INDEPENDENT AUDITOR'S REPORT
To The Members of KOHIMA-MARIANI TRANSMISSION LIMITED
Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **KOHIMA-MARIANI TRANSMISSION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (collectively "Ind AS Financial Statements").

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting 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 thereunder.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the 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 31st March, 2018, and its profit and loss account, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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

2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations 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.

For AKGVG & ASSOCIATES
Chartered Accountants
ICAI Firm Reg. No. 018598N

Avinash Agarwal
Partner
Membership No. 501182
Place: New Delhi
Dated: 15/05/2018

Annexure A to Independent Auditors' Report

(Referred to in Paragraph 1 under the Heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

(i) (a) As per information and explanation given to us, except "Capital Work In Progress" consisting of expenditure during construction period, the Company do not have any fixed assets (property, plant and equipment) and hence reporting under clause (i)(a) of the CARO 2016 is not applicable.;

(b) Except "Capital Work In Progress" consisting of expenditure during construction period, the Company does not have any fixed assets (property, plant and equipment) and hence reporting under clause (i)(b) of the CARO 2016 is not applicable.;

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.

(ii) The Company doesn't hold any physical inventories. Hence reporting under clause (ii)(c) of the CARO 2016 is not applicable.

(iii) The Company has not granted any secured/ unsecured loan to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Hence, reporting under clause 3 (iii) (a), (b) and (c) of the order is not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any transaction in respect of loans, investments, guarantee and security which attracts the compliance to provisions of section 185 and 186 of the Companies Act, 2013. Accordingly reporting under clause 3 (iv) of the order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public; therefore, reporting under clause 3 (v) of the order is not applicable to the Company.

(vi) Maintenance of cost records under section 148(1) of the Act as prescribed by Central Government is not applicable as turnover of the company is NIL in last year.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

(b) According to the information and explanations given to us, company is regular in depositing undisputed statutory dues with the appropriate authorities. Further, there are no statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no amounts in respect of income tax, service tax and other statutory dues that have been not deposited with the appropriate authorities on account of any dispute.

(viii) In our opinion and according to the information and explanation given by the management, that the company has not taken any loan from financial institution, bank or debenture holders or government. Hence, this clause is not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence reporting under clause 3 (ix) of the order is not applicable to the Company.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

(xi) According to the information and explanation given by the management, the provisions of section 197 read with schedule V of the act is not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly clause 3 (xii) of the Order is not applicable.

(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 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi) of the order is not applicable to the Company.

For AKGVG & ASSOCIATES
Chartered Accountants
ICAI Firm Reg. No. 018598N

Avinash Agarwal
Partner
Membership No. 501182
Place: New Delhi
Dated: 15/05/2018

Annexure B to Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **KOHIMA-MARIANI TRANSMISSION LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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 AKGVG & ASSOCIATES
Chartered Accountants
ICAI Firm Reg. No. 018598N

Avinash Agarwal
Partner
Membership No. 501182
Place: New Delhi
Dated: 15/05/2018

KOHIMA-MARIANI TRANSMISSION LIMITED
CIN:U40102DL2016GOI290060
BALANCE SHEET AS AT MARCH 31, 2018

(Amount in Rs.)

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
I	**ASSETS**			
	Non-Current Assets			
	(a) Capital work-in-progress	3	26,37,86,313	14,13,51,357
	Total Non-Current Assets		**26,37,86,313**	**14,13,51,357**
	Current Assets			
	(a) Financial assets			
	Cash and cash equivalents	4	2,66,548	15,14,250
	(b) Other current assets	5	1,28,828	6,38,354
	Total Current Assets		**3,95,376**	**21,52,604**
	Total Assets		**26,41,81,689**	**14,35,03,961**
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity share capital	6	1,00,000	1,00,000
	(b) Other equity	7	(17,720)	(17,720)
	Total Equity		**82,280**	**82,280**
	Liabilities			
	Current Liabilities			
	(a) Financial liabilities			
	(i) Borrowings	8	25,07,56,000	13,03,56,000
	(ii) Other financial liabilities	9	1,30,68,168	550
	(b) Other current liabilities	10	2,75,241	1,30,65,131
	Total Current Liabilities		**26,40,99,409**	**14,34,21,681**
	Total Liabilities		26,40,99,409	14,34,21,681
	Total Equity and Liabilities		**26,41,81,689**	**14,35,03,961**

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Significant Accounting Policies & Notes to Financial Statements	2-24

As per our report of even date attached
For & on behalf of
A K G V G & Associates
Chartered Accountants
Firm Reg No. : 018598N

Avinash Agarwal
(Partner)
M. No. 501182
New Delhi,

For and on behalf of the Board of Directors

Kamal Kishore Jain
Director
DIN : 00269810

Krishna Kumar Mishra
Director
DIN : 07764111

New Delhi, 15/05/2018

KOHIMA-MARIANI TRANSMISSION LIMITED

CIN:U40102DL2016GOI290060

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in Rs.)

Particulars	Note No.	For the year ended on March 31, 2018	For the year ended on March 31, 2017
Revenue			
Revenue from Operations		-	-
Total		**-**	**-**
Total Expenses		**-**	**-**
Profit/(Loss) Before Tax		**-**	**-**
Tax Expenses		-	-
Profit/(Loss) for the Year		**-**	**-**
Other Comprehensive Income		**-**	**-**
Total Comprehensive Income for the Year		**-**	**-**
Earning per share	17		
(1) Basic		**-**	**-**
(2) Diluted		**-**	**-**

Corporate Information	1
Significant Accounting Policies & Notes to Financial Statements	2-24

As per our report of even date attached
For & on behalf of
A K G V G & Associates
Chartered Accountants
Firm Reg No. : 018598N

For and on behalf of the Board of Directors

Avinash Agarwal
(Partner)
M. No. 501182
New Delhi,

Kamal Kishore Jain
Director
DIN : 00269810

Krishna Kumar Mishra
Director
DIN : 07764111

New Delhi, 15/05/2018

KOHIMA-MARIANI TRANSMISSION LIMITED

CIN:U40102DL2016GOI290060

STATEMENT OF CHANGE IN EQUITY

A	**Equity Share Capital**	
		Amount
	As at April 01, 2016	1,00,000
	Changes in equity share capital during F.Y. 2016-17	-
	As at March 31, 2017	1,00,000
	Changes in equity share capital during F.Y. 2017-18	-
	As at March 31, 2018	1,00,000
B	**Other Equity**	
	Retained Earnings	**Amount**
	As at April 01, 2016	(17,720)
	Profit/ (Loss) for the F.Y. 2016-17	-
	Other comprehensive income	-
	As at March 31, 2017	(17,720)
	Profit/ (Loss) for the F.Y. 2017-18	-
	Other comprehensive income	-
	As at March 31, 2018	(17,720)

As per our report of even date attached
For & on behalf of
A K G V G & Associates
Chartered Accountants
Firm Reg No. : 018598N

Avinash Agarwal
(Partner)
M. No. 501182
New Delhi,

For and on behalf of the Board of Directors

Kamal Kishore Jain
Director
DIN : 00269810

Krishna Kumar Mishra
Director
DIN : 07764111

New Delhi, 15/05/2018

KOHIMA-MARIANI TRANSMISSION LIMITED
CIN:U40102DL2016GOI290060
CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2018

	Particulars	For the year ended on March 31, 2018	For the year ended on March 31, 2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) before tax	-	-
	Operating profit/(loss) before working capital changes		**-**
	Adjustment For Increase/(Decrease) in working capital:	-	
	Net cash flow from / (used in) operating activities	**-**	**-**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payment for Capital Work in Progress	(12,16,47,702)	14,99,700
	Net cash flow from / (used in) investing activities	**(12,16,47,702)**	**14,99,700**
C.	**CASH FLOW FROM FINANCIAL ACTIVITIES**		
	Short Term borrowings	12,04,00,000	(85,000)
	Net cash flow from / (used in) financing activities	**12,04,00,000**	**(85,000)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(12,47,702)	14,14,700
	Add:- Cash and cash equivalent at the beginning of the Year	15,14,250	99,550
	Cash and cash equivalent at the end of the year	**2,66,548**	**15,14,250**
	Cash and Cash Equivalent at the end of the year comprises:		
	a) Cash on Hand	598	-
	b) Balances with Bank in Current Accounts	2,65,950	15,14,250
	Cash and Cash Equivalent as per Cash Flow Statement	2,66,548	15,14,250

As per our report of even date attached
For & on behalf of
A K G V G & Associates
Chartered Accountants
Firm Reg No. : 018598N

For and on behalf of the Board of Directors

Avinash Agarwal
(Partner)
M. No. 501182
New Delhi,

Kamal Kishore Jain
Director
DIN : 00269810

Krishna Kumar Mishra
Director
DIN : 07764111

New Delhi, 15/05/2018

KOHIMA-MARIANI TRANSMISSION LIMITED

CIN:U40102DL2016GOI290060

Notes to the Financial Statement for the Year Ended on March 31, 2018

1 Corporate Information

The Company was incorporated on 22/01/2016 under the companies Act, 2013 as a wholly owned subsidiary of PFC Consulting Limited (PFCCL), (a wholly owned subsidiary of Power Finance Corporation Ltd, a Govt. of India undertaking). The company has been incorporated to develop power system network and Study, Investigate, collect information and data, preparation of survey report, forest clearance etc., if required for the purpose of transmission of electricity under the project.

Pursuant to the bid process by the PFFCL, M/s Kalpataru Power Transmission Limited (KPTL) emerged as successful bidder and accordingly, entire shareholding of the company has been transferred to KPTL and its nominees on 31/03/2017 and from that date company has become as wholly owned subsidiary of the KPTL.

Post Balance sheet date, pursuant to the Share Purchase Agreement dated 02nd May 2018, Techno Electric & Engineering Co. Ltd. (TECCL) has acquired 26% equity share capital from KPTL.

Company has achieved its Financial Closure in December 2017. Please also refer note no.12

The Financial Statements of the Company for the year ended March 31, 2018 were authorised for issue in accordance with the resolution of the Board of Directors on May 15, 2018.

2 Significant Accounting Policies

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis of Preparation

The financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period as per Ind AS.

2.3 Use of Estimate

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions that affect the reported balance of assets and liabilities, disclosure relating to contingent liabilities as at the date of the financial statements and the reported amount of income and expense for the period. Estimates and underlying assumptions are reviewed on ongoing basis. Revision of accounting estimates are recognised in the period in which the estimates are revised and future period affected.

2.4 Property, Plant and equipment & Intangible assets

The expenses incurred during construction period including administrative expenses and Interest have been treated as Capital Work in Progress. The sale proceed of Request for Proposal (RFP) received in favour of the company has been reduced from Capital Work in Progress (CWIP).

Property, Plant and Equipment are stated at cost of acquisition/construction net of recoverable taxes and include amounts added on revaluation, less accumulated depreciation / amortization and impairment loss, if any. All costs, including finance costs and adjustment arising from exchange rate variations attributable to fixed assets till assets are put to use, are capitalized.

2.5 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

2.6 Provisions, Contingent Liabilities and Assets

Provisions are recognised when there is present obligation (legal or constructive) as a result of a past event, it is probable that company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized 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 a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A disclosure for a **contingent liability** is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

2.7 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit/loss is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular operating, financial and investing activities of the Company are segregated.

2.8 Income Taxes

Income tax expense comprises current tax expense and net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current income taxes

Tax on income for the current period is determined on the basis of estimated taxable income and tax credit computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred income taxes

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.9 Earning Per Share

Basic earnings per share are computed by dividing profit or loss of the Company by dividing weighted average number of equity shares outstanding during the period. The company did not have any potential to dilutive securities in any other period presented.

2.10 Cash and Cash Equivalents

For the purpose of presentation in the Cash flow statement, cash and cash equivalents included cash on hand, deposit held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, bank overdrafts. Bank overdrafts are shown within borrowings in current liablities in the balance sheet

2.11 Current and Non-Current Classification

Assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the balance sheet date. Inventories are classified as current assets. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.12 Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset

All financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives, are subsequently measured at fair value, with any gains or losses arising on re-measurement recognised in profit or loss

Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of issue costs.

(ii) Initial recognition and measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial asset and liabilities at fair value through profit & loss) are added to or deducted from the fair value measured on initial recognition of the financial assets or financial liabilities.

(iii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost, using the effective interest rate method, if:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category generally applies to trade and other receivables.

(iv) Financial asset at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flow and selling asset financial asset and the contractual terms of financial asset give rise on specific dates to cash flows that are solely payment of principal and interest on principal amount outstanding.

(v) Financial asset at fair value through profit or loss (FVTPL)
Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or fair value through other comprehensive income. Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognized in profit or loss.

(vi) Financial Liabilities
All financial liabilities are subsequently measured at amortised cost. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in the statement of profit or loss.

(vii) Derecognition
A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and/or receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such exchange or modification is accounted as derecognition of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit or loss.

2.13 Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

2.14 Impairment

a) Financial Asset
Company applies as per Ind AS 109 expected credit loss model for recognising impairment loss on trade receivables, other contractual rights to receive cash or other financial asset

b) Non-Financial Asset
The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the higher of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognized in the Statement of Profit and Loss.

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Notes to the Financial Statement for the Year Ended on March 31, 2018

NOTE NO. 3 - CAPITAL WORK-IN-PROGRESS

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Capital WIP	14,13,51,357	23,52,446
Transferred from Expenditure pending allocation (Note-11)	12,24,34,956	13,89,98,911
TOTAL	**26,37,86,313**	**14,13,51,357**

NOTE NO. 4 - CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2018	As at March 31, 2017
Balance with bank:		
In Current Account	2,65,950	15,14,250
Cash in hand	598	-
TOTAL	**2,66,548**	**15,14,250**

NOTE NO. 5 - OTHER CURRENT ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017
PFC Consulting Limited	-	6,38,354
Prepaid Expenses	1,25,867	-
Recievables others	2,961	-
TOTAL	**1,28,828**	**6,38,354**

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Notes to the Financial Statement for the Year Ended on March 31, 2018

NOTE NO. 6 - SHARE CAPITAL

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised : 10,000 Equity shares of ` 10/- each (Previous year 10,000 Equity shares of ` 10/- each)	1,00,000	1,00,000
Issued, subscribed and paid up : 10,000 Equity shares of ` 10/- each fully paid-up (Previous year 10,000 Equity shares of ` 10/- each)	1,00,000	1,00,000
Total Issued, subscribed and paid up share capital	**1,00,000**	**1,00,000**

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

Equity Shares

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the Beginning of the year	10,000	1,00,000	10,000	1,00,000
Shares Issued during the year	-	-	-	-
Balance at the end of the year	**10,000**	**1,00,000**	**10,000**	**1,00,000**

b. Terms/ rights attached to equity shares

Equity shares have a par value of INR 10. They entitle the account holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

c. Shares held by Parent company

Out of 10,000 equity shares issued by the company, shares held by its Parent Company are as below:

Particulars	As at March 31, 2018	As at March 31, 2017
Kalpataru Power Transmission Limited and its nominee		
10,000 equity shares of Rs.10 each fully paid	1,00,000	

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

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Kalpataru Power Transmission Limited and its nominee	10,000	100%	10,000	100%
	10,000	**100%**	**10,000**	**100%**

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Notes to the Financial Statement for the Year Ended on March 31, 2018

NOTE NO. 7 - OTHER EQUITY

Particulars	As at March 31, 2018	As at March 31, 2017
Retained Earnings		
Balance at beginning of year	(17,720)	(17,720)
Profit/(Loss) for the half year	-	-
Balance at end of half year	(17,720)	(17,720)
TOTAL	**(17,720)**	**(17,720)**

NOTE NO. 8 - SHORT-TERM BORROWINGS

Particulars	As at March 31, 2018	As at March 31, 2017
Loans and Advances from Related Parties^		
Kalpataru Power Transmission Limited*	25,07,56,000	13,03,56,000
TOTAL	**25,07,56,000**	**13,03,56,000**

* Loan and advances from Kalpataru Power Transmission Limited is repayable on demand
^ Please refer note no. 18 - Related Party Disclosure

NOTE NO. 9 - OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017
Creditors for capital expenditure*	1,30,68,168	550
TOTAL	**1,30,68,168**	**550**

* Includes Rs. 11,486,271 (Previous Year Nil) from Related Party (KPTL)

NOTE NO. 10 - OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017
Statutory dues Payable	2,75,241	1,30,65,131
TOTAL	**2,75,241**	**1,30,65,131**

KOHIMA-MARIANI TRANSMISSION LIMITED

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Notes to the Financial Statement for the Year Ended on March 31, 2018

NOTE NO. 11 - EXPENDITURE PENDING ALLOCATION (CAPITAL W.I.P.)

Particulars	Expenditure For the year ended on March 31, 2018	Expenditure For the year ended on March 31, 2017
Expenses		
Debt Syndication Fee	10,00,79,871	-
Material Cost	95,07,992	-
Legal and Professional Fee	33,19,147	12,43,30,293
Tariff Adoption Charges	25,00,000	-
Bank Guarantee Commission	19,78,279	-
Licence Fee	4,81,200	-
Manpower Cost	-	1,18,28,411
Administration Cost	1,90,474	13,83,104
Interest Cost	-	9,94,951
Conveyance Cost	88,138	10,20,768
Hospitality and Food Cost	1,59,079	3,99,959
Security Charges	-	3,37,048
Telephone Expense	-	1,03,258
Repairs and Maintenance	8,190	44,957
Payment to the auditor:	-	
- Audit fees	1,06,790	28,750
- Other services	32,776	-
Advertisement Cost	9,00,303	-
Engineering Cost	25,40,206	-
Lease Rent	4,98,597	27,412
Rates and Taxes	3,444	-
Secretarial Expenses	40,470	-
	12,24,34,956	14,04,98,911
Less: Sale of RFP	-	15,00,000
TOTAL	**12,24,34,956**	**13,89,98,911**

12 Consequent to the selection of successful bidder, the Company was acquired by M/s Kalpataru Power Transmission Limited (KPTL) for Rs. 14,32,00,000/- vide Share Purchase Agreement dated March 31, 2017 from the PFCCL by paying in cash to PFCCL towards Mangement and Consultancy charges of Rs. 12,00,60,000/- (including service tax @ 15%), Rs. 2,30,40,000/- towards reimbursement of Expenses to PFCCL and Rs. 1,00,000/- towards Purchase of equity shares from PFFCL. KPTL on behalf of us has given Contract Performance Guarantee to Long-term Transmsiion Customers (LTTC) amounting to Rs. 42.30 Crore under Transmission Service Agreement.

13 During the year, Company has received sanction letter from Axis Bank and Bank of Baroda for Rupee term loan facility amounting to total of Rs. 994.67 Crore for funding of the project with sub-limit of 60% of facility for Capex LC. Axis Bank has sanctioned facility of Rs. 497.34 Cr while the balance part has been sanctioned by Bank of Baroda. As on March 31, 2018, Company has not taken any disbursement against these sanctions.

14 Financial risks management:

(i) Market Risk: Post construction of the project, the Company will provide operation and maintenance services in terms of Transmission Service Agreement. It will have unconditional contractual right to receive fixed determinable amount towards such services subject to system availability on or above contractually mandated levels. Thus, it is not exposed to Market Risk except for system technical failure.

(ii) Credit Risk: The counterparty risk is mitigated through the point of connection (PoC) mechanism. Under this, PGCIL, acting as a central transmission utility (CTU), collects monthly transmission charges from all users of ISTS (that is, state distribution companies [discoms]), and pays to each ISTS SPV its respective share of transmission charges.

(iii) Project Execution Risk: Company’s project implementation is at an initial stage, which exposes it to various inherent risks involved in executing a project within established time and cost parameters

15 i) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 1068.05 Crores (Previous Year Nil)

ii) Contingent liabilities of the company and claims against the company not acknowledged by the company as certified by the management is Nil. (Previous Year Nil)

16 Auditors Remuneration (including Taxes)

S. No.	Particulars	For the year ended on March 31, 2018	For the year ended on March 31, 2017
1	Audit Fees	1,06,790	28,750
2	Other Services	32,776	-

KOHIMA-MARIANI TRANSMISSION LIMITED

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Notes to the Financial Statement for the Year Ended on March 31, 2018

17 Earning Per Share

In terms of IND AS 33 “Earnings per Share” issued by the Institute of Chartered Accountants of India (ICAI), Earning per share (Basic & Diluted) is worked out as follows: -

S. No.	Particulars	For the year ended on March 31, 2018	For the year ended on March 31, 2017
1	Nominal Value of share	10	10
2	Number of Equity shares (No.)	10,000	10,000
3	Net Profit after tax	-	-
4	Earning per share (Basic)	-	-
5	Earning per share (Diluted)	-	-

18 Related Party Disclosure as required by IND AS - 24 "Related Party Disclosures" issued by the ICAI is as below

I. List of Related Parties:

Parent Company

(a) Kalpataru Power Transmission Limited

II. The details of Key Management Personnel are as follows:

S. No.	Name	Designation
1	Kamal Kishore Jain	Director
2	Saurabh Gupta	Director
3	Krishna Kumar Mishra	Director
4	Shreyan Shah	Director

III. Transactions during the year with Related Parties:

Particulars	For the year ended on March 31, 2018	For the year ended on March 31, 2017
With Parent Company		
Unsecured Loan Taken	12,04,00,000	13,03,56,000
Deposit Received	4,00,000	-
Deposit Refunded	4,00,000	-
Purchase under Supply contracts	95,07,992	-
Received on behalf of	1,79,154	-
Transferred to us	1,79,154	-
Bank Guarantee commission	19,78,279	-

IV. Balance at the end of year with Related Parties:

Particulars	For the year ended on March 31, 2018	For the year ended on March 31, 2017
With Parent Company		
Unsecured Loan Taken	25,07,56,000	13,03,56,000
Creditors for capital expenditure	1,14,86,271	-

KOHIMA-MARIANI TRANSMISSION LIMITED

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Notes to the Financial Statement for the Year Ended on March 31, 2018

19 Applying the principles laid down under IND AS-12 "Income Taxes" issued by the ICAI, deferred tax asset has not been recognized in the books of accounts.

20 The Company owes no dues to small-scale units at year-end and hence provision of interest does not arise. Further based on information available with the management, there are no dues payable to enterprises covered under “Micro, Small and Medium Enterprises Development Act, 2006”.

21 Since there are no employees in the Company, the obligation as per IND AS -19 "Employee benefits" issued by the ICAI does not arise.

22 Standards Issued but not effective:
The Ministry of Corporate Affairs (MCA), on 28 March 2018, notified Ind AS -115 "Revenue from Contracts with Customers" as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The new standard is effective for accounting periods beginning on or after 1 April, 2018. The Company is evaluating the disclosure requirements of the amendments and its effect on the financial statements.

23 Other Disclosures:
(a) Expenditure in foreign currency – Nil (Previous Year Nil)
(b) Income in foreign exchange – Nil (Previous Year Nil)
(c) CIF Value of imports - Nil (Previous Year Nil)
(d) Unhedged foreign currency exposure – Nil (Previous Year Nil)

24 Corresponding figures for the previous year have been re-arranged/regrouped wherever necessary to conform to current year's classification.

As per our report of even date attached
For & on behalf of
A K G V G & Associates
Chartered Accountants
Firm Reg No. : 018598N

For and on behalf of the Board of Directors

Avinash Agarwal
(Partner)
M. No. 501182
New Delhi,

Kamal Kishore Jain
Director
DIN : 00269810

Krishna Kumar Mishra
Director
DIN : 07764111

New Delhi, 15/05/2018