



**11<sup>th</sup> Annual Report  
(2017-18)**

**REC TRANSMISSION PROJECTS  
COMPANY LIMITED**

## **ABOUT US**

REC Transmission Projects Company Limited is a wholly owned subsidiary of Rural Electrification Corporation (REC) Limited, which is a Navratna Central Public Sector Undertaking under Ministry of Power.

Ministry of Power has appointed REC Transmission Projects Company Limited as Bid Process Coordinator (BPC) for Inter State Transmission Systems across the country on Tariff Based Competitive Mode. The Company takes pride in its ability to provide quality services and maintaining high degree of transparency in all bidding procedure and processes. RECTPCL is also engaged *inter-alia* in the business to promote, organize or carry on the consultancy services and/or project implementation in any field relating to transmission, distribution, and generation of electricity in India or abroad.

## **OUR MISSION & VISION**

- To facilitate smooth and rapid development of transmission and distribution capacity in the country and for accelerated growth of power sector & enrichment of quality of life of all segments of population.
- To act as a competitive, client-friendly and development-oriented organization for promoting projects covering power generation, power conservation, power transmission and power distribution network in the country.



## COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	Dr. P V Ramesh, Chairman Shri Ajeet Kumar Agarwal, Director Shri Sanjeev Kumar Gupta, Director
<b>CHIEF EXECUTIVE OFFICER</b>	Dr. P. Shakil Ahammed
<b>KEY OFFICIALS</b>	Shri Bhupender Gupta, Additional CEO Shri B.K. Johar, Chief Financial Officer (CFO) Shri M.L. Kumawat, Authorized Signatory-RECTPCL Smt. Ritu Madan Arora, Authorized Signatory-RECTPCL
<b>REGISTERED OFFICE</b>	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003. Tel. No.: 011-2436 2205 Fax No.: 011-2436 2027 E-mail: <a href="mailto:contactus@rectpcl.com">contactus@rectpcl.com</a> Website: <a href="http://www.rectpcl.com">www.rectpcl.com</a>
<b>CORPORATE OFFICE</b>	ECE House, 3 <sup>rd</sup> Floor, Annexe - II, 28A, Kasturba Gandhi Marg, New Delhi - 110001. Tel. No.: 011-4796 4796 Fax No.: 011-47964747 E-mail: <a href="mailto:contactus@rectpcl.com">contactus@rectpcl.com</a> Website: <a href="http://www.rectpcl.com">www.rectpcl.com</a>
<b>CORPORATE IDENTIFICATION NUMBER (CIN)</b>	U40101DL2007GOI157558
<b>HOLDING COMPANY</b>	Rural Electrification Corporation Limited (A Navratna CPSE under Ministry of Power, Government of India) (CIN : L40101DL1969GOI005095)
<b>STATUTORY AUDITORS</b>	M/s Singhi Chugh & Kumar, Chartered Accountants, #1, GF, B-7/107 A, Safdarjung Enclave Extension, New Delhi-110 029
<b>SUBSIDIARY COMPANIES</b>	1. Dinchang Transmission Limited 2. Chandil Transmission Limited 3. Koderma Transmission Limited 4. Dumka Transmission Limited 5. Mandar Transmission Limited 6. Jawaharpur Firozabad Transmission Limited
<b>BANKERS</b>	State Bank of India ICICI Bank Limited Oriental Bank of Commerce

## BOARD OF DIRECTORS



**(Dr. P V Ramesh)**  
Non-Executive Director & Chairman



**(Shri Ajeet Kumar Agarwal)**  
Non-Executive Director



**(Shri Sanjeev Kumar Gupta)**  
Non-Executive Director



**(Dr. P Shakil Ahammed)**  
Chief Executive Officer

# CONTENT

S. No.	Particulars	Page No.
1	Chairman's Speech	1
2	Notice of AGM	4
3	Board's Report	7
4	Management Discussion & Analysis Report	19
5	Form AOC-2	24
6	Extract of Annual Return	27
7	Annual Report on CSR Activities	38
8	Certificate on Corporate Governance	40
9	Balance Sheet	41
10	Statement of Profit & Loss	42
11	Notes to Accounts	43
12	Significant Accounting Policies	52
13	Cash Flow Statement	68
14	Auditors' Report	71
15	Comments of the C & AG of India	80
16	Proxy Form	81
17	Attendance Slip	82



## **Chairman's Speech**

Dear Shareholders,

It is my privilege to present to you the 11<sup>th</sup> Annual Report of your Company. The Financial Year 2017-18 was a year of optimism for the Indian economy and played a pivotal role in the overall development of Indian power sector. During the year 2017-18, your Company delivered a sustainable financial and operational performance despite challenging times in Indian Power Sector.

The economic outlook for the Asia and the Pacific region remains strong, with the region being the most dynamic in the global economy, accounting for nearly two-thirds of the global growth. The economic growth for Asia in 2018 and 2019 is expected to be robust, around 5.6 per cent. The World Bank, IMF and the Reserve Bank of India have reposed confidence in India's growth prospects and have predicted a higher growth trajectory in the years ahead, which could be around 7.5% in the 2018-19 financial year in the backdrop of improved global demand, prospects of good monsoon, credit uptick and continued reforms by the Government. This makes India the fastest growing economy amongst the emerging economies. At the same time, rise of oil prices could have implications for inflation, current account deficit and external sector parameters. Hardening of interest rates also represents reversal of the declining interest rate environment of recent years. The power sector growth, however, should remain robust in the coming years.

The power sector has witnessed transformational momentum during the past four years on account of a series of decisive steps taken by the government across the power value chain that have contributed to surplus power availability, improved fiscal discipline, greater operational efficiency of the state utilities and unprecedented growth in the clean energy market. Further, proactive action has been initiated to effect transition from a fossil fuel centric system to energy efficient and renewable centric paradigm on an accelerated mode. Government of India has affirmed its commitment to rapid implementation of the covenants of Paris Agreement and has set a target of 175 GW of additional power from renewable energy sources by 2022 and increase the share of green energy to 40% of the total installed capacity by the year 2030, apart from rapid transition to Electric Mobility (EVs), energy saving devices and adoption of new & emerging energy technologies.

On March 31, 2018, the total installed power generating capacity in the country was 344 GW. Of this, thermal power accounted for 65%, followed by renewable, hydro and nuclear at 20%, 13% and 2%, respectively. In tune with the Government's 'One Nation One Grid' initiative, the total length of transmission lines in the country aggregated to about 3.90 Lakh circuit kilometres. The aggregate substation transformation capacity at 765 kV, 400 kV and 220 kV has reached 8.25 Lakh MVA, at the end of the FY 2017-18. The aggregate Power Supply Deficit for FY 2017-18 was 0.7%. In order to address the issues of shortage of coal supply, the Government undertook a slew of proactive efforts and initiatives, such as allocation of coal mines through transparent auction route, augmenting indigenous coal production, domestic supply of gas to gas-based stranded projects and efforts to improve the operational efficiency of State generation utilities. Government of India has launched a

Scheme for Harnessing and Allocating Koyala (coal) Transparently in India (SHAKTI) for allocation of coal in a transparent manner for power sector. This policy is an important initiative in alleviating one key challenge in the power sector, viz. lack of coal linkage.

### **Operational Performance**

During the financial year 2017-18, Government of Jharkhand has allocated following Intra-State Transmission Systems with aggregate estimated cost of ₹4,605 crore to RECTPCL to act as the Bid Process Coordinator (BPC) for selection of developer through Tariff Based Competitive Bidding Process:

1. Transmission System Strengthening in Jharkhand State (Package 1)
2. Transmission System Strengthening in Jharkhand State (Package 2)
3. Transmission System Strengthening in Jharkhand State (Package 3)
4. Transmission System Strengthening in Jharkhand State (Package 4)

In this regard, your Company has incorporated project specific SPVs by the name of Chandil Transmission Limited on March 14, 2018, Dumka Transmission Limited on March 23, 2018, Mandar Transmission Limited on March 26, 2018 and Koderma Transmission Limited on March 19, 2018 for Package-1, Package-2, Package-3 & Package-4 respectively.

During the financial year, your Company has successfully transferred two project specific SPVs i.e. ERSS XXI Transmission Limited & WR-NR Power Transmission Limited to M/s Power Grid Corporation of India Limited on January 12, 2018 & March 27, 2018 respectively.

### **Financial Performance**

The Financial performance of the Company is on the fast trajectory growth path. The revenue and net profit of the Company is ₹53.30 crore and ₹35.30 crore as against the previous year figures of ₹ 52.38 crore and ₹ 34.46 crore respectively.

The Board of Directors have recommended dividend of ₹7,058/- per equity share i.e. 70580% on the paid up capital of the company for the financial year ended March 31, 2018, which is subject to approval of shareholders in Annual General Meeting.

### **Corporate Governance**

As a good corporate entity, your Company is managing the business in an ethical and responsible manner. Your company is in compliance with Companies Act, 2013 and DPE Guidelines on Corporate Governance, 2010 to the extent possible. Report in compliance with same is being submitted to Ministry of Power (DPE) on quarterly and annual basis. Further, as per Clause 8.2 of Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by DPE, the Certificate for compliance of conditions of Corporate Governance for the financial year ended March 31, 2018, obtained from Pranav Kumar & Associates, Practicing Company Secretaries, is annexed to this Report.



### **Corporate Social Responsibility**

As a responsible corporate citizen, RECTPCL has been actively pursuing various initiatives on the front of CSR and Sustainable Development. During the financial year 2017-18, the Company has sanctioned total financial assistance of ₹57,85,000/- towards CSR activities/projects towards ensuring environmental sustainability, Conservation of natural resources etc., against CSR budget of ₹1,08,13,000/-. Further, the balance CSR Fund of ₹ 50,28,000/- has been carried forward to next financial year 2018-19.

### **Path Ahead**

The Power sector scenario in the country is poised for a paradigm shift with increased focus on renewable energy power generation, energy conservation, energy efficiency, efficiency in transmission and strengthening of the distribution sector and overall reform of the power sector management in order to make it more responsive and responsible to the consumer demand.

The Government has undertaken a slew of reforms such as emphasis on village and household electrification, promotion of renewable sources of energy, specific measures for grid stability and scheduling, establishment of green corridors, operational and financial turnaround of DISCOMs through UDAY, specific measures for scheduling and grid stability and digital interventions through various apps such as URJA MITRA, GARV, TARANG etc. Rationalization of tariffs under GST and restructuring of stressed assets under Insolvency and Bankruptcy Code, setting up of dedicated freight corridors and increased public investment in infrastructure hold great potential for future of power sector in the country.

### **Acknowledgements**

I would like to take this opportunity to express my sincere gratitude for the immense support and guidance received by your company from Ministry of Power, State Government/ State Power Utilities, CEA, CTU, Shareholders, the holding company (REC Limited), Statutory Auditors and the Comptroller and Auditor General of India. I would like to express my thanks and gratitude to my esteemed colleagues on Board and to all employees for their commitment and we look at the future eagerly to continue to generate shareholders value. I am confident that with such support, your company will continue to steer ahead and deliver excellent performance for the years to come.

With warm wishes



**P V Ramesh**  
Chairman  
DIN:02836069

Date: September 17, 2018



4

**REC TRANSMISSION PROJECTS COMPANY LIMITED**  
**Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003**  
**CIN: U40101DL2007GOI157558**


**NOTICE**

Notice is hereby given that the Eleventh (11<sup>th</sup>) Annual General Meeting of REC Transmission Projects Company Limited (RECTPCL) will be held on **Monday, September 17, 2018 at 3:30 P.M. at shorter notice at Core 4, SCOPE Complex, 7, Lodhi Road, New Delhi – 110 003** to transact the following businesses:-

**ORDINARY BUSINESS:-**

- 1) To receive, consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 along with the Reports of the Board of Directors and Auditors thereon.
- 2) To declare Dividend on equity shares of the Company for the Financial Year 2017-18.
- 3) To appoint a Director in place of Shri Ajeet Kumar Agarwal (DIN: 02231613), who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To fix the remuneration of Statutory Auditors for the Financial Year 2018-19.

**By order of the Board of Directors**  
**For REC Transmission Projects Company Limited**

  
**(Ritu Madan Arora)**  
**Authorised Signatory**

Place: Core-4, SCOPE Complex,  
7, Lodhi Road, New Delhi-110003  
Dated: September 17, 2018

**Notes:**

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll, if any, instead of himself/herself and such proxy need not be a Member of the Company. The proxy form duly completed and signed must be received at the Registered Office of the Company, not less than forty eight (48) hours before the commencement of the AGM. Blank proxy form is attached and also available on the Company's website i.e. [www.rectpcl.com](http://www.rectpcl.com)  
A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- 5
2. The Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business, as set out above is annexed hereto.
  3. The Dividend @ ₹ 7,058/- per equity share, as recommended by the Board of Directors in its Meeting held on May 16, 2018, subject to the provisions of Section 123 of the Companies Act, 2013, if approved, by the Members at this Annual General Meeting, will be paid to the Member i.e. Rural Electrification Corporation Limited as per the provisions of the Companies Act, 2013.
  4. Corporate Members are requested to send/attach a duly certified copy of the Board Resolution/Authority Letter authorizing their representative to attend and vote on their behalf at the Annual General Meeting, along with the Proxy Form/Attendance Slip.
  5. Pursuant to Section 139(5) of the Companies Act, 2013, the Auditors of a Government Company are appointed/re-appointed by the Comptroller and Auditor General (C&AG) of India and in terms of Section 142 of the Companies Act, 2013, their remuneration shall be fixed by the company in a General Meeting or in such manner as the company in a General Meeting may determine.

In the 10<sup>th</sup> Annual General Meeting (AGM) of the Company held on September 19, 2017, the Board of Directors were authorized by the Shareholders in pursuance of Section 142 read with Section 139(5) of the Companies Act, 2013 to fix and approve the remuneration of Statutory Auditors of the Company for the financial year 2017-18. Accordingly, the Board of Directors in its Meeting held on February 2, 2018 approved the payment of remuneration of ₹ 1,70,000/- (Rupees One Lakh Seventy Thousand Only) plus service tax as applicable inclusive of local travel expenses and other incidental out of pocket expenses to the Statutory Auditors, M/s Singhi Chugh & Kumar, Chartered Accountants, for the financial year 2017-18.

Pursuant to Section 139(5) of the Companies Act, 2013, M/s P.Jain & Company, Chartered Accountants has been appointed as Statutory Auditors of the Company for the financial year 2018-19 by the C&AG of India. Therefore, it is proposed to obtain approval of the Members of the Company in Annual General Meeting to fix the remuneration of Statutory Auditors for the financial year 2018-19, on similar lines as done for the last financial year. Accordingly, the Members are requested to authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company, as it deems fit, for the financial year 2018-19.

6. Members desirous of getting any information on any item(s) of business of this meeting are requested to address their queries to the Authorized Signatory at the Registered Office of the Company at least five days prior to the date of the Annual General Meeting, so that the information required can be made available at the time of the meeting.
7. The Register of Directors and Key Managerial Personnel (KMP) and their Shareholding maintained under Section 170 of the Companies Act, 2013, Register of contracts and arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to, in the Notice will be available for inspection by the Members at the Registered Office of the Company on all working days during business hours and at the time of AGM of the Company at the venue of the Meeting.
8. The entire Annual Report is also available on the Company's website i.e. [www.rectpcl.in](http://www.rectpcl.in)



**BRIEF RESUME OF THE DIRECTOR(S) SEEKING RE-APPOINTMENT AT THE 11<sup>TH</sup> ANNUAL GENERAL MEETING.**

Name	Ajeet Kumar Agarwal (DIN: 02231613)
Date of Birth	May 30, 1960 (Age: 58 years)
Date of Appointment	December 27, 2008
Qualifications	B.Com (Hons.) and Chartered Accountant
Expertise in specific Functional area	Shri Ajeet Kumar Agarwal is Director (Finance) on the Board of REC since August 1, 2012. He has done B.Com (Hons.) from Shri Ram College of Commerce, University of Delhi. He is also a Fellow Member of the Institute of Chartered Accountants of India. Shri Agarwal has 35 years experience in Public Sector Undertakings. He is responsible for formulating financial strategies and plans to enable REC in achieving its vision. He provides directions with respect to Financial Management and Operations of the organization encompassing organizational and financial planning, formulation of financial policy, financial accounting, management control systems, cash and funds management, tax planning, mobilization and management of resources, liaison with financial institutions and capital market players. He also supervises treasury functions, lending operations and advises on corporate risk management matters. He is Nominee Director on the Board of two wholly owned subsidiary companies of REC i.e. REC Transmission Projects Company Limited & REC Power Distribution Company Limited and since August 22, 2012, he is also Nominee Director on the Board of Indian Energy Exchange Limited (IEX), a listed company.
Directorship held in other Companies	<ul style="list-style-type: none"> <li>• Rural Electrification Corporation Limited.</li> <li>• REC Transmission Company Limited.</li> <li>• Indian Energy Exchange Limited</li> </ul>
Number of Meetings attended by him during the year	During the Financial Year 2017-18, he has attended all Meetings of Board held during his tenure.
Number of equity shares held in the Company	One Equity Share as Nominee REC
Remuneration paid	Being Non-Executive Director on the Board of the Company, nominated by the holding company; therefore, he is not entitled to any remuneration from the Company.
Relationship with other Directors and Other Key Managerial Personnel	He has no inter-se relationship with any other Director, Manager and other Key Managerial Personnel of the Company.



## **BOARD'S REPORT 2017-18**

To,

The Shareholders,

Your Directors have pleasure in presenting the Eleventh Annual Report together with the Financial Statements of your Company for the Financial Year ended March 31, 2018.

### **1. REVIEW OF OPERATIONS**

Ministry of Power, Government of India, and State Government allocates inter-state/intrastate independent transmission projects from time to time to RECTPCL to work as Bid Process Coordinator (BPC), for selection of developer as Transmission Service Provider (TSP) through Tariff Based Competitive Bidding Process. In order to initiate development of each independent inter-state transmission project allocated by Ministry of Power, Government of India, RECTPCL incorporates a project specific Special Purpose Vehicle (SPV) as Wholly Owned Subsidiary Company and after the selection of successful bidder through Tariff Based Competitive Bidding Process, the respective project specific SPV along with all its assets and liabilities is transferred to the successful bidder.

During the financial year 2017-18, Government of Jharkhand has allocated following Intra-State Transmission Systems with aggregate estimated cost of ₹4,605 crore to RECTPCL to act as the Bid Process Coordinator (BPC) for selection of developer through Tariff Based Competitive Bidding Process for Transmission System Strengthening in Jharkhand State (Packages 1-4). In this regard, your Company has incorporated project specific SPVs by the name of Chandil Transmission Limited on 14 March, 2018, Koderma Transmission Limited on 19 March, 2018, Dumka Transmission Limited on 23 March, 2018, and Mandar Transmission Limited on 26 March, 2018.

Further, for each of the transmission project, a two stage Bidding process featuring separate Request for Qualification (RfQ) and Request for Proposal (RfP) is adopted in accordance with Tariff Based Competitive Bidding guidelines of Ministry of Power, Government of India for selection of developer as Transmission Service Provider. After the selection of successful bidder, the respective project specific SPV along with all its assets and liabilities is transferred to the successful bidder. After completion of the bidding process, the following project specific SPV has been transferred to the successful bidder during the Financial Year 2017-18:-

<b>Sl. No.</b>	<b>Name of Transmission Project</b>	<b>Name of Project Specific SPV</b>	<b>Name of Selected Bidder</b>	<b>Date of Transfer of project specific SPV</b>
<b>1.</b>	Eastern Region Strengthening Scheme – XXI (ERSS-XXI)	ERSS XXI Transmission Limited	M/s Power Grid Corporation of India Limited	January 12, 2018
<b>2.</b>	New WR- NR 765 kV Inter-regional corridor	WR – NR Power Transmission Limited	M/s Power Grid Corporation of India Limited	March 27, 2018

### Status of Projects for which bidding is under progress:-

The status of following Inter-state and Intra-state transmission projects, as on 31<sup>st</sup> March, 2018, is as under:-

Sl. No.	Name of Transmission Project	Name of Project Specific SPV	Date of Incorporation of SPV	Expected time of completion of bidding process*
1.	Transmission System Strengthening in Jharkhand State (Package-1) (U40108DL2018GOI330905)	Chandil Transmission Limited	March 14, 2018	Bidding process is expected to complete during the Financial Year 2018-19
2.	Transmission System Strengthening in Jharkhand State (Package-2) (U40300DL2018GOI331490)	Dumka Transmission Limited	March 23, 2018	
3.	Transmission System Strengthening in Jharkhand State (Package-3) (U40101DL2018GOI331526)	Mandar Transmission Limited	March 26, 2018	
4.	Transmission System Strengthening in Jharkhand State (Package-4) (U40300DL2018GOI331192)	Koderma Transmission Limited	March 19, 2018	
5.	Evacuation of Power from 3X660MW Ghatampur Thermal Power Project (U40300DL2016GOI308788)	Ghatampur Transmission Limited	December 2, 2016	Transferred to Adani Transmission Limited on June 19, 2018
6.	Transmission system for Phase-I Generation Projects in Arunachal Pradesh CIN: (U40300DL2015GOI288066)	Dinching Transmission Limited	December 2, 2015	Project on hold as per instruction of CEA & Empowered Committee on transmission

During the financial year 2017-18, RECTPCL has also been bagged for following assignments.

1. Bid Process Coordinator work for KSEB Transmission works;
2. Preparation of DPR for feeder separation work of MSEDCL; and
3. Bid process coordinator & PMC services for design, supply, erection, testing & commissioning of 220 kV GIS S/s & Transmission work of Saligaon by GED

RECTPCL under the guidance of Ministry of Power Govt. of India have developed following online web platform and Mobile App for better Transparency & Accountability:-

**Urja Mitra-** Urja Mitra is a distribution sector initiative of Ministry of Power, Government of India, being implemented through your Company. Urja Mitra is first of its kind application which provides a central platform (web-portal [www.urjamitra.com](http://www.urjamitra.com) as well as



mobile app) for State Power Distribution utilities to disseminate Power Outage information to urban/ rural power consumers across India through SMS/email/push notifications. Power Consumers across the nation shall have prior intimation of expected duration and cause of scheduled power outages and post fault intimation of unscheduled power outages duration. It also provides a platform to view real time power outages in any part of the country, lodge a complaint on power outages etc. Stakeholder connect is ensured by providing for vernacular mobile apps, which can be used by field staff to trigger power outage information/ view ongoing outages/ take corrective action on outage complaints, etc.

As on June 30, 2018, data of around 16.30 crore Rural/Urban/Mixed feeder consumers of 51 DISCOMs already linked on web portal and application live in 46 DISCOMs with consumer base of approximately 14.10 crore. Further, 53.97 crore power outage SMS were sent to the consumers by June 30, 2018.

**11 kV Rural Feeder Monitoring Scheme-** 11kV Rural Feeder Monitoring is a distribution sector initiative of Ministry of Power, Government of India, being implemented through your Company. To get complete picture of the entire distribution network in the Country and to ensure achievement of "24 x7 Power for All", it has been felt essential to capture real time supply parameters of rural India and this can be achieved by monitoring the availability/quality of power supply in rural areas of the country by capturing actual distribution parameters i.e. Power supply, outages and conducting feeder wise Energy audit and AT&C losses calculation. In order to meet this objective, "11kV Rural Feeder Monitoring Scheme" has been introduced. Under the scheme, rural feeders meter data shall be acquired through modem and shall be sent to National Power Portal (NPP) to make it available for use of all stakeholders. This scheme targets to develop a self-sustained independent web based automated system for approx. 1.2 Lakh rural and agricultural feeders across the Country by acquiring various essential parameters of all the outgoing 11kV rural feeders & such 66/33 kV incoming feeders from where 11kV rural feeders are emanating and making the information available online for all on public portal on real time basis, for power supply monitoring, alerts, meter data analysis, information dissemination and energy audit.

The system would help in monitoring power supply, proper planning, decision support and taking corrective actions on the business activities in addition to transparently disseminating power supply status. It would further facilitate consolidation of various parameters downloaded from the meters installed on the feeders into a common database thus enabling generation of various MIS reports for analysis and action. As on June 30, 2018, almost 53,000 Nos. of Modems in different DISCOMs have been installed. This is in addition to the already integrated 29,000 Nos. of Rural Feeder to National Power Portal.

**TARANG-** is a transmission sector initiative for its better monitoring, being run under guidance from Ministry of Power through your Company, which has developed 'TARANG'- Transmission App for Real-Time Monitoring & Growth. TARANG is an informative medium to provide information regarding Pan-India progress of Transmission System which can be drilled down to month wise, agency wise, state wise, etc. The details of stalled/delayed projects is separately provided with reasons of delay so that all concerned stakeholders can take a corrective decision in time to drive benefits from the timely completion of the projects. TARANG monitors the progress of transmission system in the country, both Intra State and Inter State Transmission Projects through Tariff Based Competitive Bidding (TBCB) as well as Regulated Tariff Mechanism.

TARANG also shows the prospective upcoming Intra-State as well as Inter-State Projects along with NITs being floated by different Transmission Utilities Pan-India. TARANG



provides advance information of upcoming transmission projects approved by Empowered Committee on Transmission helping bidders to gear up future transmission projects.

## 2. FINANCIAL PERFORMANCE

During the Financial Year ended 31st March, 2018, your company has recorded an income of ₹53.30 crore as compared to ₹52.38 crore in previous financial year. The Profit before tax and Profit after tax for the financial year 2017-18 is ₹47.22 crore and ₹35.29 crore respectively. The Net worth of the company as on March 31, 2018 is ₹176.54 crore against the Net worth of ₹157.86 crore of previous year.

The highlights of Financial Performance of the Company in the last three years is as under:-  
(Figures in ₹)

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
<b>Total Revenue</b>	53,29,94,358	52,38,00,277
<b>Profit Before Tax</b>	47,22,21,039	49,85,79,244
<b>Profit After Tax</b>	35,29,43,512	34,45,56,714
<b>Net Worth</b>	176,54,53,975	157,86,03,951

## 3. DIVIDEND

The Board of Directors have recommended a dividend of ₹7,058/- per equity share i.e. 70580% on the paid up equity share of ₹10 each for the financial year ended 31<sup>st</sup> March, 2018 which is subject to approval of shareholders in the ensuring Annual General Meeting as against dividend of ₹2,760/- per equity share in previous year.

## 4. TRANSFER TO RESERVES

There is no transfer made to General Reserve during the year.

## 5. SHARE CAPITAL

The Authorized and paid-up share capital of the Company as on March 31, 2018 was ₹5,00,000/- divided into 50,000 equity shares of ₹10/- each and the entire share capital is held by Rural Electrification Corporation Limited (REC) and its nominees.

## 6. BOARD OF DIRECTORS

As per Article 110 of Articles of Association of Company, the number of Directors of the company shall not be less than 3 and not more than 12. Your Company is headed by Chairman and Managing Director (CMD) of Rural Electrification Corporation Limited (holding company of RECTPCL) and the Company does not have any Executive Director on its Board. As on March 31, 2018, the Board comprised of the following directors:

Sl. No.	Name of the Director	Director Identification Number (DIN)	Designation	Date of Last Appointment/ Re-appointment	Date of Cessation
I.	Dr. P.V. Ramesh, Non-Executive Director	02836069	Chairman	January 5, 2017	Continuing

2.	Shri Ajeet Kumar Agarwal, Non-Executive Director	02231613	Director	September 2016	19,	Continuing
3.	Shri Sanjeev Kumar Gupta, Non-Executive Director	03464342	Director	September 2017	19,	Continuing

As per Article 111 of Articles of Association of Company, the Chairman & Managing Director of REC is the Ex-officio part time Chairman on the Board of the Company, who shall not be liable to retire by rotation. Further, all other Non-Executive Directors on the Board of the Company are nominated by the holding company, therefore, they are not entitled to any remuneration from the Company.

The provisions of Section 203(1) of the Companies Act, 2013 read with Rule 8 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 relating to appointment of KMP are not applicable to the Company.

Further, Ministry of Corporate Affairs (MCA) vide notification dated July 5, 2017, has amended the Companies(Appointment and Qualification) Rules, 2014 and *inter-alia* your Company being a Wholly Owned Subsidiary Company is exempted from the requirement of appointment of Independent Directors on its Board.

As per the provisions of Section 152 of Companies Act, 2013, Shri Ajeet Kumar Agarwal (DIN: 02231613), liable to retire by rotation and being the longest in the office, shall retire by rotation in the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The Board of Directors recommends his appointment as a Director. His brief resume is annexed to the Notice of the Annual General Meeting.

#### **7. NUMBER OF MEETINGS OF BOARD, DIRECTORS' ATTENDANCE AT BOARD MEETINGS AND LAST ANNUAL GENERAL MEETING (AGM).**

During the Financial Year 2017-18, six (6) meetings of the Board of Directors of the Company were held *viz.* (i) May 19, 2017; (ii) August 14, 2017; (iii) September 20, 2017; (iv) November 16, 2017; (v) February 2, 2018; (vi) March 5, 2018. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The Company is also complying with the Secretarial Standards issued by the Institute of Company Secretaries of India w.e.f. July 1, 2015 and the revised secretarial standards issued w.e.f. October 1, 2017 in respect of Board Meetings (SS-1) and General Meetings (SS-2).

During the Financial Year 2017-18, the details of Directors' attendance at the Board Meetings, last Annual General Meetings (AGM) and number of other Directorships held by Directors are tabulated below:

Sl. No.	Name of Director	Board Meetings			Attendance at Last AGM (held on September 19, 2017)	No. of other Directorships As on March 31, 2018 (other than RECTPCL)
		Held during the tenure	Attended	Percentage of Attendance		
1.	Dr. P.V. Ramesh, Chairman	6	6	100	Present	2



2.	Shri Ajeet Kumar Agarwal, Non-Executive Director	6	6	100	Present	3
3.	Shri Sanjeev Kumar Gupta, Non-Executive Director	6	6	100	Present	2

## 8. CORPORATE GOVERNANCE REPORT AS PER DPE GUIDELINES

The Department of Public Enterprises (DPE) had issued guidelines on Corporate Governance for Central Public Sector Enterprises with the objective to formulate in the functioning of CPSEs that would protect the interest of Shareholders and relevant stakeholders.

In pursuance of Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010, issued by DPE Compliance Report is being submitted to Ministry of Power within 15 days from the end of quarter. The details of submission of the report is as under:

Report for Quarter ended	Date of submission of report
June 30, 2017	July 12, 2017
September 30, 2017	October 12, 2017
December 31, 2017	January 10, 2018
March 31, 2018	April 11, 2018

Further, comprehensive report containing Annual Score for the Financial Year 2017-18 (consolidated score of four quarters) was submitted to Ministry of Power on May 01, 2018 against the due date of May 31, 2018.

Further, as per Clause 8.2 of Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by DPE, the Certificate for compliance of conditions of Corporate Governance for the financial year ended March 31, 2018, obtained from Pranav Kumar & Associates, Practicing Company Secretaries, is annexed to this Report.

## 9. GENERAL BODY MEETINGS

The details of last three Annual General Meetings of the Company are as under:

Meeting No.	Financial Year	Date	Time	Venue	Whether any Special Resolution passed
8 <sup>th</sup>	2014-15	September 9, 2015	11:00 AM.	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003	No
9 <sup>th</sup>	2015-16	September 19, 2016	2:30 P.M		
10 <sup>th</sup>	2016-17	September 19, 2017	2.00 P.M		



One Extraordinary General Meeting was held during the year on February 16, 2018. Further, no resolutions have been passed by Postal Ballot during the year.

#### 10. GENERAL SHAREHOLDER INFORMATION

The details of Annual General Meeting for the Financial Year 2017-18 is as under:

Day and Date	Time	Venue
17 <sup>th</sup> September, 2018	3:30 P.M.	Core 4, SCOPE Complex, 7, Lodhi Road, New Delhi – 110 003

#### 11. DETAILS OF SUBSIDIARY COMPANIES

During the financial year, the companies which have become or ceased to be subsidiaries, joint ventures or associate companies and a report on the performance and financial position of each of such subsidiaries, associates and joint venture companies as per the Companies Act, 2013 is provided in **Form AOC 1** which forms part of the Annual Report.

#### 12. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

The arrangements/transactions during the financial year with related parties were in the ordinary course of business and on arm's length basis.

Disclosures of related party transactions and particulars of contracts or arrangements referred to in Section 188(1) of Companies Act, 2013, in prescribed **Form AOC-2**, as per Rule 8(2) of Companies (Accounts) Rules, 2014, is appended as **Annexure** to this Board's report.

#### 13. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of Companies Act, 2013 read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 forms part of the Board Report.

#### 14. STATUTORY AUDITORS

M/s Singhi Chugh & Kumar, Chartered Accountants, New Delhi was appointed as Statutory Auditors of the Company for the Financial Year 2017-18 by the Comptroller & Auditor General of India. The Statutory Auditors have audited the Financial Statements of the Company for the financial year ended March 31, 2018. The Audited Financial Statements, Cash Flow Statement and the required annexure together with the Independent Auditors' Report thereto are annexed to this Report. There are no adverse comments, observation or reservations in the Statutory Auditors' Report on the Financial Statements of the Company.

#### 15. COMMENTS OF THE C&AG OF INDIA

The Comptroller & Auditor General (C&AG) of India has mentioned that on the basis of audit, nothing significant has come to their knowledge which would give rise to any comment upon or supplement to Auditors' Report. The copy of the same forms part of this Annual Report.

## 16. HUMAN RESOURCE DEVELOPMENT

Your Company does not appoint any permanent employees. Some of the employees of holding company i.e. Rural Electrification Corporation Limited have been assigned full time/additional duty for operational convenience and managing day to day affairs, who are having rich and varied experience in the respective fields. The Company has also engaged Chartered Accountants, Engineering Graduates and other professionals on contract basis through manpower supply agencies. Further, the Ministry directions with respect to percentage of persons employed with disabilities (PwDs) are applicable to the holding company and to that extent applicable to RECTPCL also.

Sl. No.	Particulars	Nos. of Employees (As on March 31, 2018)	
		FY 2017-18	FY 2016-17
i.	Regular Employees deployed by REC on secondment basis	9	11
ii.	Fixed Tenure Staff	8	6
iii.	Outsourced staff on Contract basis through Manpower Supply Agency	126	46
	<b>Total</b>	<b>143</b>	<b>63</b>

As on March 31, 2018, the Company had 5 women employees, which includes both regular and contractual staff, as against 4 as on March 31, 2017.

Further, no employee of the Company drawing remuneration either on monthly or annual basis exceeding the limit as per the provisions of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 17. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The Company has made intensive use of technology in its operations during the year under review. However, there are no particulars, relating to conservation of energy, technology absorption under Rule 8(3) of Companies (Accounts) Rules, 2014.

## 18. PARTICULARS REGARDING EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The nature of business of the company does not require expenditure on Research and Development. Hence, no such expenditure was incurred. Further, no Export initiatives were carried out and during the year and the Company has no earning or outgo in foreign exchange as per Rule 8(3) of Companies (Accounts) Rules, 2014.

## 19. DEPOSIT

Your Company has not accepted any public deposit during the financial year under review.

## 20. DISCLOSURE ON MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY



No significant event occurred after Balance Sheet date till the date of Directors Report other than the transfer of Ghatampur Transmission Limited, a Wholly Owned Subsidiary of RECTPCL, to Adani Transmission Limited on June 19, 2018.

## 21. RISK MANAGEMENT POLICY

The Company has been mainly created to carry out the role of Bid Process Coordinator (BPC) under the Tariff Based Competitive Bidding (TBCB) process for selection of bidders as identified by the Ministry of Power, Government of India for transmission projects. Hence, presently a separate risk management policy for the company has not been developed.

## 22. DISCLOSURES

1. There are no instances regarding non-compliance, penalties, strictures imposed on the company by any statutory authority during the last three years.
2. The Company is a Wholly Owned Subsidiary of Rural Electrification Corporation Limited and accordingly, Presidential Directives issued by the Central Government, to the extent applicable on RECTPCL are being complied.
3. There is no expenditure debited in Books of accounts, which is not for the purpose of the business.
4. There is no expense incurred which are personal in nature and incurred for the Board of Directors and Top Management.
5. The administrative and office expenses for the financial year 2017-18 increased to ₹180.43 Lakh as compared to ₹66.99 Lakh during the financial year 2016-17, mainly on account of increase in manpower cost for implementation of various Government schemes and other management consultancy projects and increase in office rent. Further, during the financial year 2017-18, Administrative and office expenses as a percentage of total expenses was 29.69 % as compared to 26.56 % during the previous year.
6. There was no change in the nature of business of the Company during the Financial Year 2017-18.
7. No significant and material orders have been passed by the Regulators or Courts or Tribunals which would affect the going concern status and Company's operations in future except the order in respect of Dinchang Transmission Limited, a Wholly Owned Subsidiary of RECTPCL, which has been kept in abeyance owing to instruction of CEA and Empowered Committee on Transmission.
8. The Particulars of investments under Section 186 of Companies Act, 2013 are given in the notes to accounts to financial statements of the Company and as such form part of this Annual Report.
9. Adequate internal financial control is exercised keeping in view the size of operations of the company.
10. The provisions relating to Audit Committee is not applicable to the Company. However the Financial Statements of the Company is being reviewed by Audit Committee of Holding Company.
11. The Board of your Company in its 44<sup>th</sup> Meeting held on February 12, 2014 has approved that being a wholly owned subsidiary Company of REC, the rules regulations, policies & guidelines adopted by REC shall be applicable *mutatis mutandis* on RECTPCL also. The same is adhered to by the Company.
12. There were no Audit Objections during the year. Further, 6 RTI's were received during the year which have been resolved. Further, the Company does not have any vigilance cases as on March 31, 2018. Accordingly details are duly incorporated in this report, as required vide OM dated January 24, 2018 of the Ministry of Parliament Affairs, Government of India.



13. In order to have better operational efficiency it was proposed to merge your Company with RECPDCL, both being Wholly Unlisted Subsidiaries of REC into one single entity. Accordingly, as per the provisions of Companies Act, 2013 and rules made thereunder and after approval of the Board of Directors, shareholders, creditors of respective companies and approval of holding company i.e. REC, an application was filed with Ministry of Corporate Affairs (MCA) on March 27, 2018 by both the subsidiary companies for sanction of scheme of arrangement for amalgamation of RECTPCL (Transferor Company) with RECPDCL (Transferee Company) and the approval of the same is awaited.

**23. DIRECTORS' RESPONSIBILITY STATEMENT AS PER THE PROVISIONS OF COMPANIES ACT, 2013**

Pursuant to the relevant provisions of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed and there are no material departures from the same.
- b) such accounting policies have been selected and applied consistently and judgments and estimates were made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the company for the year ended on that date.
- c) they have taken proper and sufficient care for the 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 fraud and other irregularities.
- d) the financial statements have been prepared on a 'going concern' basis.
- e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**24. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

In line with provisions of 'Sexual Harassment of Woman at Workplace (Prevention, Prohibition & Redressal) Act, 2013', an 'Internal Complaints Committee' has been constituted in RECTPCL for redressal of complaint(s) against sexual harassment of woman employees at workplace. The Committee is headed by a senior woman official of the company and includes a representative from an NGO as one of its members. During the Financial Year 2017-18, no complaints were received by the Committee.

**25. DISCLOSURE UNDER PUBLIC PROCUREMENT POLICY FOR MICRO & SMALL ENTERPRISES (MSEs) ORDER, 2012**

To encourage participation by Micro, Small and Medium Enterprises (MSMEs), all the directives mentioned in the Public Procurement Policy Order, 2012 have been included in REC procurement guidelines including Micro and Small enterprises owned by SC/ST and it has also been uploaded on website of REC / RECTPCL at the link [http://www.recindia.nic.in/uploads/files/Public\\_Procurement\\_Policy.pdf](http://www.recindia.nic.in/uploads/files/Public_Procurement_Policy.pdf).

RECTPCL being a subsidiary of REC, the set of rules, regulations, policies and guidelines adopted in Rural Electrification Corporation Limited (holding company) apply mutatis-mutandis to RECTPCL to the extent applicable.

RECTPCL, being a Management Consultancy Organization, is not executing any project. Hence, only petty purchase i.e. stationery and office equipment from small vendors are being made. However, no target has been fixed for financial year 2017-18 to this effect.

## 26. CORPORATE SOCIAL RESPONSIBILITY

The Company has its "Corporate Social Responsibility Policy" aligned with the amended provisions of Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014, and Guidelines for CSR and Sustainability for Central Public Sector Enterprises issued by Department of Public Enterprises. The copy of RECTPCL CSR Policy is available on the website of the Company at :

[http://rectpcl.in/pdf/CSR\\_Sust\\_Policy.pdf](http://rectpcl.in/pdf/CSR_Sust_Policy.pdf)

During the financial year 2017-18, the CSR Budget for the financial year 2017-18, is ₹1,08,13,000 being 2% of the net profit as computed under Section 198 of the Companies Act, 2013. The Company has paid ₹57.85 Lakh to NIT Meghalaya, Shillong for research study proposal titled Synchrophasor Sensing and Seamless Control of Smart Distribution Network with renewable energy integration for ensuring environmental sustainability, Conservation of natural resources etc. Balance amount of CSR Fund of ₹ 50.28 Lakhs has been carried forward to next Financial Year 2018-19. In terms of Companies (Corporate Social Responsibility Policy) Rules, 2014, an annual report on CSR and Sustainability activities is annexed to this Report.

### Composition of CSR Committee

During the Financial Year 2017-18, the Corporate Social Responsibility Committee comprised of the following Members:

Sl. No.	Name of the Committee Members	Designation	Position in Committee	No. of Meeting held during the tenure	No. of Meetings attended
1.	Dr. P.V. Ramesh	Chairman, RECTPCL	Chairman	3	3
2.	Shri Ajeet Kumar Agarwal	Non-Executive Director, RECTPCL	Member	3	3
3.	Shri Sanjeev Kumar Gupta	Non-Executive Director, RECTPCL	Member	3	3

The quorum of CSR Committee was two members including the Chairman of the Committee.

During the Financial Year 2017-18, there were three Meeting of the CSR Committee held on (i) May 19, 2017 and (ii) August 14, 2017 and (iii) February 2, 2018.


## 27. ACKNOWLEDGEMENTS

The Directors are grateful to the Ministry of Power, Government of India, Central Electricity Authority (CEA), Central Electricity Regulatory Commission (CERC) for its



continued co-operation and support to the Company. The Directors thank Rural Electrification Corporation Limited (holding company), M/s Singhi Chugh & Kumar, Chartered Accountants, Statutory Auditors and the Comptroller & Auditor General (C&AG) of India, State Power utilities and DISCOMs for their valued contribution. The Directors also sincerely appreciate and thank all the employees of the Company for their valuable contribution and dedicate efforts in steering the Company to excellent performance for yet another year in succession.

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



**P V Ramesh**  
**Chairman**  
**DIN: 02836069**

**Place: New Delhi**

**Date: September 13, 2018**

## **Management Discussion & Analysis Report**

The Management of the Company is pleased to present its report on the Industry Scenario including on the Company's performance during the financial year 2017-18.

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

#### ***Industry Overview***

The present scenario in the Transmission & Distribution (T&D) industry is very dynamic. Developments in power sector emphasize the need for accelerated implementation of National Grid on priority, to enable scheduled/unscheduled exchange of power, as well as for providing open access to support competition in the market. The Government is increasingly focusing on strengthening the transmission network to establish inter-state and inter-regional links for enhancing the capacity of the National Grid, to ensure optimal utilization of uneven distribution of energy resources. The transmission and distribution system in the country comprises of regional grids, state grids and distribution networks in a three-tier integrated structure. 67 five regional grids, configured on a geographical contiguity basis, enable transfer of power from a power-surplus State to a power-deficit State. The regional grids also facilitate the optimal scheduling of maintenance outages and better co-ordination between power plants. The regional grids operate as an integrated unit of the National Grid, whereby surplus power from a region can be redirected to another region facing power deficits, thus allowing an optimal utilization of the national generating capacity. The inter-regional grid connectivity has lent flexibility and brought resilience to the system. The National Grid in the country is now one of the largest operating synchronous grids in the world. The National Grid is also synchronously interconnected to Bhutan and Nepal and asynchronously linked to Bangladesh.

The analysis and studies of CEA, based on present estimates of load growth and generation capacity addition, indicate that the major high capacity transmission corridors (under implementation) would be sufficient to meet the import/export of power among various regions in year 2021-22; and that further high capacity transmission system would be needed for high capacity generation projects, if any, as and when they are planned. Major smart technology interventions have been taken up in the country for making the system sturdier, with the aim of building and operating a robust integrated grid network, that will allow large transfers of power from one part of the country to another.

As on March 31, 2018, the total length of transmission lines in the country aggregated to about 3.90 Lakh circuit kilometers, as compared to about 3.67 Lakh circuit kilometers at the end of the previous fiscal. A total of 23,119 circuit kilometers were added to the transmission capacity during the financial year 2017-18. In line with Government's 'One Nation One Grid' initiative, the aggregated substation transformation capacity at 765 kV, 400 kV and 220 kV level saw an increase of 11.64% during financial year 2017-18 to reach 8.25 Lakh MVA.

### **PRODUCT WISE PERFORMANCE**

Ministry of Power, GoI has mandated RECTPCL to act as the Bid Process Coordinator for selection of Inter-State transmission projects through tariff based competitive bidding route. During the financial year, RECTPCL has successfully completed the bidding



process of 2 large-size Inter-State transmission projects and transferred their project specific SPVs i.e. ERSS XXI Transmission Limited & WR-NR Power Transmission Limited to M/s Power Grid Corporation of India Limited on January 12, 2018 & March 27, 2018 respectively for project development activities.

Further, RECTPCL is also exploring similar business opportunities in other states also for development of their Intra-State transmission projects through tariff based competitive bidding route. During the financial year, Government of Jharkhand has allocated four Intra-State Transmission Systems with aggregate estimated cost of ₹4,605 crore to RECTPCL to act as the Bid Process Coordinator (BPC) for selection of developer through Tariff Based Competitive Bidding Process.

### **Consultancy Assignments**

Besides acting as the Bid Process Coordinator for transmission projects, RECTPCL also provides consultancy services in Transmission & Distribution sectors in the areas of Project Management, Contract Management, Quality Control & Inspection and Project Execution etc. During the Financial Year 2017-18, RECTPCL has bagged following assignments:

1. Bid Process Coordinator work for KSEB Transmission works.
2. Preparation of DPR for feeder separation work of Maharashtra State Electricity Distribution Company Limited (MSEDCL)
3. Bid process coordinator & PMC services for design, supply, erection, testing & commissioning of 220 kV GIS S/s & Transmission work of Saligaon by Goa Electricity Department (GED)

Further, RECTPCL under the guidance of Ministry of Power, GoI has also undertaken following assignments:

### **Urja Mitra**

Urja Mitra is a distribution sector initiative of Ministry of Power, Government of India, being implemented through your Company. Urja Mitra is first of its kind application which provides a central platform (web-portal [www.urjamitra.com](http://www.urjamitra.com) as well as mobile app) for State Power Distribution utilities to disseminate Power Outage information to urban/ rural power consumers across India through SMS/email/push notifications. Power Consumers across the nation shall have prior intimation of expected duration and cause of scheduled power outages and post fault intimation of unscheduled power outages duration. It also provides a platform to view real time power outages in any part of the country, lodge a complaint on power outages etc. Stakeholder connect is ensured by providing for vernacular mobile apps, which can be used by field staff to trigger power outage information/ view ongoing outages/ take corrective action on outage complaints, etc.

As on June 30, 2018, data of around 16.30 crore Rural/Urban/Mixed feeder consumers of 51 DISCOMs already linked on web portal and application live in 46 DISCOMs with consumer base of approximately 14.10 crore. Further, 53.97 crore power outage SMS were sent to the consumers by June 30, 2018.

## **11 kV Rural Feeder Monitoring Scheme**

11kV Rural Feeder Monitoring is a distribution sector initiative of Ministry of Power, Government of India, being implemented through your Company. To get complete picture of the entire distribution network in the Country and to ensure achievement of "24 x7 Power for All", it has been felt essential to capture real time supply parameters of rural India and this can be achieved by monitoring the availability/quality of power supply in rural areas of the country by capturing actual distribution parameters i.e. Power supply, outages and conducting feeder wise Energy audit and AT&C losses calculation. In order to meet this objective, "11kV Rural Feeder Monitoring Scheme" has been introduced. Under the scheme, rural feeders meter data shall be acquired through modem and shall be sent to National Power Portal (NPP) to make it available for use of all stakeholders. This scheme targets to develop a self-sustained independent web based automated system for approx. 1.2 Lakh rural and agricultural feeders across the Country by acquiring various essential parameters of all the outgoing 11kV rural feeders & such 66/33 kV incoming feeders from where 11kV rural feeders are emanating and making the information available online for all on public portal on real time basis, for power supply monitoring, alerts, meter data analysis, information dissemination and energy audit.

The system would help in monitoring power supply, proper planning, decision support and taking corrective actions on the business activities in addition to transparently disseminating power supply status. It would further facilitate consolidation of various parameters downloaded from the meters installed on the feeders into a common database thus enabling generation of various MIS reports for analysis and action. As on June 30, 2018, almost 53,000 Nos. of Modems in different DISCOMs have been installed. This is in addition to the already integrated 29,000 Nos. of Rural Feeder to National Power Portal.

## **Tarang**

TARANG is a transmission sector initiative for its better monitoring, being run under guidance from Ministry of Power through your company, which has developed 'TARANG'- Transmission App for Real-Time Monitoring & Growth. TARANG is an informative medium to provide information regarding Pan-India progress of Transmission System which can be drilled down to month wise, agency wise, state wise, etc. The details of stalled/delayed projects is separately provided with reasons of delay so that all concerned stakeholders can take a corrective decision in time to drive benefits from the timely completion of the projects. Tarang monitors the progress of transmission system in the country, both Intra State and Inter State Transmission Projects through Tariff Based Competitive Bidding (TBCB) as well as Regulated Tariff Mechanism.

Tarang also shows the prospective upcoming Intra-State as well as Inter-State Projects along with NITs being floated by different Transmission Utilities Pan-India. Tarang provides advance information of upcoming transmission projects approved by Empowered Committee on Transmission helping bidders to gear up future transmission projects.

## **OPPORTUNITIES**

As per CEA estimates, no new conventional generation capacities are required during the period from 2017-22. Still, it is estimated that funds to the tune of '10 Lakh crore will be required during this period for the generation capacity under construction. Further,



there is a huge investment potential in the immediate future in Transmission and Distribution sectors. The demand is also expected to rise on the back of farm sector growth and development of rural economy.

Further, RECTPCL has also ventured into the Smart Grid Mission by presenting itself as Smart Grid Implementing Agency (SGIA) for State DISCOMs and is keen to undertake such assignments on equity funding implementation model. RECTPCL is into active discussion with DISCOMs for implementing Smart Grid in various cities based on ESCO model.

With its strategic positioning and expertise in the Transmission sector, RECTPCL is poised for the existing and emerging opportunities presented by the economic development, emanating from leading governmental reforms and increasing per capita demand for electricity in the country.

### **THREATS, RISKS AND CONCERNS**

The power sector in itself has several high risks, with a plethora of common issues of infrastructure projects, longer time horizon and dynamic policy environment. The average national PLFs have been low and the State DISCOMs have a muted demand. While there have been no recent long term PPAs floated by DISCOMs, the tariffs at power exchanges have also not seen any uptick, resulting in pressure on the operating assets.

### **OUTLOOK**

India remains as one of the fastest growing emerging market economies in the world with persistent growth, despite the challenging environment. With key reforms on the block, India is seen as an engine of global growth. Considering low levels of per capita energy consumption in India vis-à-vis the world average; and the Government's strong efforts towards economic development, it is felt that the outlook for power sector remains strong in the long term. With a proactive role of the Government in addressing the issues affecting the power sector adversely, there is a promising outlook, along with ample market opportunities for financial products for the power sector.

### **MEMORANDUM OF UNDERSTANDING-RATING**

RECTPCL's performance has been rated as "*Excellent*" against the Memorandum of Understanding (MoU) signed with the Ministry of Power, Government of India for financial year 2016-17. The Company is poised to receive Excellent Rating for the current year as well.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company maintains an adequate system of Internal Controls including suitable monitoring procedures to ensure accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and Company policies. Suitable delegation of powers and guidelines for accounting have been issued for uniform compliance.

## **FINANCIAL AND OPERATIONAL PERFORMANCE**

During the Financial Year ended 31st March, 2018, your company has recorded an income of ₹ 53.30 crore as compared to ₹ 52.38 crore in previous financial year. The Profit before tax and Profit after tax for the FY 2017-18 is ₹ 47.22 crore and ₹ 35.29 crore respectively. The Net worth of the company as on March 31, 2018 is ₹ 176.54 crore against the Net Worth of ₹ 157.86 crore in the previous year.

## **HUMAN RESOURCES / INDUSTRIAL RELATIONS**

Your Company does not appoint any permanent employees. Some of the employees of holding company i.e. Rural Electrification Corporation Limited have been assigned full time/additional duty for operational convenience and managing day to day affairs, who are having rich and varied experience in the respective fields. The Company has also engaged manpower on contract/ flexi manpower. Further, the Industrial Relations in the Company continued to be cordial.

## **CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT**

The Company is complying with the provisions of Companies Act, 2013 read with rules thereunder and DPE Guidelines in respect of CSR.

As a responsible corporate citizen, RECTPCL has been actively pursuing various initiatives on the front of CSR and Sustainable Development. During the financial year 2017-18, the Company has sanctioned total financial assistance of ₹ 57,85,000/- towards CSR activities/projects towards ensuring environmental sustainability, Conservation of natural resources etc., against allocated CSR budget of ₹ 1,08,13,000. Further, the balance CSR Fund of ₹ 50,28,000/- has been carried forward to next financial year 2018-19.

### **Cautionary Note**

*Certain statements in "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Management envisages in terms of future performance and outlook.*



**Form No. AOC-2**

*(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements /transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the resolution was passed in general meeting as required under first proviso to Section 188
Rural Electrification Corporation Limited (Holding Company)	Project Management Consultancy for monitoring of projects implemented by M/s Essar Power Transmission Company Limited	6-7 months	Appointment of RECTPCL, on nomination basis, Project Management Consultant (PMC) for monitoring of project of M/s Essar Power Transmission Company Limited (EPTCL) at a fee of Rs 2 Lakh per month (excluding applicable taxes)	RECTPCL is working on PAN India basis for transmission projects. Hence, this project will add to the credentials of RECTPCL.	July 11, 2017	Nil	Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances/booked as advances against expenses in respect of SPVs, if any
Rural Electrification Corporation Limited (Holding Company)	Apportionment of Employee Cost and administration expenses incurred by the holding company on behalf of RECTPCL.	On-going transaction	Payment of employee cost and administration expenses of Rs. 3,08,33,842/- (including taxes) on actual basis during the financial year 2017-18.	-----	Nil
ERSS Transmission Limited (Subsidiary company)	Re-imbursement of expenses, Consultancy Fees and Interest.	On going till date of transfer to selected bidder M/s Power Grid Corporation of India Ltd. i.e., 12 <sup>th</sup> January, 2018.	Rs. 17,84,82,484/- during the financial year 2017-18.		Nil
WR NR Power Transmission Limited (Subsidiary company)	Re-imbursement of expenses, Consultancy Fees and Interest.	On going till date of transfer to selected bidder M/s Power Grid Corporation of India Ltd. i.e., 27 <sup>th</sup> March, 2018.	Rs. 15,05,71,368/- during the financial year 2017-18.		Nil.



Dinchang Transmission Limited (Subsidiary company)	Reimbursement of Expenses and Interest.	On-going transaction	Rs. 25,15,144/- during the financial year 2017-18.	Nil
Ghatampur Transmission Limited (Subsidiary company)	Reimbursement of Expenses and Interest	On-going transaction	Rs. 2,09,74,003/- during the financial year 2017-18.	Rs.15,00,000/- received as advance against the expenses incurred /to be incurred, which is adjusted at the end of the period.
Koderma Transmission Limited (Subsidiary company)	Reimbursement of Expenses and Interest	On-going transaction	Rs. 84,89,861/- during the financial year 2017-18.	Nil.
Mandar Transmission Limited (Subsidiary company)	Reimbursement of Expenses and Interest	On-going transaction	Rs. 84,90,051/- during the financial year 2017-18.	Nil.
Chandil Transmission Limited (Subsidiary company)	Reimbursement of Expenses and Interest	On-going transaction	Rs. 86,33,930/- during the financial year 2017-18.	Nil.
Dumka Transmission Limited (Subsidiary company)	Reimbursement of Expenses and Interest	On-going transaction	Rs. 84,90,049/- during the financial year 2017-18.	Nil.

*[Signature]*

Dated: 17<sup>th</sup> September, 2018  
Place: New Delhi

P V Ramesh  
Chairman  
DIN: 02836069

**FORM NO. MGT - 9**  
**EXTRACT OF ANNUAL RETURN**  
As on financial year ended on March 31, 2018

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.)

**I. REGISTRATION & OTHER DETAILS:**

1. CIN	U40101DL2007GOI157558
2. Registration Date	January 8, 2007
3. Name of the Company	REC Transmission Projects Company Limited
4. Category/Sub-category of the Company	Company limited by shares / Union Government Company
5. Address of the Registered office & contact details	Core-4, SCOPE Complex, 7 Lodhi Road, New Delhi-110003. Ph. No.- 011-24365165 Fax No.- 011-24365815
6. Whether listed company	No
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	N. A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	To promote organize or carry on the business of consultancy services and/or project implementation	7020	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON MARCH 31, 2018:**

Sl. No.	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Rural Electrification Corporation Limited	Core 4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003.	L40101DL1969GOI005095	Holding Company	100%	2(87)
2.	Dinchang Transmission Limited		U40300DL2015GOI288066	Subsidiary Company	100%	2(87)



3.	Ghatampur Transmission Limited
4.	Chandil Transmission Limited
5.	Koderma Transmission Limited
6.	Dumka Transmission Limited
7.	Mandar Transmission Limited

Core 4, SCOPE Complex, 7,  
Lodhi Road, New Delhi-110003.

U40300DL2016GOI308788	Subsidiary Company	100%	2(87)
U40108DL2018GOI330905	Subsidiary Company	100%	2(87)
U40300DL2018GOI331192	Subsidiary Company	100%	2(87)
U40300DL2018GOI331490	Subsidiary Company	100%	2(87)
U40101DL2018GOI331526	Subsidiary Company	100%	2(87)

**Notes:**

- REC Transmission Projects Company Limited (RECTPCL) acts as "Bid Process Coordinator" for selection of Transmission Service Provider(s), through Tariff Based Competitive Bidding (TBCB) process for independent inter-state and intra-state transmission projects allocated by the Ministry of Power (MoP), Government of India and State Governments from time to time. In order to initiate development of each of such independent transmission project allocated to it, RECTPCL incorporates project specific Special Purpose Vehicle (SPV) as its wholly-owned subsidiary, which is also a Wholly-Owned Subsidiary of REC as per the provisions of Section 2(87) of the Companies Act, 2013. Further, such SPVs are subsequently transferred along with all assets and liabilities to the successful bidder(s) selected through TBCB process.
- During the financial year 2017-18, 2 (two) SPVs were transferred to successful bidders selected through TBCB process. Details about the same are given in the Board's Report forming part of this Annual Report. Further, four SPVs were incorporated namely Chandil Transmission Limited on 14<sup>th</sup> March, 2018, Koderma Transmission Limited on 19<sup>th</sup> March, 2018, Dumka Transmission Limited on 23<sup>rd</sup> March, 2018 and Mandar Transmission Limited on 26<sup>th</sup> March, 2018.
- Ghatampur Transmission Limited was transferred to M/s Adani Transmission Limited on 19<sup>th</sup> June, 2018.
- Further, a new Company i.e. Jawaharpur Firozabad Transmission Limited was incorporated on 20<sup>th</sup> August, 2018 as Wholly Owned Subsidiary Company of RECTPCL.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2017]			No. of Shares held at the end of the year [As on March 31, 2018]			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							





h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>																			
a) Bodies Corp.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c) Others (specify)(Trustee)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	0	50,000	50,000	50,000	100	0	50,000	50,000	100	0	50,000	50,000	100	0	50,000	50,000	100	0	0

**Note:** The entire Paid-up Share Capital of REC Transmission Projects Company Limited is held by Rural Electrification Corporation Limited (holding company) and its Nominees.

ii) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2017)			Shareholding at the end of the year (As on March 31, 2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Rural Electrification Corporation Limited	49,994	99.988	0.00	49,994	99.988	0	0
2	Shri Sanjiv Garg*	1	0.002	0.00	1	0.002	0	0
3	Shri Ajeet Kumar Agarwal*	1	0.002	0.00	1	0.002	0	0
4	Shri Sunil Kumar*	1	0.002	0.00	0	0	0	-0.002
5	Shri Ashok Awasthi*	1	0.002	0.00	1	0.002	0	0
6	Shri Sanjeev Kumar Gupta*	1	0.002	0.00	1	0.002	0	0
7	Shri Ajoy Choudhury*	1	0.002	0.00	1	0.002	0	0
8.	Shri V.K. Singh*	0	0	0.00	1	0.002	0	+0.002
	<b>Total</b>	<b>50,000</b>	<b>100</b>	<b>0.00</b>	<b>50,000</b>	<b>100</b>	<b>0</b>	<b>0</b>

\* As nominee of Rural Electrification Corporation Limited i.e. Holding Company.

**Note:** Shri Ajeet Kumar Agarwal (DIN: 02231613) and Shri Sanjeev Kumar Gupta (DIN: 03464342) are also the Directors of the Company and they are holding 1 equity share of ₹ 10/- each as nominees of REC Limited (holding company). During the Financial Year 2017-18, 1 equity share of ₹ 10/- held by Shri Sunil Kumar was transferred to Shri V.K. Singh on November 16, 2017.



iii) Change in Promoters' Shareholding (please specify, if there is no change):

SL. No.	Name of the Shareholder	Shareholding at the beginning of the year (As on April 1, 2017)		Cumulative Shareholding at the end of the year (As on March 31, 2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		Rural Electrification Corporation Limited			
	At the beginning of the year	No Change			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year				
<b>Note:</b> Rural Electrification Corporation Limited along with its nominees holds the entire Paid-up Share Capital of ₹ 5,00,000 divided into 50,000 equity share of ₹ 10/- each in the Company and there is no change in the Promoter's Shareholding during the financial year 2017-18 except 1 equity share held by Shri Sunil Kumar which was transferred to Shri V.K. Singh on November 16, 2017.					

(iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (As on April 1, 2017)		Cumulative Shareholding at the end of the year (As on March 31, 2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		NIL			
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

**Note:** Rural Electrification Corporation Limited along with its Nominees holds the entire Paid-up Share Capital ₹ 5,00,000 divided into 50000 equity share of ₹ 10/- each in the Company as indicated in shareholding of promoters.

(v) Shareholding of Directors and Key Managerial Personnel (KMP):

Sl. No.	Name of the Director/KMP	Shareholding at the beginning of the year (As on April 1, 2017)		Cumulative Shareholding at the end of the year (As on March 31, 2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Dr. P V Ramesh (Chairman &amp; Director)</b> (DIN: 02836069)				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0
2	<b>Shri Ajeet Kumar Agarwal (Non-Executive Director)</b> (DIN: 02231613)				
	At the beginning of the year	1 Equity Share of ₹ 10/- each as nominee	0	1 Equity Share of ₹ 10/- each as nominee	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	1 Equity Share of ₹ 10/- each as nominee	0	1 Equity Share of ₹ 10/- each as nominee	0
3.	<b>Shri Sanjeev Kumar Gupta (Non-Executive Director)</b> (DIN: 03464342)				
	At the beginning of the year	1 Equity Share of ₹ 10/- each as nominee	0	1 Equity Share of ₹ 10/- each as nominee	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	1 Equity Share of ₹ 10/- each as nominee	0	1 Equity Share of ₹ 10/- each as nominee	0



V. INDEBTEDNESS –

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	0	0	0	0
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	0	0	0	0
* Reduction	0	0	0	0
<b>Net Change</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	0	0	0	0
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Dr. P V Ramesh (Chairman & Director)	Shri Ajeet Kumar Agarwal (Non-Executive Director)	Shri Sanjeev Kumar Gupta (Non-Executive Director)	---	
1	Gross salary	0	0	0		0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0		0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0		0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0		0
2	Stock Option	0	0	0		0
3	Sweat Equity	0	0	0		0
4	Commission - as % of profit - others, specify...	0	0	0		0
5	Others, please specify	0	0	0		0
	Total (A)	0	0	0		0
	Ceiling as per the Act	0	0	0		0

## B. Remuneration to other director

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	0	0	0	0
	Fee for attending board committee meetings	0	0	0	0
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (1)	0	0	0	0



2	Other Executive Directors	0	0	0	0	0
	Fee for attending board committee meetings	0	0	0	0	0
	Commission	0	0	0	0	0
	Others, please specify SALARY	0	0	0	0	0
	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0
	Total Managerial Remuneration	0	0	0	0	0
	Overall Ceiling as per the Act	0	0	0	0	0

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary	0	0	0	0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	- Others specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	0	0	0	0

**Note:** The Directors of RECTPCL are the non-executive directors on its Board. Therefore, they are not drawing any remuneration either on monthly or annual basis from the Company.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					



Dr. P V Ramesh  
(Chairman)  
DIN:02836069

Dated: 17<sup>th</sup> September, 2018  
Place: New Delhi



## ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

1. A brief outline of the company's CSR policy, including overview of Project or programs proposed to be undertaken and reference to the web-link to the CSR policy and projects or programs.

CSR Policy of RECTPCL shall be mutatis-mutandis the CSR policy of Rural Electrification Corporation Limited (it's holding company) with modifications as detailed.

Web link of CSR policy of RECTPCL is as under;

[http://rectpcl.in/pdf/CSR\\_Sust\\_Policy.pdf](http://rectpcl.in/pdf/CSR_Sust_Policy.pdf)

2. The Composition of the CSR Committee.

The Composition of CSR Committee of RECTPCL is as follows;

- a) Dr. P.V. Ramesh, Chairman-RECTPCL, Chairman of the Committee
- b) Shri Ajeet Kumar Agarwal, Director RECTPCL, Member of the Committee
- c) Shri Sanjeev Kumar Gupta, Director-RECTPCL, Member of the Committee

3. The Composition of the Sub-Committee on CSR of RECTPCL

The Composition of Sub-Committee on CSR of RECTPCL is as follows;

- a) Shri Bhupender Gupta, Addl. CEO- RECTPCL.
- b) Shri B K Johar, CFO, RECTPCL.
- c) Shri Vivek Agarwal, Chief Manager, RECTPCL.

4. Average net profit of the company for last three financial years.

Average net profit of the RECTPCL, for last three FY is Rs. 54.06 crore.

5. Prescribed CSR Expenditure

Approved CSR Expenditure for CSR for FY- 2017-18 is Rs. 108.13 Lakh (2% of amount of average Net Profit for the last three years).

The details available CSR fund:

Sl. No.	Particulars	Amount in Rs. Lakhs
01	2% of Average Net Profit for last three FY	108.13

Profit for last three years: -

(Amount in Rs.)

Financial Year	2014-15	2015-16	2016-17
Net Profit as calculated u/s 198 of the Act	69,91,84,829	42,41,84,878	49,85,79,244
Total Net Profit of three Financial years	1,62,19,48,951		
Average Net Profit of three years	54,06,49,650		
2% of Average Net Profits for three FYs	1,08,12,993		
Expenses to be incurred on CSR during FY 2017-18	1,08,12,993		

6. Details of CSR spent during the financial year;

- a) Total amount spent for the financial year: Rs. 57.85 Lakh
- b) Amount unspent, if any: Nil
- c) Manner in which the amount spent during the financial year is detailed below:

1) Sl. No	2) CSR project or activity identified	3) Sector in which the project is covered	4) Projects or programs (1)Local area or other (2)Specify the state and district where projects or programs was undertaken	5) Amount outlay (budget) project or programs-wise (In Rs.)	6) Amount spent on the projects or programs Sub-heads: (1). Direct expenditure on projects or programs (2) Over-heads (In Rs.)	7) Cumulative expenditure up to the reporting period (In Rs.)#	8) Amount spent Direct or through implementing Agency
1.	Research study proposal entitled" Synchrophasor Sensing and Seamless Control of Smart Distribution Network with renewable energy integration".	Ensuring environmental sustainability, Conservation of natural resources	NIT Meghalaya, Shillong	57,85,000	57,85,000	92,15,000	NIT Meghalaya
	<b>TOTAL</b>			57,85,000	57,85,000	92,15,000	
	<b>CSR Obligation of RECTPCL for 2017-18</b>				1,08,13,000		
	<b>Balance CSR fund</b>				50,28,000		


# including amount spent in the previous year.

7. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Company not able to spend the available fund under CSR during the year 2017-18 due to non-availability of good projects and therefore, the balance fund has been carried forward to next financial year 2018-19.

8. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the company.

  
(S.K Gupta)  
Director

  
(P.V. Ramesh)  
Chairman- CSR Committee

# PRANAV KUMAR & ASSOCIATES

## COMPANY SECRETARIES

Mobile : +91-9810793994 • Ph : +91-120-4126564  
E-mail : services@pranavkumar.com • www.pkacs.in

### CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
REC Transmission Projects Company Limited,  
New Delhi

This is to certify that during the financial year 2017-18, REC Transmission Projects Company Limited (CIN- U40101DL2007GOI157558) hereinafter referred to as "the Company" has complied with the provisions of Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), issued by Department of Public Enterprises (DPE) vide O.M. No. 18(8)/ 2005- GM dated 14<sup>th</sup> May, 2010 (including any amendments or modification from time to time), to the extent applicable.

This certificate is issued on the representation of officials of the Company and verification of the compliance documents on test check basis. It is neither an audit nor an expression of opinion of financial statements of the Company.

For Pranav Kumar & Associates,  
Company Secretaries



Date: July 17, 2018  
Place: New Delhi

  
Arpita Saxena  
(Partner)  
Membership No.: A23822  
COP No. : 11962





91

**REC TRANSMISSION PROJECTS COMPANY LTD**  
(A Wholly Owned Subsidiary of Rural Electrification Corporation Limited)  
**BALANCE SHEET AS AT 31.03.2018**

Figures in Rupees			
Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	500,000	500,000
(b) Reserves and Surplus	2	1,764,953,975	1,578,103,951
<b>(2) Non Current Liabilities</b>			
(a) Deferred Tax Liabilities (Not)	3	148,300	142,893
(b) Long Term Provisions	4	445,991	102,587
<b>(3) Current Liabilities</b>			
(a) Trade Payables			-
(b) Other Current Liabilities	5	1,709,856,931	38,832,363
(c) Short Term Provisions	6	5,180,002	5,507,543
<b>TOTAL</b>		<b>3,481,085,199</b>	<b>1,623,189,337</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets	7		
(i) Tangible Assets		3,564,949	1,548,257
(ii) Intangible Assets		75,160	60,080
(b) Non-Current Investments	8	862,790,000	862,790,000
(c) Long-Term Loans and Advances	9	4,090,800	1,363,600
<b>(2) Current Assets</b>			
(a) Current Investments	10	641,000,000	352,000,000
(b) Trade Receivables	11	164,566,932	5,842,000
(c) Cash and Bank Balances	12	1,601,214,320	295,327,082
(d) Short-Term Loans and Advances	13	120,297,866	55,545,335
(e) Other Current Assets	14	83,485,172	48,706,983
<b>TOTAL</b>		<b>3,481,085,199</b>	<b>1,623,189,337</b>

Significant accounting policies 22  
Other notes to accounts 23  
Notes to Accounts 1 to 23 are an integral part of these financial statements

In terms of our report of even date

For Singh Chugh & Kumar

Chartered Accountants

ICAI Firm Registration No. 013613N



Singh Chugh

Partner

Membership No. 502569

Place : New Delhi

Date : 21/05/2018

For and on behalf of the Board

Ajeet Kumar Agarwal  
Director  
DIN 02231613

V. Ramesh  
Chairman  
DIN 02836069



## REC TRANSMISSION PROJECTS COMPANY LTD

(A Wholly Owned Subsidiary of Rural Electrification Corporation Limited)

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018

Figures in Rupees			
Particulars	Note No.	Year ended 31.03.2018	Year ended 31.03.2017
I. Revenue from Operations	15	417,305,564	415,346,358
II. Other Income	16	115,688,794	108,453,919
III. Total Revenue (I+II)		532,994,358	523,800,277
IV. EXPENSES			
Direct Expenses	17	29,686,396	4,000,074
Employee Benefits Expense	18	4,372,389	1,131,466
Finance Costs	19	1,534,827	2,958,371
Depreciation and Amortisation Expenses	7	1,352,149	655,551
CSR Expenses	23 (XXII)	5,785,000	9,776,000
Other Expenses	20	18,042,558	6,699,571
Total Expenses (IV)		60,773,319	25,221,033
V. Profit before exceptional and extraordinary items and tax (III-IV)		472,221,039	498,579,244
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V-VI)		472,221,039	498,579,244
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		472,221,039	498,579,244
X. Tax Expense			
Current Tax:	21	119,135,390	153,958,543
Earlier Year Tax (Refunds)		136,730	-
Deferred Tax		5,407	63,987
XI. Profit/(Loss) for the period from continuing operations (IX-X)		352,943,512	344,556,714
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax Expense of discontinuing operations		-	-
XIV. Profit/(Loss) from discontinuing operations (after tax)(XII-XIII)		-	-
XV. Profit (Loss) for the period (XI+XIV)		352,943,512	344,556,714
XVI. Basic and Diluted Earnings per Equity Share( in rupees for equity share of Rs 10 each)	23(XVIII)	7,058.87	6,891.13

Significant accounting policies 22

Other notes to accounts 23

Notes to Accounts 1 to 23 are an integral part of these financial statements

In terms of our report of even date

For Singh Chugh & Kumar

Chartered Accountants

ICAI Firm Registration No. 013613N

*(Signature)*  
Sukhm Chugh  
Partner

Membership No. 502369

Place : New Delhi

Date : 21/05/2018

For and on behalf of the Board

*(Signature)*  
Ajay Kumar Agarwal  
Director  
DIN 02231613

*(Signature)*  
P. V. Ramiah  
Chairman  
DIN 02836069



# REC TRANSMISSION PROJECTS COMPANY LTD

## NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018

Figures in Rupees

Particulars	As at 31.03.2018	As at 31.03.2017
<b>NOTE No. '1' - SHARE CAPITAL</b>		
a) Authorised Share Capital		
50,000 (Previous Year - 50,000) Equity shares of Rs. 10 each	500,000	500,000
b) Issued, Subscribed and Paid up Share Capital		
50,000 (Previous Year - 50,000) fully paid up Equity shares of Rs. 10 each	500,000	500,000
<b>Total</b>	<b>500,000</b>	<b>500,000</b>

c) The company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. The holders of the equity shares of the Company are entitled to receive dividends, if any declared by the company. The shareholders have all such rights as may be available to a shareholder of a public company under the Companies Act, 1956 (to the extent applicable), Companies Act, 2013 (to the extent notified) and Memorandum of Association and Articles of Association of the Company.

d) The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31.03.2018 No. of Shares
Equity Shares at the beginning of the year	50,000
Add: Shares issued during the year	-
Equity Shares at the end of the year	50,000

e) Shareholders holding more than 5% fully paid up equity shares of the Company:

Name of the Shareholders	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	Percentage	No. of Shares	Percentage
Rural Electrification Corporation Ltd. (Holding company) including six shares held through its nominees	50,000	100.00	50,000	100.00

f) In preceding five financial years immediately preceding 31.03.2018, Company has not allotted any equity share as fully paid up pursuant to contract(s) without payment being received in cash/ not allotted any equity share as fully paid up by way of bonus share(s)/ not bought back any class of share(s).

Figures in Rupees

Particulars	As at 31.03.2018	As at 31.03.2017
<b>NOTE No. '2' - RESERVES AND SURPLUS</b>		
a) General Reserve		
Balance as per last financial statements	132,500,000	97,500,000
Add: Transferred from Statement of Profit and Loss	-	35,000,000
	132,500,000	132,500,000
b) Surplus being balance in Statement of Profit and Loss		
Balance as per last financial statements	1,445,603,951	1,136,047,237
Add: Profit for the year	352,943,512	344,556,714
	1,798,547,463	1,480,603,951
<b>Less: Allocations and Appropriations</b>		
Transfer to General Reserve		35,000,000
Dividend	138,000,000	-
Dividend Distribution Tax	28,093,488	-
	1,632,453,975	1,445,603,951
<b>Total</b>	<b>1,764,953,975</b>	<b>1,578,103,951</b>

Proposed Dividend: The dividend proposed for the year is as follows:

Particulars	As at 31.03.2018	As at 31.03.2017
On Equity Shares of Rs. 10 each		
- Amount of Dividend proposed in Rupees	352,900,000	138,000,000
- Rate of Dividend	70580%	27600%
- Dividend per equity share in Rupees	7.058	2.760

The Board of Directors, have recommended dividend of Rs. 7.058/- per equity share to the equity shareholders. The dividend will be paid after the approval of shareholders at the ensuing Annual General Meeting. During the previous year, the company had made a provision for the dividend declared by the Board of Directors as per the requirements of pre-revised Accounting Standard 4 'Contingencies and Events Occurring After the Balance Sheet Date'. However, as per the requirements of revised AS 4 which is applicable w.e.f. 1<sup>st</sup> April, 2016, the Company is not required to provide for dividend proposed/declared after balance sheet date. Consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors for the year ended 31<sup>st</sup> March, 2018. Had the Company continued with creation of provision for proposed dividend, as at the Balance Sheet date, its Surplus in Statement of Profit and Loss would have been lower by Rs. 42,47,41,618/- and Short Term Provision would have been higher by Rs. 42,47,41,618/- including Dividend Distribution Tax of Rs. 7,18,41,618/-.







44

Figures in Rupees				
Particulars		As at 31.03.2018		As at 31.03.2017
<b>NOTE No. '3' - DEFERRED TAX LIABILITIES (NET)</b>				
Deferred Tax Liability on account of Depreciation		148,300		142,893
<b>Total</b>		<b>148,300</b>		<b>142,893</b>

Figures in Rupees				
Particulars		As at 31.03.2018		As at 31.03.2017
<b>NOTE No. '4' - LONG TERM PROVISIONS</b>				
Provisions for Employee Benefits				
Loyalty Bonus (FTS)	221,403		56,831	
Earned Leave (FTS)	224,588	445,991	45,756	102,587
<b>Total</b>		<b>445,991</b>		<b>102,587</b>

Figures in Rupees				
Particulars		As at 31.03.2018		As at 31.03.2017
<b>Note No. '5' - OTHER CURRENT LIABILITIES</b>				
<u>Other Payables</u>				
Tax Deducted at Source		6,096,923		2,819,237
Service Tax Payable		552,000		192,579
Goods and Service Tax Payable		72,840,932		-
Earnest Money Deposit		879,137		602,650
Advance from REC Ltd *		38,170,405		24,999,808
Expenses Payables		58,200,179		7,476,550
Rural Electrification Corporation Limited (Holding Company)		2,653,063		2,741,539
<u>Government Fund**</u>				
-PSDF for 11 kV Feeder Monitoring Scheme	171,459,147		-	
-PMDP fund 2015- J&K	1,359,005,145	1,530,464,292	-	
<b>Total</b>		<b>1,709,856,931</b>		<b>38,832,365</b>

\* Advance from REC Ltd. for financing the Government scheme- Urja Mitra  
 \*\* Refer note 23 (XXIII)

Figures in Rupees				
Particulars		As at 31.03.2018		As at 31.03.2017
<b>NOTE No. '6' - SHORT TERM PROVISIONS</b>				
<u>OTHERS</u>				
Provision for Income Tax	273,230,663		409,469,717	
Less: Advance income Tax and TDS	268,056,019	5,174,643	403,965,163	3,506,554
Provisions for Employee Benefits				
Earned Leave (FTS)	5,359		989	
Loyalty Bonus (FTS)	-	5,359	-	989
<b>Total</b>		<b>5,180,002</b>		<b>5,507,543</b>



*[Handwritten signature]*



Note: 1-The Depreciation has been charged on pro rata basis except for items which are used for more than 15 days, are charged for the full month

5. Assets with original cost of Rs. 90,000/- having WDV of Rs. 68,309/- have been written off during the FY 2017-18.

5

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45



46

Particulars	Face Value per Bond (Rs.)	Quantity as at 31.03.2018	Figures in Rupees		
			As at 31.03.2018	Quantity as at 31.03.2017	As at 31.03.2017
NOTE No. '8' - NON CURRENT INVESTMENT					
Other Investment - Quoted - at cost					
Tax Free Bonds					
7.38% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Rural Electrification Corporation Ltd. (Holding Company)	1000	350,000	350,000,000	350,000	350,000,000
8.46% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Rural Electrification Corporation Ltd. (Holding Company)	1000	250,000	250,000,000	250,000	250,000,000
7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd (NHAI)	1000	42,855	42,855,000	42,855	42,855,000
7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Highway Authority of India Ltd (NHAI)	1000	35,463	35,463,000	35,463	35,463,000
7.49% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Renewable Energy Development Agency (IREDA)	1000	61,308	61,308,000	61,308	61,308,000
7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Housing and Urban Development Corporation (HUDCO)	1000	86,798	86,798,000	86,798	86,798,000
7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of Indian Railway Finance Corporation (IRFC)	1000	22,338	22,338,000	22,338	22,338,000
7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of National Bank for Agriculture and Rural Development (NABARD)	1000	14,028	14,028,000	14,028	14,028,000
Total			862,790,000		862,790,000
Aggregate Market Value of Quoted non Current Investment			969,750,542		976,824,258
Aggregate Cost of Quoted non Current Investment			862,790,000		862,790,000

Figures in Rupees				
Particulars		As at 31.03.2018		As at 31.03.2017
NOTE No. '9' - LONG TERM LOANS AND ADVANCES				
A) Security Deposits (Unsecured, considered Good)		4,090,800		1,363,600
Total		4,090,800		1,363,600

*[Handwritten Signature]*







47

Particulars	Face Value per Equity shares (Rs.)	Quantity as at 31.03.2018	Figures in Rupees		
			Amount (Rs.) As at 31.03.2018	Quantity as at 31.03.2017	Amount (Rs.) As at 31.03.2017
NOTE No. '10' - CURRENT INVESTMENTS					
A) Equity Shares- Fully paid up of wholly owned Subsidiary Companies-Unquoted (At cost less diminution provided for)					
(i) Dincham Transmission Limited	10	50,000	500,000	50,000	500,000
(ii) Ghatampur Transmission Limited	10	50,000	500,000	50,000	500,000
(iii) ERSS XXI Transmission Limited	10	-	-	50,000	500,000
(iv) WR-NR Power Transmission Limited	10	-	-	50,000	500,000
B) Others-Corporate Deposit-Unquoted (At cost)					
(i) LIC Housing Finance Limited	-	-	-	-	175,000,000
(ii) PNB Housing Finance Limited	-	-	640,000,000	-	175,000,000
Total		100,000	641,000,000	200,000	552,000,000
Aggregate Market Value of Quoted Current Investment			-		-
Aggregate Cost of Unquoted Current Investment			641,000,000		552,000,000
Aggregate provision for diminution in value of Investments			-		-

Particulars		Figures in Rupees	
		As at 31.03.2018	As at 31.03.2017
NOTE No. '11' - TRADE RECEIVABLES			
i) Trade Receivables outstanding for more than six months from the date they became due for payment			
Secured Considered Good	-	-	-
Unsecured Considered Good	32,124,210	-	1,610,000
Doubtful	-	-	-
Less: Mobilisation Advance to be received from JKPDD-UDAY	7,121,428	25,002,782	-
ii) Trade Receivables (others)			
Unsecured Considered Good	-	139,564,150	4,252,000
Total		164,566,932	5,862,000

Particulars		Figures in Rupees	
		As at 31.03.2018	As at 31.03.2017
NOTE No. '12' - CASH AND BANK BALANCES			
A) CASH AND CASH EQUIVALENTS			
Balances with Banks			
In Current Accounts		24,838,592	3,130,078
Government Fund Accounts			
OBC -11kV Feeder Monitoring		204,352,889	-
OBC -PMDP fund 2015 J&K		1,359,088,439	-
B) OTHER BANK BALANCES			
Deposits with maturity for more than three months but upto 12 months		10,000,000	289,262,644
Deposits with maturity for more than 12 months		-	-
Deposits with maturity for more than 12 months against margin money*		2,934,400	2,934,400
Total (A+B)		1,601,234,720	295,327,082

\* TDR has been placed on firm with Canara Bank as collateral security for issue of BG for Mizoram Project.

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48

Particulars		Figures in Rupees	
		As at 31.03.2018	As at 31.03.2017
NOTE No. '13' - SHORT TERM LOANS & ADVANCES			
A) Loans & Advances to related parties ( Unsecured, Considered Good )			
<u>Dues from Subsidiaries</u>			
Upcoming Projects - Hyderabad*	-		589,992
Less: Provision for Hyderabad Project	-	-	589,992
Diochang Transmission Limited		10,603,649	8,194,512
Ghatampur Transmission Limited		31,165,986	12,411,624
ERSS XXI Transmission Limited		-	4,218,759
WR-NR Power Transmission Limited		-	4,014,927
Chandil Transmission Limited		8,609,809	-
Dumka Transmission Limited		8,466,056	-
Mandla Transmission Limited		8,466,058	-
Koderma Transmission Limited		8,465,808	-
B) Others (Unsecured, Considered Good)			
Advance to Parties		33,475,744	26,705,513
Reimbursement from MoP for RFMS**		11,044,696	-
Total		120,297,866	55,545,335

\* Expenditure was incurred on the said project during FY 2011-12 & later on the project was put on hold by the Govt. Hence provision was made in the FY 2014-15. During current FY, the provision is written off on the basis of the letter dated 13.03.2018 received from Ministry of Power.

\*\* Refer note 23(XXIII)

Particulars	Figures in Rupees		
	As at 31.03.2018		As at 31.03.2017
<b>NOTE No. '14' - OTHER CURRENT ASSETS</b>			
Interest Accrued but not due on tax free bonds	22,973,277		22,980,455
Interest Accrued but not due on deposits	8,699,119		14,824,957
CENVAT Credit Receivable	-		1,249,322
Krishi Kalyan Cess Receivable	-		43,780
Input Tax Credit - GST	3,266,166		-
PFC Consulting Limited	179,369		63,250
<b>Recoverable from Govt**</b>			
Amount spent on Feeder Monitoring Scheme	30,755,898		4,167,176
Amount spent on Urja Mitra Scheme	17,611,352		5,478,143
<b>Total</b>	<b>83,485,172</b>		<b>48,706,983</b>

\*\* Refer note 23(XXIII)

*[Signature]*

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49

Figures in Rupees

Particulars		Year ended 31.03.2018		Year ended 31.03.2017
<b>NOTE '15' - REVENUE FROM OPERATIONS</b>				
<b>a) Sale of services</b>				
Income From Professional Charges		242,477,000		387,300,000
Income from REC/PDCL		-		6,491,958
Income from UPRVUNL		-		1,400,000
Income From KESCO		20,248,160		14,720,000
Income From PEDM		8,803,200		2,074,400
Income from Essar		1,800,000		-
Income from Goa Electricity Department		30,117,022		-
Income from JKPD-D-PIA		38,550,400		-
Income from JKPD-D-PIA		16,232,402		-
Income from JKPD-D-UDAY		25,637,148		-
Income from PTC		19,305,000		-
Income From UPPTCL - GST		3,000,000		-
Income from UPRVUNL - GST		5,700,000		-
Agency Fees 11kV Rural Feeder Monitoring Scheme		2,542,372		-
<b>b) Other Operating Revenue</b>				
Document Cost Received		5,892,860		2,000,000
<b>Total</b>		<b>417,305,564</b>		<b>415,546,358</b>

Figures in Rupees

Particulars		Year ended 31.03.2018		Year ended 31.03.2017
<b>NOTE '16' - OTHER INCOME</b>				
Interest From Tax Free Bonds		66,462,694		60,264,695
Interest from Term/ Corporate Deposits		41,838,571		30,714,851
Interest from SPVs		6,642,761		5,130,097
Miscellaneous Income		744,811		206,721
Interest on Income Tax Refund		-		137,555
<b>Total</b>		<b>115,688,837</b>		<b>106,453,919</b>

Figures in Rupees

Particulars		Year ended 31.03.2018		Year ended 31.03.2017
<b>NOTE '17' - DIRECT EXPENSES</b>				
Survey Charges	2,336,700	873,600	2,570,102	-
Less: Allocated to Subsidiaries	1,463,100		2,570,102	
Consultancy Charges	30,436,383	26,450,385	7,422,725	3,148,560
Less: Allocated to Subsidiaries	3,975,998		4,274,175	
Advertisement Expenses	12,106,005	2,116,352	9,927,289	114,301
Less: Allocated to Subsidiaries	9,989,653		9,812,988	
Meeting & Conference Expenses	1,443,598	246,050	1,409,319	737,213
Less: Allocated to Subsidiaries	1,197,539		672,106	
<b>Total</b>		<b>29,686,390</b>		<b>4,000,074</b>

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50

		Figures in Rupees	
Particulars		Year ended 31.03.2018	Year ended 31.03.2017
<b>NOTE '18' - EMPLOYEE BENEFITS EXPENSE</b>			
Salary and other establishment exp. allocated by REC	34,005,716		25,685,607
Less: Allocated to Subsidiaries	34,005,716	-	-
Salary Expenses of FTS	7,304,501		2,288,728
Less: Allocated to Subsidiaries	2,992,112	4,372,389	1,157,262
<b>Total</b>		<b>4,372,389</b>	<b>1,131,466</b>

		Figures in Rupees	
Particulars		Year ended 31.03.2018	Year ended 31.03.2017
<b>NOTE '19' - FINANCE COSTS</b>			
Interest Expense *			
On Loan from Banks	24851		-
On Advance Income tax	1,497,903		2,957,804
On Others	2,073		567
Less: Allocated to Subsidiaries	-	1,534,827	-
<b>Total</b>		<b>1,534,827</b>	<b>2,958,371</b>

\* Refer note 23( XXVII)

		Figures in Rupees	
Particulars		Year ended 31.03.2018	Year ended 31.03.2017
<b>NOTE '20' - OTHER EXPENSES</b>			
<b>a) Other Expenses</b>			
Rent Expenses	16,033,646		10,014,593
Less: Allocated to Subsidiaries	15,461,654	571,992	10,014,593
Printing and Stationery	804,129		505,116
Less: Allocated to Subsidiaries	649,814	154,315	259,723
Telephone/Internet Expenses	588,281		182,859
Less: Allocated to Subsidiaries	550,037	38,244	178,828
Flexi Manpower	39,612,825		6,750,911
Less: Allocated to Subsidiaries	26,968,556	12,644,269	5,365,318
Postage & Courier Expenses	173,453		104,739
Less: Allocated to Subsidiaries	151,053	22,400	82,588
Maintenance of office building	1,555,943		317,096
Less: Allocated to Subsidiaries	1,555,943	-	317,096
Legal & Professional Charges	1,297,583		357,230
Less: Allocated to Subsidiaries	591,202	706,381	96,915
Electricity Expenses	1,705,567		868,468
Less: Allocated to Subsidiaries	1,670,382	35,185	868,468
Tours & Travel Expenses	5,302,505		5,109,731
Less: Allocated to Subsidiaries	2,871,265	2,431,240	3,281,181
Books & Periodicals	47,500		-
Less: Allocated to Subsidiaries	7,498	40,002	-
Hiring Charges of Desktops	-		27,270
Less: Allocated to Subsidiaries	-	-	27,270
Auditor's Remuneration	347,500		230,000
Less: Allocated to Subsidiaries	-	347,500	-
Internal Audit fees	34,750		15,290
Less: Allocated to Subsidiaries	-	34,750	-

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51

Bank Charges	6,564		40,896	
Less: Allocated to Subsidiaries	4,282	2,282	186	40,710
Security Expenses	2,903,931		1,654,777	
Less: Allocated to Subsidiaries	2,903,931	-	1,654,777	-
Hospitality Expenses	958,101		424,009	
Less: Allocated to Subsidiaries	924,983	33,118	420,089	3,920
House Keeping	595,974		1,101,093	
Less: Allocated to Subsidiaries	595,804	170	1,101,093	-
Swachh Bharat Cess-Expenses	131,073		305,501	
Less: Allocated to Subsidiaries	117,749	13,324	255,957	49,544
Preliminary expenses - New Projects	-		95,860	
Less: Allocated to Subsidiaries	-	-	95,860	-
Miscellaneous Expenses	524,529		371,372	
Less: Allocated to Subsidiaries	351,135	173,394	290,902	80,470
Technical Services	42,767,382		5,197,286	
Less: Allocated to Subsidiaries	42,213,475	553,907	2,664,182	2,533,104
Office Expenses	833,653		-	
Less: Allocated to Subsidiaries	593,568	240,085	-	-
<b>Total</b>		<b>18,042,558</b>		<b>0,699,571</b>

Figures in Rupees				
Particulars		Year ended 31.03.2018		Year ended 31.03.2017
<b>NOTE '21' - TAX EXPENSE OF CONTINUING OPERATIONS</b>				
Current Year		119,135,390		153,958,543
<b>Total</b>		<b>119,135,390</b>		<b>153,958,543</b>

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## **REC TRANSMISSION PROJECTS COMPANY LTD**

**(A Wholly Owned Subsidiary of Rural Electrification Corporation Limited)**

### **NOTE NO. 22: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- a) **Accounting Convention** - The financial statements are prepared under the historical cost convention on accrual basis unless otherwise stated and in accordance with generally accepted accounting principles and accounting standards as applicable under Section 133 of the Companies Act, 2013 read with MCA General Circular No. 15/2013 dated 13th September 2013. The financial statements adhere to the relevant presentational requirement of the Companies Act, 2013.
- b) **Use of Estimates** - The Preparation of financial statements requires the management of the company to make estimates and assumptions that affect the reported balance of assets & liabilities, revenues and expenses and disclosures relating to the contingent liabilities. The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

#### **2. FIXED ASSETS**

- a) **Tangible Assets** - Fixed Assets are shown at historical cost less accumulated depreciation. The cost includes any cost attributable of bringing the assets to its working condition for its intended use.
- b) **Intangible Assets** - An Intangible Assets is recognised where it is probable that the future economic benefits attributable to assets will flow to the company. The depreciable amount of an intangible assets is allocated on a systematic basis over the best estimate of its useful life. Management estimates useful life of intangible assets to be 5 years.

#### **3. DEPRECIATION**

- a) Depreciation on assets is provided on straight-line method in accordance with the useful lives prescribed under Schedule II of the Companies Act, 2013.
- b) Depreciation on assets purchased/ sold during the year is charged for the full month if the asset is in use for more than 15 days, instead of charging the same on pro-rata basis from the date of purchase/ sale.
- c) Depreciation on assets purchased during the year up to Rs. 5,000/- is provided @ 100%.

#### **4. CURRENT LIABILITIES**

Expenditures incurred by the Holding Company (REC Ltd.) on behalf of the company have been considered as Current Liabilities payable to the Holding Company.

#### **5. CASH FLOW STATEMENT**

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. Cash and cash equivalents in the Balance Sheet comprises cash at bank and short term investment with an original maturity of three months or less.





## **6. SALE PROCEEDS OF RFQ/RFP DOCUMENTS**

Sale proceeds of Request for Proposal (RFP) documents is credited to the respective SPV and sale proceeds of Request for Qualification (RFQ) documents is retained by the company and accounted as income of the company.

## **7. REVENUE RECOGNITION**

Revenue from service transactions is usually recognised as the service is performed by the proportionate completion method. Revenue is recognised proportionately by reference to the performance of each assignment/contract. Income and Expenses (except as stated below) are accounted for on accrual basis:-

Professional charges to be charged from the selected bidders/developers for transmission projects put on tariff based bidding is accounted for in the year in which it is reasonably certain that the ultimate collection of the professional charges will be made.

## **8. IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## **9. EMPLOYEE BENEFITS**

### **a) Fixed Tenure Employees**

The Company has recruited Fixed Tenure Employees for a period 3 years, which is further extendable maximum up to 4 years and 6 months depending upon the requirement and performance. All employee benefits statutory liabilities e.g. Provident Fund, Pension, ESI and Gratuity etc. are not applicable to the company. However, the Company provided for leave encashment and loyalty bonus for which liabilities are assessed as per the actuarial valuation and disclosed in other notes to accounts.

### **b) Employees on secondment from holding company**

The company is managed by the employees deployed by REC Ltd (holding company) on secondment basis and pays their charges as service fee for deemed management service provided by its holding company. The Service charges, being charged as a fixed liability on the basis of actual employee cost, added with fixed charges on account of future liability of Provident Fund, Gratuity, Superannuation and Postretirement benefit etc. With paying above charges, company owes nothing to its holding company for any future liabilities whatsoever against such seconded employees.

## **10. TAXES ON INCOME**

Current tax is determined on the basis of taxable income in accordance with the provision of Income Tax Act, 1961.

Deferred tax liabilities/asset resulting from 'timing difference' between accounting income and taxable income is accounted for considering the tax rate & laws that have been enacted or substantively enacted as on the reporting date. Deferred tax asset is recognized and carried forward only to the extent that there is reasonable / virtual certainty that asset will be realized in future. Deferred taxes are reviewed at each reporting date.

## **11. PRIOR PERIOD/ PREPAID ADJUSTMENTS**

Considering the nature of business, income/expenditure for the earlier years ascertained and determined during the year is accounted for in the year in which it is so ascertained/determined.

Other items not exceeding Rs. 5,00,000/- in each case are accounted for under natural heads of account.





54

## 12. PROVISIONS

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and reliable estimate of amount of the obligation can be made. Provisions are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

## 13. INVESTMENTS

Long term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually. Quoted current investments are carried individually at the cost or market value whichever is lower. Unquoted current investments are carried individually at the cost or fair value whichever is lower.

## 14. GRANTS / FUNDS FROM GOVERNMENT

Unutilised amount of grant/fund received are classified as current liabilities. Interest wherever earned on such funds is credited to respective grant/fund account.

## 15. ALLOCATION OF EXPENSES

The Company has been appointed by Government of India to act as Bid Process Co-ordinator for selection of the Transmission Service Provider (developer) for Transmission Projects. Since the Company is incurring expenses mainly for its project specific subsidiaries (called SPVs), the expenses have been allocated at the year end to these SPVs. Direct expenses have been booked to the respective subsidiary/SPV for which the expenditure has been incurred. All Indirect/Common Expenses have been allocated only to the subsidiaries/SPVs in equal proportion on the time period basis from the month of issue of RFQ or incorporation of SPV, whichever is earlier, till the month in which tenth day from the date of issue of Letter of Intent (LOI) for the transfer of the SPV falls. Part of the month, if any, is considered as full month for cost allocation. The Company has also charged interest on the funds deployed by it.

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## REC TRANSMISSION PROJECTS COMPANY LTD

(A Wholly Owned Subsidiary of Rural Electrification Corporation Limited)

### NOTE NO. 23: OTHER NOTES TO ACCOUNTS

- I. The Company was incorporated on January 08, 2007 under the Companies Act, 1956. Certificate for Commencement of Business was issued on February 05, 2007. The Company has been appointed by Government of India to act as Bid Process Co-ordinator for selection of the Transmission Service Provider (developer) for Transmission Projects.

For this Specific purpose, the Company incorporates Project Specific 100% Subsidiary Company under its control which are also called SPV's and transfer the Subsidiary Company along with its assets and liabilities to the selected successful bidder of the particular project.

There were four opening subsidiary companies (SPVs), incorporated in the previous years, namely Dinchang Transmission Limited, Ghatampur Transmission Limited, ERSS XXI Transmission Limited and WR-NR Power Transmission Limited.

Four Subsidiaries (SPVs), namely Koderma Transmission Limited (19.03.2018), Chandil Transmission Limited (14.03.2018), Dumka Transmission Limited (23.03.2018) and Mandar Transmission Limited (26.03.2018) were incorporated during the Financial Year 2017-18, thus there were total eight subsidiaries during the year.

Out of the eight subsidiaries, two subsidiaries namely ERSS XXI Transmission Limited and WR-NR Power Transmission Limited was transferred to Power Grid Corporation of India Limited on 12.01.2018 and 27.03.2018 respectively.

At the year end, there are six subsidiaries (SPVs) in hand namely Dinchang Transmission Limited, Ghatampur Transmission Limited, Koderma Transmission Limited, Chandil Transmission Limited, Dumka Transmission Limited and Mandar Transmission Limited.

- II. As required u/s 129 of the Companies Act, 2013 the financial statements of these subsidiary companies adopted by the Board of Directors of the respective subsidiary are to be attached. As per AS 21 para 11, a subsidiary company should be excluded from consolidation when control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future. Therefore, the financial statements of the subsidiaries are not consolidated with the financial statements of the company.
- III. Koderma Transmission Limited, Chandil Transmission Limited, Dumka Transmission Limited and Mandar Transmission Limited has been incorporated in the month of March 2018. As per section 2(41) of Companies Act, 2013 "every company incorporated on or after the 1st day of January of a year, the period ending, inter alia, on the 31st day of March of the following financial year will be the financial year of the company". Hence, the first financial year of the company will be from the date of incorporation to 31st March 2019.
- IV. In case of Dinchang Transmission Limited, Central Electricity Authority, the nodal agency for TBCB process, GoI has advised vide letter dated 10.08.2016 to put the bidding process for the transmission project on hold till further order. Hence, allocation of common expenses has not been done from August 2016 onwards.
- V. Government of Jharkhand vide its letter dated 21.08.2017 had nominated RECTPCL as the Bid Process Coordinator for the development of Intra-State transmission elements of Jharkhand State through Tariff Based Competitive Bidding route. As per the directions of Jharkhand Urja Sancharan Nigam Limited (State Transmission Utility of Jharkhand), the transmission elements were divided into 5 projects and the RFQ process was initiated. Subsequently, Jharkhand Urja Sancharan Nigam Limited in consultation with Central Electricity





Authority & Central Transmission Utility finalized the revised transmission elements of Jharkhand State to be developed through Tariff Based Competitive Bidding route. Afterwards, based on the directions of Jharkhand Urja Sancharan Nigam Limited the revised scope of work has been divided in 4 packages. Therefore, Expenditure which was allocated to five projects was re-allocated to four projects.

- VI. The company is a wholly owned subsidiary of Rural Electrification Corporation Limited (REC Ltd.), a Govt. of India Enterprise. The Key Managerial Personnel of the company are employees of the Holding Company (REC Ltd) deployed on part time basis. No managerial remuneration is paid to such personnel by the company. The details of such Key Managerial Personnel are as follows: -

S. No.	Name	Designation	Date of Appointment	Date of Separation
1.	Dr. P. V. Ramesh	Chairman & Director	05.01.2017	Continuing
2.	Sh. Ajeet Kumar Agarwal	Director	27.12.2008	Continuing
3.	Sh. Sanjeev Kumar Gupta	Director	26.10.2015	Continuing

All other personnel working for the company are also from the Holding Company (REC Ltd). The salary and establishment expenses in respect of the personnel working for the company are paid by the Holding Company (REC Ltd) and recovered at cost from the company.

- VII. Wherever, any expenditure is incurred or payment made by the Holding Company (REC Ltd.) on behalf of the company, procedural and statutory requirements with regard to deduction of Tax at Source and other statutory compliances, as applicable, are complied by the Holding Company (REC Ltd).
- VIII. i) As per the approved policy, REC Ltd, the holding company is charging the salary, other establishment expenses and defined liabilities as a percentage of the basic salary for the seconded employees as follows:
- Basic Salary- On actual basis on the basis of estimated time spent for the company.
  - Dearness Allowance - at actual.
  - HRA/Lease Accommodation charges- @30% of basic salary.
  - Perquisites at actual as per the entitlement of the concerned employee.
  - Performance related pay - at actual as per the maximum ceiling provided by DPE.
  - Earned Leave- for 30 days in a year.
  - Medical Leave - for 10 days in a year.
  - Defined Contribution - 30% of the Basic plus DA, towards PF, Gratuity, Superannuation benefits and post retirement medical facility etc.
- ii) Interest on cost incurred by the company for the Subsidiary Companies (SPVs) is charged on the basis of general market interest rate of T&D schemes of the ultimate holding company (REC Ltd) for ungraded organisations, presently @ 12.75 % p.a as on the beginning of the Financial Year. No interest is paid to REC Ltd, the holding company for the cost incurred by it as the payment is made within one month of raising of invoice.

- IX. Since the Company is incurring expenses mainly for its project specific subsidiaries (called SPVs), the expenses have been allocated at the year end to these SPVs. Direct expenses have been booked to the respective subsidiary/SPV for which the expenditure has been incurred. All Indirect/Common Expenses have been allocated only to the subsidiaries/SPVs in equal proportion on the time period basis from the month of issue of RFQ or incorporation of SPV, whichever is earlier, till the month in which tenth day from the date of issue of Letter of Intent (LOI) for the transfer of the SPV falls. Part of the month, if any, is considered as full month for cost allocation. The Company has charged interest on the funds deployed by it. For direct expenses, interest is charged from the month in which the expenditure is incurred whereas for indirect expenses interest is charged for the average period of deployment of funds. Such interest is calculated on monthly basis but recognised at the end of the year.

Annual and periodical allocation of expenditure by the Company to subsidiaries till the completion of service is accumulated and debited to subsidiaries account (invoice inclusive of GST is raised) and the same is treated




as advance to subsidiaries reflected under the head Current Asset. The amount of advance is transferred to Debtors and is realized, during acquisition of the SPV by the successful bidder.

X. As per the information available with the Company, there are no dues to Micro, Small and Medium Enterprises.

XI. Deferred Tax Assets / Liabilities

Particulars	Figures in rupees	
	As at 31.03.2018	As at 31.03.2017
Deferred Tax Liabilities on Timing difference on account of depreciation		
Opening Balance	1,42,893	78,906
Addition during the year	5,407	63,987
Deletion during the year	0	0
Closing Balance	1,48,300	1,42,893

XII. Details of expenditure and earnings in foreign currency is as under

Particulars	(Figures in rupees)	
	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Expenditure	NIL	NIL
Earnings	NIL	NIL

XIII. Auditors Remuneration includes

Particulars	(Figures in rupees)	
	Year ended 31.03.2018	Year ended 31.03.2017
Audit Fee	1,70,000	1,70,000
Tax Audit Fee	60,000	60,000
Other Services/Certification fee	1,17,500	-
GST * / Service Tax	62,550	34,500
Total	4,10,050	2,64,500

\* GST (Goods and Service Tax) applicable w.e.f. 01.07.2017.

XIV. In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

XV. The Company has taken office space on lease. It is classified as Operating lease. Lease payment in respect of office space amounting to Rs. 1,54,35,646 (previous year Rs. 1,00,14,593)). Further lease payment in respect of this lease agreement is as under: -




Future minimum lease payments	Figures in Rupees	
	As at 31.03.2018	As at 31.03.2017
Not later than one year	1,77,26,800	1,54,35,646
Later than one year and not later than 5 years	6,85,36,172	8,62,62,972
Later than 5 years	-	-
Total	8,62,62,972	10,16,98,618

XVI. Provision for impairment loss as required under Accounting Standard-28 on impairment of assets is not required as in the opinion of management there is no impairment of the Company's Assets in terms of AS-28.

XVII. Trade receivables/Sundry Payables are subject to confirmation.

XVIII. In terms of AS 20, Earnings per Share (Basic and Diluted) is worked out as under:

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
<b>Numerator</b>		
Profit/(Loss) after tax as per Statement of Profit and Loss (Rupees)	35,29,43,512	34,45,56,714
<b>Denominator</b>		
Weighted average no. of Equity Shares	50,000	50,000
Basic and Diluted Earnings per Share of Rs 10 each	7058.87	6891.13

XIX. The Disclosure as per AS18 – Related Party Disclosure

a) REC Transmission Projects Company Limited is a wholly owned subsidiary of Rural Electrification Corporation Limited. All key decisions are taken by the Board of REC Transmission Projects Company Limited where REC nominees exercise the control.

The detail of transactions with the Holding Company is as under

(Figures in Rupees)

Particulars		2017-18		2016-17	
Name	Nature of transaction	Total Amount of transaction during the year	Net Capital invested/Outstanding Balance at the year end	Total Amount of transaction during the year	Net Capital invested/Outstanding Balance at the year end
Rural Electrification	Investment in Tax	-	60,00,00,000	-	60,00,00,000






Corporation Ltd.	free Bonds				
	Dividend paid to Holding Company	13,80,00,000	-	-	-
	Apportionment of Employee Benefits & Other Expenses By REC (including Service Tax/GST as applicable)	3,08,33,842	26,53,063	2,60,54,994	27,41,539
	Interest from Tax Free Bonds of REC Ltd.	4,69,80,000	1,55,74,190	4,69,80,000	1,55,74,190
	Advance received for government schemes	1,51,50,000	3,81,70,405	2,49,99,808	2,49,99,808

- b) The REC Transmission Projects Company Limited was having eight wholly owned subsidiaries during the year, namely (i) Dinchang Transmission Limited, (ii) Ghatampur Transmission Limited, (iii) ERSS XXI Transmission Limited, (iv) WR-NR Power Transmission Limited, (v) Koderma Transmission Limited, (vi) Mandar Transmission Limited, (vii) Chandil Transmission Limited, and (viii) Dumka Transmission Limited. The details of transaction with the respective subsidiaries are as under :

( Figures in Rupees )

Name of Subsidiary	Nature of Transaction	2017-18		2016-17	
		Total Amount of transaction during the year	Outstanding balance at the year end	Total Amount of transaction during the year	Outstanding Balance at the year end
NER II Transmission Limited	Interest Expenses	-	-	38,38,267	-
	Consultancy Fee	-	-	17,25,00,000	-
	Reimbursement of Expenses	-	-	3,70,49,186	-
NRSS XXXVI Transmission Limited	Interest Expenses	-	-	3,40,801	-
	Consultancy Fee	-	-	4,61,15,000	-
	Reimbursement of Expenses	-	-	92,27,632	-

Khargone Transmission Limited	Interest Expenses	-	-	2,94,077	-
	Consultancy Fee	-	-	17,25,00,000	-
	Reimbursement of Expenses	-	-	88,94,766	-
Dinchar Transmission Limited	Interest Expenses	10,60,068	1,06,03,649	8,74,751	81,94,512
	Consultancy Fee	-	-	-	-
	Reimbursement of Expenses	14,55,076	-	46,28,202	-
North Karanpura Transco Limited	Interest Expenses	-	-	2,67,810	-
	Consultancy Fee	-	-	5,41,65,000	-
	Reimbursement of Expenses	-	-	87,70,370	-
Ghatampur Transmission Limited	Interest Expenses	23,96,412	3,11,65,986	4,43,702	1,24,11,624
	Consultancy Fee	-	-	-	-
	Reimbursement of Expenses	1,85,77,591	-	1,19,67,922	-
ERSS XXI Transmission Limited	Interest Expenses	8,16,714	-	1,53,058	42,18,759
	Consultancy Fee	15,91,30,080	-	-	-
	Reimbursement of Expenses	1,85,35,690	-	85,45,701	-
WR-NR Power Transmission Limited	Interest Expenses	14,08,573	-	1,98,003	40,14,927
	Consultancy Fee	12,69,92,780	-	-	-
	Reimbursement of Expenses	2,21,70,015	-	87,96,924	-
Koderma Transmission Limited	Interest Expenses	2,39,926	84,65,868	-	-
	Consultancy Fee	-	-	-	-

*Signature*



	Reimbursement of Expenses	82,49,935		-	
Mandar Transmission Limited	Interest Expenses	2,39,926	84,66,058	-	-
	Consultancy Fee	-		-	
	Reimbursement of Expenses	82,50,125		-	
Chandil Transmission Limited	Interest Expenses	2,41,211	86,09,809	-	-
	Consultancy Fee	-		-	
	Reimbursement of Expenses	83,92,719		-	
Dumka Transmission Limited	Interest Expenses	2,39,931	84,66,056	-	-
	Consultancy Fee	-		-	
	Reimbursement of Expenses	82,50,118		-	

c). Amount Due from Directors & other officers of the Company

(Figures in Rupees)

Designation /Category of Officer	Maximum due during the year ending 31.03.2018	As at 31.03.2018	Maximum due during the year ending 31.03.2017	As at 31.03.2017
Chairman	Nil	Nil	Nil	Nil
Directors	Nil	Nil	Nil	Nil
Other Key Managerial Personnel	Nil	Nil	Nil	Nil



- d) The REC Power Distribution Company Limited is also a wholly owned subsidiary of Rural Electrification Corporation Limited (The Holding Company). The detail of transactions with REC Power Distribution Company Limited is as under

(Figures in Rupees)

Name	Nature of transaction	2017-18		2016-17	
		Total Amount of transaction during the year	Outstanding Balance at the year end	Total Amount of transaction during the year	Outstanding Balance at the year end
REC Power Distribution Company Limited	Consultancy Services (including Service Tax)	-	-	-	74,65,752

**XX. Disclosures for Employee Benefits as required under AS 15**

The Company has Fixed Tenure Staff (FTS) in its roll during the financial year.

**a) Fixed Tenure Employees / Staff (FTS)**

**Defined Benefit Plans**

The Company offers the following employee benefit scheme to its employees

**i) Loyalty Bonus**

The Loyalty Benefit is payable only after completion of three years of service. The obligation is provided for on an actuarial valuation done by an independent valuer.

As per the Actuarial Valuation Report for Loyalty Bonus Liability having Plan Benefit Obligation (PBO) at the end of the year as per schedule III of the Companies Act, 2013 amounting Rs. 2,21,403/- has been recognised as liability as per the details hereunder:

S.No	Particulars	For the year ended 31.3.2018	For the year ended 31.3.2017
a)	Current Liability (amount in rupees due within one year)	NIL	NIL
b)	Non – Current Liability ( amount in rupees due over one year)	2,21,403/-	56,831/-
c)	Total PBO at the end of year (Rupees )	2,21,403/-	56,831/-

**ii) Leave Encashment**

The benefits towards leave encashment is non-contributory defined benefit arrangement providing benefits expressed in terms of multiple or final monthly salary. The obligation is provided for on actuarial valuation done by an independent valuer.




As per the Actuarial Valuation Report for Earned Leave Liability having Plan Benefit Obligation (PBO) at the end of the year as per schedule III of the Companies Act, 2013 amounting Rs. 2,29,947/- has been recognised as liability as per the details hereunder:

S.No	Particulars	For the year ended 31.3.2018	For the year ended 31.3.2017
a)	Current Liability (Amount in rupees due within one year)	5,359	989/-
b)	Non – Current Liability ( amount in rupees due over one year)	2,24,588	45,756/-
c)	Total PBO at the end of year (Rupees)	2,29,947	46,745/-

FTS employees are for fix tenure of 3 years and further extendable for another period of 1 year 6 months, so a maximum service period of 4 years and 6 months has been considered and discounted for remaining period of service.

Particulars	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Actuarial assumptions for long-term compensated absences		
Discount Rate	7.71%	7.54%
Expected return	NA	NA
Salary escalation	5%	5%
Attrition	NA	NA

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary takes into account the inflation, seniority, promotion, increments and other relevant factors.

#### b) Seconded Employee

In line with the policy at Point no 9 (b) of note 22, an amount of Rs 49,22,715/- towards Provident Fund, pension , gratuity , post retirement medical facility & other terminal benefits and Rs 13,67,421/- towards leave & other benefits are paid /payable to REC Ltd . With paying above charges company owes nothing to its holding company for any future liabilities whatsoever against such seconded employees.



*As per*

XXI. Provision and Contingency in compliance to the AS-29 is as under

## A) Details of Provisions

(Figures in Rupees)					
S.No	Particular	Opening Balance	Addition during the year	Amounts paid/utilised during the year	Closing Balance
(a)	Proposed Dividend	0	13,80,00,000	13,80,00,000	0
	Previous Year	8,65,00,000	0	8,65,00,000	0
(b)	Corporate Dividend Tax	0	2,80,93,488	2,80,93,488	0
	Previous Year	1,76,09,324	0	1,76,09,324	0
(c)	Income Tax	40,94,69,718	11,92,72,120	25,55,11,175	27,32,30,663
	Previous Year	35,98,72,197	15,39,58,544	10,43,61,023	40,94,69,718
(d)	Earned Leave	46,745	1,83,202	0	2,29,947
	Previous Year	0	46,745	0	46,745
(e)	Loyalty Bonus	56,831	1,64,572	0	2,21,403
	Previous Year	0	56,831	0	56,831
(f)	CSR	0	57,85,000	57,85,000	
	Previous Year	0	97,76,000	97,76,000	0

## B) Details of Contingent Liabilities

## I. Contingent Liabilities not provided for

(Figures in Rupees)		
Particulars	2017-18	2016-17
Claims against the Company not acknowledged as debts	NIL	NIL
Others	NIL	NIL

## II. Commitments not provided for

(Figures in Rupees)		
Particulars	As at 31.03.2018	As at 31.03.2017
Contracts remaining to be executed on capital account	0	0
CSR Commitments	42,86,426	1,00,71,426






## XXII. A) Corporate Social Responsibility Expenses

(Figures in rupees)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Direct Expenditure	57,85,000	97,76,000
Overheads	-	-
Total	57,85,000	97,76,000

## B) Disclosure in respect of CSR Expenses:

- Gross amount required to be spent by the company during the financial year. Rs. 108.13 lakh (Previous year Rs. 97.76 lakh)
- Amount spent during the year.

(Figures in Rupees)

Particulars	2017-18			2016-17		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
Construction/acquisition of the any asset	NIL	NIL	NIL	NIL	NIL	NIL
Other than (i) above: spend through						
Associations of Corporations & Apex Societies of Handlooms (ACASH)	NIL	NIL	NIL	7,40,000	NIL	7,40,000
Artificial Limb Manufacturing Corporation of India (ALIMCO)	NIL	NIL	NIL	4,56,426	NIL	4,56,426
NIT, Meghalaya	57,85,000	NIL	57,85,000	34,30,000	NIL	34,30,000
Contribution to Swachh Bharat Kosh	NIL	NIL	NIL	32,26,000	NIL	32,26,000
UP State Industrial Development Corporation (UPSIDC)	NIL	NIL	NIL	19,23,574	NIL	19,23,574
Total	57,85,000		57,85,000	97,76,000		97,76,000

XXIII. Ministry of Power has initiated two schemes namely Urja Mitra and 11 kV Feeder Monitoring. Urja Mitra is an initiative which aims to provide information about power outage/cuts /breakdown/shutdown (both planned and unplanned) to the consumers. Feeder Monitoring scheme is to develop a Self-sustained independent web-based system for automated 11 kV Rural Feeder Monitoring System through Data Logging

of various essential parameters of all the Outgoing 11kV rural feeders from 66, 33/11 kV sub stations and make the information available online for various stake holders including public portal, on real time basis for power supply monitoring, alerts, meter data analysis, information dissemination and energy audit. The company has been appointed as nodal agency for the both the schemes. The Company has incurred total expenditure under Urja Mitra Scheme till 31.03.2018 are Rs. 1.76 crore, which is to be recovered from Govt of India

11 kV Feeder monitoring scheme is amount to Rs. 233.03 crore which is to be funded from two source, Rs 217.82 crore by MoP through PGCIL and balance Rs 15.21 crore through REC from DDUGJY enabling fund. Further, RECTPCL has received Rs. 21.78 crore from MoP through PGCIL and also deposited GST on the same and for DDUGJY enabling activity, RECTPCL has raised invoice on MoP on 31-03-2018.

Total Expenditure incurred on 11kv Feeder Monitoring Scheme is Rs. 5.61 crore. Invoice amounting Rs. 1.10 crore (Rs. 0.94 crore plus GST of Rs.0.16 crore) has been raised on MoP for reimbursement under DDUGJY enabling fund through REC Ltd. Further Rs. 1.60 crore has been withdrawn from PSDF fund during the FY 2017-18 and Rs.3.07 crore is to be withdrawn from the PSDF fund.

Movement of Fund for 11 kV Feeder Monitoring Scheme - The details are as follows:

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Total Funds received	21,78,00,000	-
Add: Interest received	29,17,523	-
Less: Funds refunded to Govt	-	-
Less: Funds utilised	4,92,58,376	-
Closing Balance	17,14,59,147	-

Government of India, Ministry of Power has disbursed funds to REC Transmission Projects Company Limited under PMDP (Prime Minister's Development Plan) scheme for the state of J&K.

Movement of Fund for PMDP (Prime Minister's Development Plan) scheme- The details are as follows:

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Total Funds received	1,34,54,00,000	-
Add: Interest received	1,36,05,145	-
Less: Funds refunded to Govt	-	-
Less: Funds utilised	-	-
Closing Balance	1,35,90,05,145	-

XXIV. RECTPCL has got an assignment under UDAY Scheme from JKPDD against which commencement of the contract is to be recognised from the date of receipt of mobilisation advance or the date of signing of agreement whichever is later. Even though advance is yet to be received from JKPDD, on mutual consent basis, the commencement of contract has been recognised from the date of signing of agreement and accordingly income of Rs 2.56 cr has been recognised during the current financial year.






68

- XXV. The Company is operating in a single segment i.e. providing consultancy services and therefore disclosure requirements of AS-17 is not applicable.
- XXVI. During FY 2017-18, Assessment for the FY 2014-15 and FY 2015-16 was completed. During previous year, Rs. 17,65,985 /- and Rs. 1,34,515/- received towards Income Tax Refund and interest thereon respectively pertaining to FY 2012-13. Further assessment of FY 2013-14 was completed during the year and got a refund of Rs. 3,040/-.
- XXVII. During FY 2017-18, interest expenses of Rs. 15,34,827/- constitutes Rs. 34,851/- paid to banks and Rs. 14,97,903/- paid under section 234C of IT Act, 1961. During previous year, interest expenses of Rs. 29,58,371/- constitutes Rs. 29,57,804/- paid under section 234C of IT Act, 1961.
- XXVIII. With a view to have better operational efficiency and to reap the benefits of higher capital base, pooled resources and to create one big Consultancy firm and in terms of Ministry of Power's Office Memorandum dated 30th August, 2017, the unlisted wholly owned subsidiary companies of Rural Electrification Corporation Limited i.e. REC Power Distribution Company Limited (RECPDCL) and REC Transmission Projects Company Limited (RECTPCL), have initiated the process of amalgamation under which RECTPCL (Transferor company) along with its wholly owned subsidiaries, will merge into RECPDCL (Transferee company), subject to the requisite approvals/sanctions of the shareholders/creditors of the transferor & transferee companies, Central Government and such other Competent Authority(ies), as may be required.
- XXIX. Figures have been rounded off to the nearest rupees, wherever required.
- XXX. Previous year's figures have been regrouped/rearranged/recast, wherever necessary, to make them comparable with the current year's figures.

In terms of our report of even date  
For Singhi Chugh & Kumar  
Chartered Accountants  
ICAI Firm Registration No. 013613N



Place : New Delhi  
Date : 21/05/2018

For and on behalf of the Board

  
Ajeet Kumar Agarwal  
Director  
DIN 02231613

  
P. V. Ramesh  
Chairman  
DIN 02836069







**REC TRANSMISSION PROJECTS COMPANY LTD**  
(A Wholly Owned Subsidiary of Rural Electrification Corporation Limited)  
**CASH FLOW STATEMENT FOR THE PERIOD ENDED AS ON 31<sup>st</sup> MARCH 2018**

		Figures in Rupees	
Particulars		Year ended 31.03.2018	Year ended 31.03.2017
<b>A. Cash Flow from Operating Activities</b>			
Net Profit before Tax		472,221,039	498,579,244
Adjustments for:			
Add: Depreciation		135,2149	655,551
Less: Interest Income		(114,943,983)	(108,247,198)
Add: Interest Expenses		34,851	-
Add: Decline in the value of Investment		-	-
Operating Profit before Working Capital Changes		358,664,057	390,987,597
Adjustment for increase/decrease in			
Other Current Liabilities		1,671,034,568	33,944,994
Short Term Provisions		4,370	989
Other Current Assets		(40,911,205)	(8,891,444)
Trade Receivables		(158,734,932)	(871,409)
Short Term Loans and Advances		(64,752,531)	(22,032,299)
Cash inflow/outflow from operations before tax		1,765,304,327	393,138,428
Less: Income Tax Paid		(119,604,030)	(150,419,403)
Net Cash flow from Operating Activities:	(A)	1,645,700,297	242,719,025
<b>B. Cash Flow from Investing Activities:</b>			
Interest Received		121,076,999	104,663,444
Security Deposit		(2,722,200)	664,550
Investment in Term Deposit*		279,262,644	104,209,417
Investment in Shares of subsidiary companies (Net)		1,000,000	500,000
Investment in deposits		(290,000,000)	(350,000,000)
Purchase of Fixed assets		(3,377,922)	(1,386,744)
Net Cash Flow from Investing Activities	(B)	105,234,521	(141,349,283)
<b>C. Cash Flow from Financing Activities</b>			
Short Term Borrowings		-	-
Long Term Provision		343,404	102,587
Interest Paid		(34,851)	-
Dividend Paid		(138,000,000)	(86,500,000)
Tax on Dividend Paid		(28,092,488)	(17,609,324)
Net Cash Flow from Financing Activities	(C)	(165,764,935)	(104,006,737)
Net Increase/ Decrease in Cash and Cash Equivalents	(A)+(B)+(C)	1,585,149,883	(2,636,995)
Cash and Cash Equivalents as at the beginning of year		3,130,038	5,767,033
Cash and Cash Equivalents as at the end of year		1,588,279,921	3,130,038
Net Increase/ Decrease in Cash and Cash Equivalents		1,585,149,883	(2,636,995)

\* During the current FY, TDR amounting to Rs. 29.34 lakhs has been placed on lien with Canara Bank as collateral security for issue of BG for Mizoram Project.

In terms of our report of even date

For Singh Chugh & Kumar

Chartered Accountants

ICAI Firm Registration No. 013613N



Place : New Delhi

Date : 21/05/2018

For and on behalf of the Board

*Nicajwal*  
Ajay Kumar Agarwal  
Director  
DIN 02231613

*[Signature]*  
P. V. Ram Mohan  
Chairman  
DIN 02836069

# Form AOC-I

(Pursuant to proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

## Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rupees)

1	Sl. No.	I	II	III	IV	V	VI
2	Name of the Subsidiary	DINCHANG TRANSMISSION LIMITED	GHATAMPUR TRANSMISSION LIMITED	CHANDIL TRANSMISSION LIMITED *	KODERMA TRANSMISSION LIMITED *	DUMKA TRANSMISSION LIMITED *	MANDAR TRANSMISSION LIMITED *
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5	Share Capital	5,00,000	5,00,000	0	0	0	0
6	Reserves & Surplus	(32,419)	(32,420)	(9,705)	(9,705)	(9,705)	(9,705)
7	Total Assets	1,12,12,637	3,19,08,607	86,33,930	84,89,861	84,90,049	84,90,051
8	Total Liabilities	1,07,45,056	3,14,41,027	86,43,635	84,99,566	84,99,754	84,99,756
9	Investments	NIL	NIL	NIL	NIL	NIL	NIL
10	Turnover	NIL	NIL	NIL	NIL	NIL	NIL
11	Profit / (Loss) Before Taxation	NIL	NIL	(9,705)	(9,705)	(9,705)	(9,705)
12	Provision for Taxation	NIL	NIL	NIL	NIL	NIL	NIL
13	Profit / (Loss) After Taxation	NIL	NIL	(9,705)	(9,705)	(9,705)	(9,705)
14	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
15	% Shareholding	100	100	-	-	-	-

\*Based on unaudited financial statements.





Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations

All of the above subsidiaries are yet to commence operations as at 31<sup>st</sup> March 2018

2. Names of subsidiaries which have been liquidated or sold during the year

The following subsidiaries are sold during the year, as a part of business process.

Sl. No.	Name of subsidiary	Date of sale
1.	ERSS XXI TRANSMISSION LIMITED	12.01.2018
2.	WR NR POWER TRANSMISSION LIMITED	27.03.2018

**Part "B": Associates and Joint Ventures**

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Not Applicable

In terms of our report of even date  
For Singhi Chugh & Kumar  
Chartered Accountants  
ICAI Firm Registration No. 013613N

For and on behalf of the Board

  
Sachin Chugh  
Partner  
Membership No. 502369

  
Ajeet Kumar Agarwal  
Director  
DIN 02231613

  
P. V. Ramesh  
Chairman  
DIN 02836069

Place: New Delhi,  
Date: 21/05/2018





# Singhi Chugh & Kumar

## Chartered Accountants

Independent Auditor's Report

To the Members of REC Transmission Projects Company Ltd

### Report on the Audit of Financial Statements

We have audited the accompanying financial statements of **REC TRANSMISSION PROJECTS COMPANY LIMITED** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March, 2018, the statement of profit and loss, the cash flow statement for the year then ended, and notes to the Financial Statement, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 the financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by



#1, GF, B-7/107 A,  
Safdarjung Enclave Ext.,  
New Delhi - 110 029

1099, Sector 17B,  
IFFCO Colony,  
Gurgaon - 122 001

J.P. Road, P.O. Bilasipara,  
Distt. Dhubri, Assam - 783 348

the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018 and its profit and its cash flows 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 Act, 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, 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 branch office. Hence no requirement to consider report of branch auditor and dealt with it in preparing our report;
  - d) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - 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;
  - f) In our opinion, there is no such observation which may have adverse effect on the functioning of the company.
  - g) As per notification no. F.No.1/2/2014-CL-V dated 05th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company, being a Central Government PSU.





- h) There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith.
- i) 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.
- j) 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:
- i. As per information and explanation given to us the Company does not have any pending litigation which would impact its financial position. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. As per information and explanation given to us there is no long-term contracts including derivative contracts and as such no provision is required under the applicable law or accounting standards, for material foreseeable losses;
  - iii. As per information and explanation given to us no amount is required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As per the direction issued by C&AG of India under section 143(5) of the Companies Act, 2013 we report that:-
- a) The company does not have any immovable property registered on its name, hence no reporting is required.
  - b) There is no case of waiver / write off of debts/ loans / interest etc., hence no reporting is required.
  - c) The company is a service provider entity and does not maintain any inventory; hence reporting of inventories lying with third parties is not applicable & according to information and explanations given to us, there is no case of assets received as gifts/grants by the Company from the Govt. or other authorities. However advances are received from the government for various schemes as mentioned in **Note No. -XXIII of 23.**

Place: New Delhi

Date: 21/05/2018

for SINGHI CHUGH & KUMAR  
CHARTERED ACCOUNTANTS  
Firm Regn. No.: 013613N

  
(SACHIN CHUGH)  
Partner  
M. No.: 502369



### Annexure A to Auditor's Report

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 Act, we state as under:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have been physically verified by the management during the audit period and no material discrepancies were noticed on such verification except as mentioned in **Note No 7**. In our opinion the frequency of verification is reasonable having regard to the size and nature of its business.
- (c) According to the information and explanations given to us the Company does not have any immovable property. Accordingly, the provisions of paragraph 3 (ic) of the Companies (Auditors' Report) Order, 2016 ("the order") are not applicable to the Company -
- (ii) The Company does not have any inventory. Accordingly, the provisions of paragraph 3 (ii) of the Companies (Auditors' Report) Order, 2016 ("the order") are not applicable to the Company.
- (iii) (a) According to the information and explanations given to us, 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.

However there exists Advances Recoverable in the Books of the Company in the name of its eight Owned subsidiaries on account of various expenditure incurred by the company on their Behalf in the ordinary course of business. The balance at the year end and the total amount of transaction during the year Were as under:-

Name of the wholly owned Subsidiary Company	Balance at the yearend (Amount in Rs.)	Total Amount of Transaction during the year (Amount in Rs.)
Dumka Transmission Ltd.	84,66,056	84,90,049
Mandar Transmission Ltd.	84,66,058	84,90,051
Koderma Transmission Limited	84,65,868	84,89,861
Chandil Transmission Ltd	86,09,809	86,33,930
Dinchar Transmission Limited	1,06,03,649	25,15,144
Ghatampur Transmission Limited	3,11,65,986	2,09,74,003
ERSS XXI Transmission Limited	Nil	17,84,82,484
WR NR Power Transmission Limited	Nil	15,05,71,368



- (b) The company has not taken any loan secured or unsecured, from companies, firms or other parties listed in the register maintained under section 189 of the Companies Act 2013. However, in the Books of the Company, a credit balance exists under the head Current Liability in the name of Holding Company i.e. Rural Electrification Corporation Limited, on account reimbursement towards various expenditure incurred by them during the ordinary course of business which the company needs to pay. The amount outstanding at the year end and the total amount of transaction during the year was Rs. 26,53,063 and Rs. 3,81,70,405/- respectively. Further, an advance of Rs 1,51,50,000/- has been received from Holding Company i.e. Rural Electrification Corporation Limited for implementation of various government schemes in the ordinary course of business which is refundable.
- (iv) In our Opinion and according to the information and explanations given to us the Company has not advanced any loans, given any guarantees or provided any security, to any of its Directors or to any other person in whom the Director is interest as envisaged under section 185 of the Act, or made any investment during the year as envisaged under section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits under section 73 to 76 and under any relevant provision of the companies Act, 2013, from the public during the year. Hence the provision of clause (v) of the order is not applicable to the company.
- (vi) According to the information and explanations given to us, The company is not required to maintain the cost records as specified by the central government under sub section (1) of section 148 of Companies Act, 2013.
- (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 including provident fund, employee state insurance, income-tax, sales tax, value added tax, Good and Service Tax Act, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities except the below mentioned for a period of more than six months from the date they become payable as at the last day of the financial year.

S. No.	Name of the statute	Amount	Period to which amount relates (Financial Year)
1.	Service Tax Act	552,000	2017-2018
2.	Income Tax Act (Demand)	14,220	2014-2015

- (b) According to the information and explanations given to us no disputed amounts payable in respect of income tax, sales tax, service tax, custom duty, excise duty, value added tax as at 31 March 2018.
- (viii) In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of loans and borrowing to a Financial Institution, banks, government or dues to debenture holders.



- (ix) According to the information and explanations given to us the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) As per notification no. F.No.1/2/2014-CL.-V dated 05th June 2015 issued by the Ministry of Corporate Affairs, Government of India, section 197 is not applicable to the Company, being Central Government PSU. Accordingly, provisions of Clause 3(xi) of the order are not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 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 sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 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 this clause is not applicable on the Company

Place: New Delhi

Date: 21/05/2018

for SINGHI CHUGH & KUMAR  
CHARTERED ACCOUNTANTS  
Firm Regn. No.: 013613N

  
(SACHIN CHUGH)  
Partner  
M. No.: 502369



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
FINANCIAL STATEMENTS OF REC TRANSMISSION PROJECTS COMPANY LIMITED**

**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 **REC TRANSMISSION PROJECTS COMPANY LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone 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". 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 judgement, 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control



79

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 SINGHI CHUGH & KUMAR  
CHARTERED ACCOUNTANTS  
Firm Regn. No.: 013613N

Place: New Delhi  
Date: 21/05/2018



(SACHIN CHUGH)

Partner

M. No.: 502369



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF REC TRANSMISSION PROJECTS COMPANY LIMITED FOR  
THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of REC Transmission Projects Company Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act, based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of REC Transmission Projects Company Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report.

For and on behalf of the  
Comptroller & Auditor General of India

  
25.07.18

(Vikram D. Murugaraj)  
Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board – III,  
New Delhi

Place: New Delhi  
Dated: 25 July 2018

**REC TRANSMISSION PROJECTS COMPANY LIMITED**

Regd. Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003

CIN: U40101DL2007GOI157558 Website: www.rectpcl.com

**PROXY FORM (Form no. MGT-11)**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s):	Folio No./
Registered Address:	
No. of Shares held:	Email ID:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint:

1.	Name:		
	Address:		Signature:-
	E-mail Id:		

or failing him / her

2.	Name:		
	Address:		Signature:-
	E-mail Id:		

or failing him / her

3.	Name:		
	Address:		Signature:-
	E-mail Id:		

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11<sup>th</sup> Annual General Meeting of the Company, to be held on **Monday, September 17, 2018 at 3:30 P.M.** at Core 4, SCOPE Complex, 7, Lodhi Road, New Delhi – 110 003 and at any adjournment thereof in respect of such businesses as are indicated below:

Sl.No.	Particulars
<b>Ordinary Business</b>	
1.	To receive, consider, approve and adopt the audited financial statements of the Company for the financial year ended March 31, 2018 along with the Reports of the Board of Directors and Auditors thereon.
2.	To declare Dividend on equity shares of the Company for the financial year 2017-18.
3.	To appoint a Director in place of Shri Ajeet Kumar Agarwal (DIN: 02231613), who retires by rotation and being eligible, offers himself for re-appointment.
4.	To fix the remuneration of Statutory Auditors for the financial year 2018-19.

Signed this..... day of..... 2018

Signature of Shareholder ..... Signature of Proxy holder(s) .....

Affix  
Revenue  
Stamp of  
₹ 1/-

**REC TRANSMISSION PROJECTS COMPANY LIMITED**

Regd. Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003

CIN: U40101DL2007GOI157558 Website: www.rectpcl.com

**ATTENDANCE SLIP**

**11<sup>TH</sup> ANNUAL GENERAL MEETING TO BE HELD ON MONDAY, SEPTEMBER 17, 2018 AT 3:30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT CORE 4, SCOPE COMPLEX, 7, LODHI ROAD, NEW DELHI – 110 003.**

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)	
Folio No.	
DP ID No.	
No. of Shares held	
NAME OF PROXY (IN BLOCK LETTERS) to be filled in, if the proxy attends instead of the member	

I/We, hereby record my/our presence at the 11<sup>th</sup> Annual General Meeting of the Company held on Monday, September 17, 2018 at 3:30 P.M. at the Registered Office of the Company at Core-4, Scope Complex, 7, Lodhi Road, New Delhi-110003.

**Signature of Member/ Proxy**

**NOTES:**

1. The attendance slip should be signed as per the specimen signature registered with Company. Such duly completed and signed Attendance Slip(s) should be handed over at the venue of AGM. Members in person and Proxy holders may please carry photo-ID card for identification/ verification purposes.
2. Shareholder(s) present in person or through registered proxy shall only be entertained.
3. Due to strict security reasons mobile phones, brief cases, eatables and other belongings are not allowed inside the venue. Shareholder(s)/proxy holder(s) will be required to take care of their belonging(s).
4. No gifts/ coupons will be distributed at the Annual General Meeting.