PFC Ltd) a Govt. of India undertaking. The registered office of the Company is located at 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi-110001. The company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forecast clearance etc., if required for the purpose of transmission of electricity in the state of Uttar Pradesh (project) and to conduct bidding process etc. for the selection of transmission service provider. Due to operational issues, the Ministry of Power (MoP) de-notified the scheme on 10.09.2018, which has been noted by the board and proposed to adjust all the assets and liabilities in the books of account & striking off the name of the company subject to the approvals from the Board of PFCCL, PFC and approval of MoP. The Board of Directors of PFCCL and PFC have accorded their approval for winding up of the company. MoP has also accorded its approval vide its letter dated 31.01.2020 for striking off the name of the Company.

## 2 General

### a. Basis of Preparation and Statement of Compliance

The financial statements have been prepared on historical cost convention and accrual basis of accounting and are in accordance with the Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and applicable provisions of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the Companies Act, 2013. However, in view of the fact that the company has been de-notified and to be struck off, the accounts are not prepared on going concern basis.

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

### b. Use of Estimate

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

### c. Recognition of Income / Expenditure

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

### d. Capital Work in Progress

Expenditure incurred on Consultancy /Administration /Interest /Manpower Charges/ Legal & Professional etc during construction period/setting up of project (net of incomes) is capitalised and treated as Capital Work in Progress.

### e. Expenditure incurred by Holding Company

Expenditure incurred by the company for the Project is funded by the Holding Company (PFCCL) and is considered as Short-Term Borrowings under the head Current Liabilities. Interest is charged by holding company (PFCCL) as per rate applicable from time to time.

### f. Preliminary Expenses

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

### g. Borrowing Costs

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

### h. Provisions, Contingent Liabilities and Contingent Assets

- (i) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.





**SHONGTONG KARCHAM-WANGTOO TRANSMISSION LIMITED**

(CIN: U40300DL2017GOI310556)

Notes to the Financial Statements for the year ended March 31, 2020

- (ii) Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.
- (iii) Contingent Assets are not recognised in the financial statements but are disclosed, where an inflow of economic benefit is probable.
- (iv) These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

**i. Cash & Cash Equivalents**

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

**j. Cash Flow Statement**

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

**k. Taxes on Income**

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

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

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

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

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

**l. Financial Instruments**

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

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

**l.1 Financial Assets**

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

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

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

**a) Financial Assets at Amortised Cost:**

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

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



**SHONGTONG KARCHAM-WANGTOO TRANSMISSION LIMITED**

(CIN: U40300DL2017GOI310556)

Notes to the Financial Statements for the year ended March 31, 2020

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

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

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

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

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

**ii) Impairment of Financial Assets**

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

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

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

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

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

**iii) De-recognition of Financial Assets**

**1.2 Financial Liabilities**

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

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

ii) De-recognition of financial liabilities

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

**(m) Earnings Per Share**

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





**SHONGTONG KARCHAM-WANGTOO TRANSMISSION LIMITED****(CIN: U40300DL2017GOI310556)****Notes to the Financial Statements for the year ended March 31, 2020****3. CAPITAL WORK-IN-PROGRESS**

Particulars	(₹ in Hundreds)	
	As at March 31, 2020	As at March 31, 2019
Opening Balance	2,07,633.37	1,95,712.51
Transferred from Expenditure during Construction Period (Note-13)	(1,561.92)	11,920.86
	2,06,071.45	2,07,633.37
Less: Amount adjusted (Note 11)	2,06,071.45	-
<b>TOTAL</b>	<b>-</b>	<b>2,07,633.37</b>

**4. CASH AND CASH EQUIVALENTS**

Particulars	(₹ in Hundreds)	
	As at March 31, 2020	As at March 31, 2019
Balance with bank: In Current Account	-	672.66
<b>TOTAL</b>	<b>-</b>	<b>672.66</b>

**5. OTHER CURRENT ASSETS**

Particulars	(₹ in Hundreds)	
	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good Balance with revenue authorities (Input Tax Credit-GST)	-	17,247.24
<b>TOTAL</b>	<b>-</b>	<b>17,247.24</b>



**SHONGTONG KARCHAM-WANGTOO TRANSMISSION LIMITED**

(CIN: U40300DL2017GOI310556)

Notes to the Financial Statements for the year ended March 31, 2020

**6. EQUITY SHARE CAPITAL**

Particulars	(₹ in Hundreds)	
	As at March 31, 2020	As at March 31, 2019
<b>Authorised capital</b>		
10,000 Equity shares of Rs.10 each (As at March 31, 2019; 10,000 Equity shares of Rs.10 each)	1,000.00	1,000.00
<b>Issued, Subscribed and Paid up</b>		
10,000 Equity shares of Rs.10 each (As at March 31, 2019; 10,000 Equity shares of Rs.10 each) fully paid up	1,000.00	1,000.00
<b>TOTAL</b>	<b>1,000.00</b>	<b>1,000.00</b>

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the Year	10,000	1,000.00	10,000	1,000.00
Shares Issued during the Year	-	-	-	-
Shares outstanding at the end of the Year	10,000	1,000.00	10,000	1,000.00

**(ii) Rights, Preferences and restriction attached to shares**

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

**(iii) Detail of Equity Shares Held by Holding Company:**

Particulars	No of shares	%
<b>As at March 31, 2020</b>		
PFC Consulting Limited, the Holding Company *	10,000	100%
<b>As at March 31, 2019</b>		
PFC Consulting Limited, the Holding Company *	10,000	100%

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares held	%	Number of Shares held	%
<b>Equity Shares</b>				
PFC Consulting Limited, the Holding Company *	10,000	100%	10,000	100%

\* Equity shares are held by PFC Consulting Limited and through its nominees.





**SHONGTONG KARCHAM-WANGTOO TRANSMISSION LIMITED**  
**(CIN: U40300DL2017GOI310556)**

**Notes to the Financial Statements for the year ended March 31, 2020**

**7. OTHER EQUITY**

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Retained Earnings:</b>		
Balance at the beginning of the year	(194.51)	(194.51)
<b>Add: Total Comprehensive Income for the Year</b>	(805.49)	-
<b>TOTAL</b>	<b>(1,000.00)</b>	<b>(194.51)</b>

**8. BORROWINGS**

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Financial liabilities carried at amortised cost (Unsecured)</b>		
Loans from related parties	2,12,600.47	2,14,438.85
Interest on Borrowings (Note-20)	9,857.74	9,857.74
	2,22,458.21	2,24,296.59
Less: Amount adjusted (Note 11)	2,22,458.21	-
<b>TOTAL</b>	<b>-</b>	<b>2,24,296.59</b>

**9. OTHER FINANCIAL LIABILITIES**

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
Expenses Payable - Audit Fee	-	295.00
<b>TOTAL</b>	<b>-</b>	<b>295.00</b>

**10. OTHER CURRENT LIABILITIES**

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues payable: (TDS)	-	156.19
<b>TOTAL</b>	<b>-</b>	<b>156.19</b>



**SHONGTONG KARCHAM-WANGTOO TRANSMISSION LIMITED****(CIN: U40300DL2017GOI310556)****Notes to the Financial Statements for the year ended March 31, 2020****11. EXPENDITURE WRITTEN OFF**

(₹ in Hundreds)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Capital Work-In-Progress written off	2,06,071.45	-
Balance with revenue authorities (GST ITC)	17,004.40	-
	2,23,075.85	-
Less: Borrowings of PFCCL including interest adjusted	2,22,458.21	-
<b>TOTAL</b>	<b>617.64</b>	<b>-</b>

**12. OTHER EXPENSES**

(₹ in Hundreds)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Professional and Consultancy charges	143.60	-
Legal & Filling Fee	16.00	-
Other Administrative Expenses	25.00	-
Bank Charges	3.25	-
<b>TOTAL</b>	<b>187.85</b>	<b>-</b>

**13. EXPENDITURE DURING CONSTRUCTION PERIOD**

(₹ in Hundreds)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
<b>Expenses:</b>		
Professional and Consultancy charges	-	1,512.36
Tour & Travel	-	91.02
Audit Fee	-	250.00
Manpower Charges	-	6,943.73
Telephone Expense	-	36.04
Vehicle Hiring and Running Expense	-	141.61
Legal & Filling Fee	-	13.80
Other Administrative Expenses	-	25.34
Outsourcing Expenses	-	2,903.42
Bank Charges	-	3.54
<b>Total</b>	<b>-</b>	<b>11,920.86</b>
Less: Reversal of manpower charges (Note 17)	(1,561.92)	-
<b>Net Total (Transferred to CWIP -Note-3)</b>	<b>(1,561.92)</b>	<b>11,920.86</b>





**SHONGTONG KARCHAM-WANGTOO TRANSMISSION LIMITED****(CIN: U40300DL2017GOI310556)**

Notes to the Financial Statements for the year ended March 31, 2020

**14 EARNINGS PER SHARE**

(₹ in Hundreds)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
<b>Basic and Diluted Earning Per Share</b>		
Face value per equity share (in ₹)	10.00	10.00
Net Profit / (Loss) after Tax as per Statement of Profit & Loss attributable to Equity Shareholders	(805.49)	-
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	10,000	10,000
<b>Basic and Diluted Earning Per Share (in ₹)</b>	(8.05)	-
There are no dilutive instruments issued by the company.	-	-



15. STATEMENT OF TRANSACTIONS WITH RELATED PARTIES

15.1 Name of related parties and description of relationship:

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

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

S. No.	Name	Designation	Date of Appointment	Date of Cessation
1	Shri. D. Manavalan	Chairman	03.12.2018	Continuing
2	Shri Sanjay Nayak	Director	10.08.2018	Continuing
3	Shri V.K. Jain	Director	27.03.2019	Continuing

15.3. Details of Transactions:

15.3.1 Transactions with Related Party

(₹ in Hundreds)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
PFC Consulting Limited (Holding Company)		
- Borrowings received including interest payable (Net)	(1,838.38)	18,874.40

15.3.2 Outstanding Balances with Related Party

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
PFC Consulting Limited (Holding Company)		
- Loans received (Net)	-	2,24,296.59
- Interest Payable	-	9,857.74





**SHONGTONG KARCHAM-WANGTOO TRANSMISSION LIMITED**

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Notes to the Financial Statements for the year ended March 31, 2020

**16. Financial Instruments****(1) Capital Management**

The Company manages its capital to ensure that it will be able to meet the expenses towards the setting up of Independent Transmission Project. The capital structure of the Company consists of equity and debt from its holding company. The Company is not subject to any externally imposed capital requirements. The Company's Board reviews the capital structure of the Company on need basis.

**(i) Categories of Financial Instruments**

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Financial Assets:</b>		
Measured at amortised cost		
(a) Cash and Cash Equivalents	-	672.66
<b>Financial Liabilities:</b>		
Measured at amortised cost		
(a) Borrowings	-	2,24,296.59
(b) Other financial liabilities	-	295.00

**(ii) Financial Risk Management Objectives**

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

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

**(iii) Market Risk**

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

Market risk exposures are measured using sensitivity analysis.

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

**(iv) Interest Rate Risk Management**

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

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

**(v) Interest Rate Sensitivity Analysis**

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

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

**If increase by 50 basis point**

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Impact for Profit or (Loss)	-	-
Impact for Other comprehensive income	-	-

**If decrease by 50 basis point**

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Impact for Profit or (Loss)	-	-
Impact for Other comprehensive income	-	-



**SHONGTONG KARCHAM-WANGTOO TRANSMISSION LIMITED**

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**Notes to the Financial Statements for the year ended March 31, 2020****(vi) Credit Risk Management**

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

The Company does not have any credit risk.

**(vii) Liquidity Risk Management**

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's financial liabilities comprises majorly of unsecured borrowings from its holding company (PFCCCL).

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March 2020:-

(₹ in Hundreds)

Particulars	Carrying Amount	Due in Next 1 Year	Due in 2-5 Year	Due in More than 5 Year	Due Date Not Specified	Total Contracted Cash Flows
<b>Financial Liabilities</b>						
Borrowings	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31st March 2019:-

(₹ in Hundreds)

Particulars	Carrying Amount	Due in Next 1 Year	Due in 2-5 Year	Due in More than 5 Year	Due Date Not Specified	Total Contracted Cash Flows
<b>Financial Liabilities</b>						
Borrowings	2,24,296.59	2,24,296.59	-	-	-	2,24,296.59
Other financial liabilities	295.00	295.00	-	-	-	295.00

**(viii) Fair Value Measurements**

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis is as follows:

(₹ in Hundreds)

Particulars	Fair value hierarchy	As at March 31, 2020		For the Year ended March 31, 2019	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Liabilities</b>					
Borrowings	Level 3	-	-	2,24,296.59	2,24,296.59
Other financial liabilities	Level 3	-	-	295.00	295.00

There was no transfer between Level 1, Level 2 and Level 3 in the year. The carrying amount of financial assets and financial liabilities measured at amortised cost in the Ind AS financial statements are a reasonable approximation of their fair value since the Company does not anticipate that carrying value would be significantly different from the values that would eventually be received or settled. In view of proposed closure of the Company, there are no financial liabilities as on 31st March, 2020.





**SHONGTONG KARCHAM-WANGTOO TRANSMISSION LIMITED**

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**Notes to the Financial Statements for the year ended March 31, 2020**

17. The project for which the company was incorporated i.e. Shongtong Karcham HEP (450 MW) has been de-notified by Govt. and after getting necessary approvals for closure of the company, the company need to be struck off. Therefore the balance sheet of the company has not been prepared on going concern basis. Accordingly the CWIP and other expenditure incurred on the project has been adjusted with the borrowings of PFCCL. Since the company has been de-notified no expenditure has been capitalised. However expenditure capitalised in previous year, has been adjusted with CWIP since during the year the company had received credit note (note 13).

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

19. Employees working for the Company are from holding company i.e. PFC Consulting Ltd. (PFCCL). The expenses appearing in the Note No. 13 "Expenditure during construction period" include manpower charges of PFCCL employees of Rs. NIL hundreds (Previous Year Rs. 6943.73 Hundreds). The manpower cost of PFCCL employees are charged by PFCCL on the basis of cost to company based on actual time spent by the employees for the Company as per invoice raised by PFCCL.

20. The expenditure on development of the project are incurred by PFC Consulting Limited (PFCCL) (Holding Co.). The company shall pay interest to PFCCL on the expenditure incurred by PFCCL. The rate of interest charged / paid on the utilized amount of funds is as applicable in PFC Ltd. for the Project Loan/Schemes (Transmission) for Borrowers under category "State Sector Borrowers (Category 'A') as determined from time to time. However, during the year, the company has not booked interest on dues to PFCCL, due to proposed striking off the company.

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

Particulars	(₹ in Hundreds)	
	As at March 31, 2020	As at March 31, 2019
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting period	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act 2006	-	-
(d) the amount of interest accrued and remaining unpaid at the end of accounting period	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act 2006	-	-

**22. Segment Information**

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

**23. Commitments:**

Particulars	(₹ in Hundreds)	
	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
Other commitments	-	-



**SHONGTONG KARCHAM-WANGTOO TRANSMISSION LIMITED**

(CIN: U40300DL2017GOI310556)

Notes to the Financial Statements for the year ended March 31, 2020

**24. Contingent Liabilities and Contingent assets**

(₹ in Hundreds)

Particulars	As at March 31, 2020	As at March 31, 2019
Contingent liabilities of the company and claims against the company not acknowledged by the company as certified by the management for the period	-	-
Further, No contingent assets and contingent gains are probable to the company.	-	-

**25. Employee Benefit Plans**

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

**26. Auditors Remuneration:**

(₹ in Hundreds)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Statutory Audit Fees (Excluding taxes)*	250.00	250.00

\*Audit fees for the year ended 31st March 2020 has been provided for by the holding company (PFCCL).

**27. Other Disclosures:**

(a) Expenditure in foreign currency- NIL


(b) Income in foreign exchange- NIL

28. In view of the fact, that the company need to be struck off, deferred tax asset on the timing difference on carried forward of losses has not been recognised in the Financial Statements.

29. The Financial Statements for the year ended 31st March 2020 were approved by the Board of Directors and authorised for issue on

22/05/2020

For and on behalf of Board of Directors



(Sanjay Nayak)

Director

DIN:08197193

(D. Manavalan)

Chairman

DIN:08102722

As per our report of even date

For &amp; on behalf of

Singhal Sunil &amp; Associates

Chartered Accountants

Firm Reg No. : 008030N

C.A Sunil Singhal

(Partner)

M.No. 086904



Place: New Delhi

Date: 22/05/2020