



# Annual Report 2019-2020



Transmitting hopes  
Illuminating lives  
Electrifying the Nation

**REC TRANSMISSION PROJECTS  
COMPANY LIMITED (RECTPCL)**



## **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.

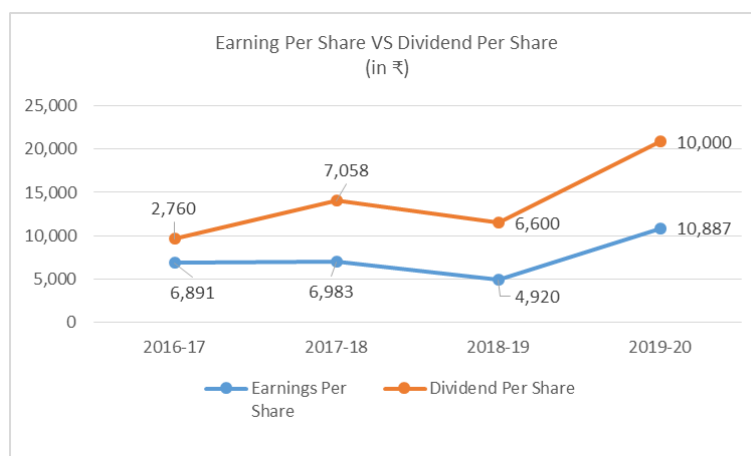
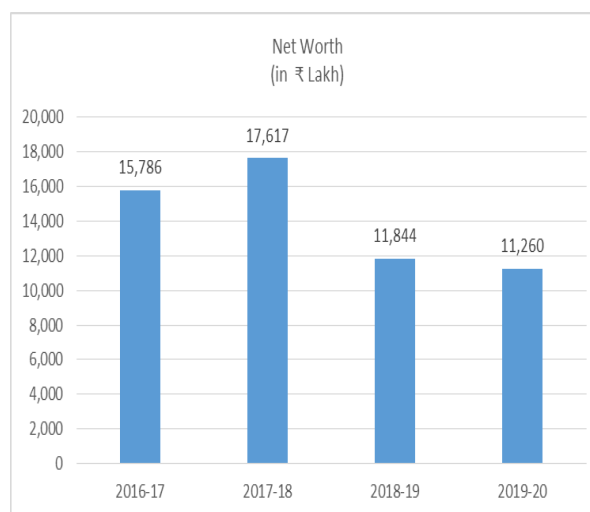
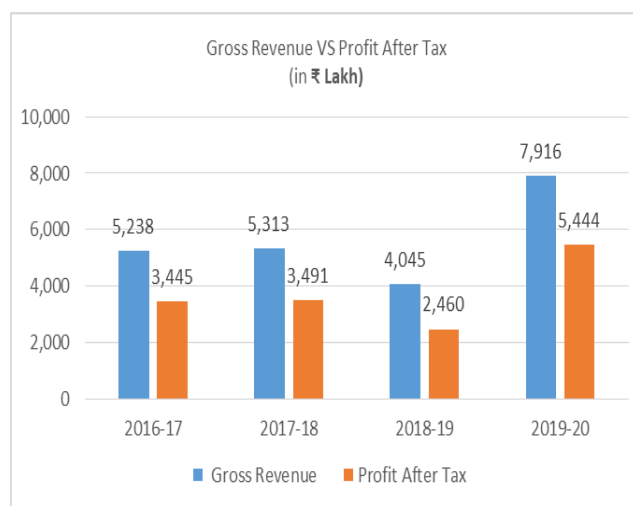
## **OBJECTIVES**

- To plan, promote, develop, design, engineer, construct, operate and maintain "electricity system" as defined under Section 2(25) of the Electricity Act, 2003.
- To promote organize or carry on the business of consultancy services and/or project implementation in any field of activity relating to generation & transmission, distribution of electricity or other related activities thereto in India and abroad.
- Procurement of transmission services, including all activities relating to survey, / detailed project report formulation, arranging finance, project management, obtaining right of way, necessary clearances, site identification, land compensation, design, engineering, equipment, material, construction, erection, testing and commissioning.
- To undertake transmission activities, to apply for requisite licences and to do all things incidental to such activities which is, in the opinion of the Board of Directors, necessary for fulfillment of the objects of the Company.
- To promote and undertake the formation of project specific company/ies, or the formation of any institution, subsidiary company or companies for the purpose of carrying out the aforesaid activities and for the furtherance of transmission services.
- To enter into Joint Ventures or merge any Company or any of the, companies/subsidiaries formed by the Company in pursuance of its objects as aforesaid.

## FINANCIAL HIGHLIGHTS

(₹ in lakh except EPS & Dividend)

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Shareholders' Fund (at the end of the year)</b>										
Equity Share Capital	5	5	5	5	5	5	5	5	5	5
Reserves & Surplus	11,255	11,839	17,612	15,781	12,335	10,496	6,887	4,512	4,231	3,072
Net Worth	11,260	11,844	17,617	15,786	12,341	10,501	6,892	4,517	4,236	3,077
<b>Financial Results</b>										
Total Revenue	7,916	4,045	5,313	5,238	4,415	7,244	3,518	458	1,810	1,649
Profit Before Tax	7,055	3,221	4,684	4,985	42,42	6,992	3,430	409	1,809	1,636
Profit After Tax	5,444	2,460	3,491	3,445	2,880	4,754	2,386	292	1,171	1,092
Earnings Per Share (in ₹)	10,887	4,920	6,983	6,891	5,760	9,508	4,773	585	2,341	2,185
Dividend Per Share (in ₹)	10,000	6,600	7,058	2,760	1,730	1,902	20	20	20	-





## CONTENT

1. Company Information	1
2. Board of Directors & CEO	2
3. Chairman's Speech	3
4. Notice of AGM	6
5. Board's Report	16
6. Management Discussion & Analysis Report	32
7. Annual Report on CSR Activities	37
8. Extract of Annual Return	39
9. Particulars of Contracts or Arrangement with Related Parties	52
10. Certificate on Corporate Governance	56
11. Balance Sheet	57
12. Statement of Profit & Loss	58
13. Cash Flow Statement	59
14. Statement of Changes in Equity	60
15. Significant Accounting Policies & Notes to Accounts	61
16. Independent Auditors' Report on Standalone Financial Statements	96
17. Comments of C&AG of India on Standalone Financial Statements	106
18. Consolidated Financial Statements	108
19. Independent Auditors' Report on Consolidated Financial Statements	148
20. Comments of C&AG of India on Consolidated Financial Statements	154
21. Key Officials	157
22. Proxy Form	158
23. Attendance Slip	159



### **COMPANY INFORMATION**

<b>BOARD OF DIRECTORS</b>	Shri Sanjeev Kumar Gupta, Chairman, (DIN:03464342) Shri Ajoy Choudhury, Director, (DIN: 06629871) Shri Govind Singh Bhati, Director, (DIN: 08038296) Shri Rameshwar Prasad Vaishnaw, Director, (DIN: 01868883)
<b>CEO</b>	Shri T.S.C. Bosh
<b>KEY OFFICIALS</b>	Shri Kuldeep Rai, Additional CEO Shri Bhupender Gupta, Additional CEO Shri S. Muralidharan, Chief Financial Officer (CFO) Shri Pankaj Verma, GM (Finance) Smt. Ritu Madan Arora, Authorized Signatory
<b>REGISTERED OFFICE</b>	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003. Tel. No.: 011-4309 1545 Fax No.: 011-2436 0644 E-mail: <a href="mailto:contactus@rectpcl.com">contactus@rectpcl.com</a> Website: <a href="http://www.rectpcl.in">www.rectpcl.in</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.: 011-4796 4738 E-mail: <a href="mailto:contactus@rectpcl.com">contactus@rectpcl.com</a> Website: <a href="http://www.rectpcl.in">www.rectpcl.in</a>
<b>CIN</b>	U40101DL2007GOI157558
<b>HOLDING COMPANY</b>	REC Limited (formerly Rural Electrification Corporation Limited) (A Navratna CPSE) (CIN : L40101DL1969GOI005095)
<b>STATUTORY AUDITORS</b>	M/s P. Jain & Company, Chartered Accountants, (FRN 000711C) H.O. : 210, Arunachal Bhawan, 2 <sup>nd</sup> Floor, 19, Barakhamba Road, New Delhi-110001 B.O.: 6, Navyug Market, 1 <sup>st</sup> Floor, Ghaziabad-201001
<b>SUBSIDIARY COMPANIES</b>	<ol style="list-style-type: none"> <li>1. Chandil Transmission Limited</li> <li>2. Koderma Transmission Limited</li> <li>3. Dumka Transmission Limited</li> <li>4. Mandar Transmission Limited</li> <li>5. Dinchang Transmission Limited</li> <li>6. Kallam Transmission Limited</li> <li>7. Gadag Transmission Limited</li> <li>8. Fatehgarh Bhadla Transco Limited</li> <li>9. Rajgarh Transmission Limited</li> <li>10. Bidar Transmission Limited</li> <li>11. Sikar New Transmission Limited</li> <li>12. Ramgarh New Transmission Limited</li> <li>13. MP Power Transmission Package-I Limited</li> <li>14. MP Power Transmission Package-II Limited</li> </ol>
<b>BANKERS</b>	State Bank of India      ICICI Bank Limited      Punjab National Bank  Yes Bank Limited      HDFC Bank Limited

**BOARD OF DIRECTORS & CEO**

**(Shri Sanjeev Kumar Gupta)**  
Chairman



**(Shri Ajoy Choudhury)**  
Director



**(Shri G.S. Bhati)**  
Director



**(Shri R.P. Vaishnaw)**  
Director



**(Shri T.S.C. Bosh)**  
CEO-RECTPCL

### Chairman's Message

Dear Shareholders,

It is my privilege to present to you the 13<sup>th</sup> Annual Report of your Company. Despite a challenging business environment, your Company managed to deliver sustained operational performance during the financial year 2019-20. Transmission & Distribution (T&D) sector works as a foundation stone strongly holding the development of power Generation & Transmission, an important element in the power delivery value chain. The Transmission System facilitates evacuation of power from generating stations and its delivery to the load centers. For efficient dispersal of power to deficit regions, strengthening the transmission system network, enhancing the Inter-State power transmission system and augmentation of the National Grid are required.



An extensive network of transmission lines has been developed over the years for evacuating power produced by different electricity generating stations and distributing the same to the consumers. The nominal Extra High Voltage lines in vogue are  $\pm 800$  kV HVDC & 765 kV, 400 kV, 230/220 kV, 110 kV and 66 kV AC lines. The country's power transmission sector has witnessed unprecedented growth in the past five years with consistent growth in line length and transformation capacity. Further, both operational and financial performances of the transmission utilities have also witnessed an improvement during the period. Going forward, an estimated ₹2.6 trillion investment is required in the transmission sector to meet future peak load, which is expected to reach 234 GW by 2021-22. The private sector is expected to play an important role in achieving the country's grid expansion targets, as competitive bidding gains momentum at both inter-state and intra-state levels.

A number of grid expansion programmes such as the Green Energy Corridor and cross-border links are underway to expand the grid infrastructure. Further, transmission utilities, at the central and state level are expected to invest significantly in new technologies to make grids more reliable, resilient, secure and smart. The sector is also expected to immensely benefit from major policy reforms, including the Electricity Act amendments and the Tariff Policy amendments.

During the financial year 2019-20, a total of 11,664 cKm (circuit kilometers) of transmission lines were added, as compared to about 22,437 cKm during the previous fiscal.

A slowdown in the economic growth in India, coupled with the continuing impact of COVID-19 pandemic, is likely to impact the business of the Company adversely. RECTPCL's performance and growth of its business are dependent on the performance of the overall Indian economy. The loss caused to GDP due to nationwide lockdown, followed by local lockdowns in various States, would result in a shortfall in public finances. The global economy has been hit hard by the unexpected and widespread outbreak of COVID-19, which has now posed fresh challenges across all geographies



and sectors. The power sector will have to face new problems like disruption of project execution schedules, migrant labour movement, pressure on finances and liquidity crunch.

### **Operational Performance**

During the financial year 2019-20, Ministry of Power, Government of India allocated 7 independent transmission projects to your Company 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 transmission project, RECTPCL incorporates a project specific Special Purpose Vehicle (SPV) as Wholly Owned Subsidiary Company and after the selection of developer through Tariff Based Competitive Bidding Process, the respective project specific SPV along with all its assets and liabilities is transferred to the successful bidder. Further, Madhya Pradesh Power Transmission Company Limited (MPPTCL) has also appointed your company as the Bid Process Coordinator for development of two Intra-State transmission projects.

Your Company during the financial year 2019-20 successfully transferred eight (8) project specific Special Purpose Vehicles (SPVs) to successful bidders selected through Tariff Based Competitive Bidding Process.

### **Financial Performance**

During the Financial Year ended March 31, 2020, your company has recorded an income of ₹7,916.45 lakh as compared to ₹4,045.17 lakh in previous financial year. The Profit before tax and Profit after tax for the Financial Year 2019-20 was ₹7,054.72 lakh and ₹5,443.86 lakh respectively. The Net worth of the company as on March 31, 2020 was ₹11,260.08 lakh against initial Capital of ₹5 lakh injected by REC Limited (holding company) in the year 2007.

The Board of Directors has declared an Interim dividend of ₹10,000/- per equity share. The total dividend pay-out for the financial year 2019-20 was ₹5,000 Lakh (excluding dividend distribution tax), which was paid in the month of March, 2020. The Board of Directors has not recommended any final dividend for the financial year 2019-20.

### **Corporate Governance**

As a good corporate entity, your Company is being managed 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. Your Company has been submitting "Report on Corporate Governance" as required, 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 confirming the compliance of provisions of Corporate Governance for the financial year ended March 31, 2020, has been obtained from M/s Pranav Kumar & Associates, Practicing Company Secretaries, is annexed to this Report.



The Company is not required to appoint any Independent Directors/Women Director and also not required to constitute Audit Committee vide MCA Notification dated July 5, 2017 read with MCA Notification July 13, 2017.

### **Corporate Social Responsibility**

Your Company is also 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 pursuing various initiatives on the front of CSR and Sustainable Development. During the financial year 2019-20, the Company has CSR budget of ₹85.94 Lakh towards CSR activities/projects. Further, committed and undisbursed amount of the previous year of ₹115.63 Lakh was added to the CSR budget of current year, therefore, the total CSR Budget works out to ₹201.57 Lakh (including committed but undisbursed amount of ₹115.63 Lakh of Financial Year 2018-19). In view of the outbreak of pandemic coronavirus, the Company has spent ₹10 Lakh only towards distribution of food packets, during the Financial Year 2020-21.

### **Gratitude**

I would like to take this opportunity to express my sincere gratitude for the immense support and guidance received by your company from Hon'ble Minister of Power, Ministry of Power, State Governments, State Power Utilities, Central Electricity Authority, Central Transmission Utility, Shareholders, the holding company (REC Limited), Statutory Auditors and the Comptroller and Auditor General of India (C&AG).

I acknowledge the passion and commitment of our employees, without whose efforts none of the achievements would have been possible. I also convey my thanks and appreciation to my esteemed colleagues on the Board for their unstinted support.

Thank you for your continued support.

With warm wishes,



**Date: September 21, 2020**

**Place: Delhi**

**(Sanjeev Kumar Gupta)**  
**Chairman**  
**(DIN: 03464342)**

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

Notice is hereby given that the Thirteenth (13<sup>th</sup>) Annual General Meeting of REC Transmission Projects Company Limited (RECTPCL) will be held on Tuesday, **September 22, 2020 at 5:30 P.M. at shorter notice** at Core 4, SCOPE Complex, 7, Lodhi Road, New Delhi – 110003 to transact the following businesses:-

**ORDINARY BUSINESS:-**

- 1) To receive, consider, approve and adopt the audited standalone & consolidated financial statements of the Company for the financial year ended March 31, 2020 along with the Reports of the Board of Directors and Auditors thereon.
- 2) To confirm the payment of Interim Dividend for the financial year 2019-20.
- 3) To fix the remuneration of Statutory Auditors for the Financial Year 2020-21.

**SPECIAL BUSINESS:-**

- 4) To appoint Shri Ajoy Choudhury (DIN: 06629871), as Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:-**

**"RESOLVED THAT** pursuant to the provisions of Section 152, 160, 161 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and as per the Articles of Association of the Company, Shri Ajoy Choudhury (DIN: 06629871), who was appointed as Additional Director of the Company with effect from June 12, 2020 and holds office upto the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice from him under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

- 5) To appoint Shri Govind Singh Bhati (DIN: 08038296), as Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:-**

**"RESOLVED THAT** pursuant to the provisions of Section 152, 160, 161 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and as per the Articles of

Association of the Company, Shri Govind Singh Bhati (DIN: 08038296), who was appointed as Additional Director of the Company with effect from June 12, 2020 and holds office upto the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from him under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6) To appoint Shri Rameshwer Prasad Vaishnaw (DIN: 01868883), as Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:-**

**"RESOLVED THAT** pursuant to the provisions of Section 152, 160, 161 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and as per the Articles of Association of the Company, Shri Rameshwer Prasad Vaishnaw (DIN: 01868883), who was appointed as Additional Director of the Company with effect from June 12, 2020 and holds office upto the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from him under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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



**(Ritu Madan Arora)  
Authorized Signatory**

**Place: Core-4, SCOPE Complex,  
7, Lodhi Road, New Delhi-110003**

**Date: September 21, 2020**

**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.in](http://www.rectpcl.in)



**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.**

2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business, as set out above is annexed hereto. The Board of Directors of the Company in its meeting held on September 21, 2020 considered that the items of Special Business at Sl. Nos. 4 to 6 of the Notice, being unavoidable in nature, shall be transacted at the 13<sup>th</sup> AGM of the Company
3. The Interim Dividend @ ₹10,000/- per equity share, was declared by the Board of Directors in its Meeting held on February 14, 2020, subject to the provisions of Section 123 of the Companies Act, 2013 and paid in the month of March, 2020. The Board of Directors has not recommended final dividend for the financial year 2019-20.
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. In terms of the provisions of 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. The Shareholders may authorize the Board of Directors of the Company to fix the remuneration of auditors appointed/to be appointed by the C&AG. Accordingly, in the 12<sup>th</sup> Annual General Meeting (AGM) of the Company held on August 27, 2019, the Shareholders had authorized the Board of Directors of the Company 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 2019-20. Accordingly, the Board of Directors in its Meeting held on October 14, 2019 approved the payment of remuneration of ₹3,00,000/- (Rupees Three Lakh Only) plus applicable GST inclusive of local travel expenses and other incidental out of pocket expenses to the Statutory Auditors, M/s P. Jain & Company, Chartered Accountants (Firm Reg. No.000711C), for the financial year 2019-20.

Pursuant to Section 139(5) of the Companies Act, 2013, M/s P. Jain & Company, Chartered Accountants have been appointed as Statutory Auditors of the Company for the financial year 2020-21 by the C&AG of India. 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 2020-21.



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 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 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 along with the financial Statements are also available on the Company's website i.e. [www.rectpcl.in](http://www.rectpcl.in)

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****THE FOLLOWING STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS SET OUT IN THE NOTICE****Item No. 4**

Shri Ajoy Choudhury (DIN: 06629871) was appointed as an Additional Director on the Board of the Company w.e.f. June 12, 2020 and he holds office upto the date of Annual General Meeting and be eligible for appointment/re-appointment by the Company in Annual General Meeting. Accordingly, as per the provisions of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing from him, signifying his candidature for the office of Director of the Company and the same is available on the website of the Company. Accordingly, appointment of Shri Ajoy Choudhury as Director may be considered by the shareholders at this AGM. Further, Shri Ajoy Choudhury is not disqualified to be a Director of the Company in terms of the provisions of Section 164 of the Companies Act, 2013, to the extent applicable to the Company.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to the date of the Meeting.

He holds 1 equity Share of ₹10/- of the Company as nominee of REC Limited (holding company). Further, the brief resume of Shri Ajoy Choudhury giving the nature of his expertise in specific functional areas, remuneration paid, number of meetings attended during the year etc. forms a part of this Notice.

The Board of Directors of your Company recommends his appointment as a Director for approval by the shareholders of the Company.

None of the Directors of the Company or their relatives except Shri Ajoy Choudhury is in any way, concerned or interested, financially or otherwise, in passing of the said resolution set out at item No. 4 of the Notice.

In view of the above, you are requested to grant your consent to the Ordinary Resolution as set out at item no. 4 of this Notice.

**Item No. 5**

Shri Govind Singh Bhati (DIN: 08038296) was appointed as an Additional Director on the Board of the Company w.e.f. June 12, 2020 and he holds office upto the date of Annual General Meeting and be eligible for appointment/re-appointment by the Company in Annual General Meeting. Accordingly, as per the provisions of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing from him, signifying his candidature for the office of Director of the Company and the same is available on the website of the Company. Accordingly, appointment of Shri Govind Singh Bhati as Director may be considered by the shareholders at



this AGM. Further, Shri Govind Singh Bhati is not disqualified to be a Director of the Company in terms of the provisions of Section 164 of the Companies Act, 2013, to the extent applicable to the Company.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to the date of the Meeting.

He holds 1 equity Share of ₹10/- of the Company as nominee of REC Limited (holding company). Further, the brief resume of Shri Govind Singh Bhati giving the nature of his expertise in specific functional areas, remuneration paid, number of meetings attended during the year etc. forms a part of this Notice.

The Board of Directors of your Company recommends his appointment as a Director for approval by the shareholders of the Company.

None of the Directors of the Company or their relatives except Shri Govind Singh Bhati is in any way, concerned or interested, financially or otherwise, in passing of the said resolution set out at item No. 5 of the Notice.

In view of the above, you are requested to grant your consent to the Ordinary Resolution as set out at item no. 5 of this Notice.

#### **Item No. 6**

Shri Rameshwer Prasad Vaishnaw (DIN: 01868883) was appointed as an Additional Director on the Board of the Company w.e.f. June 12, 2020 and he holds office upto the date of Annual General Meeting and be eligible for appointment/re-appointment by the Company in Annual General Meeting. Accordingly, as per the provisions of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing from him, signifying his candidature for the office of Director of the Company and the same is available on the website of the Company. Accordingly, appointment of Shri Rameshwer Prasad Vaishnaw as Director may be considered by the shareholders at this AGM. Further, Shri Rameshwer Prasad Vaishnaw is not disqualified to be a Director of the Company in terms of the provisions of Section 164 of the Companies Act, 2013, to the extent applicable to the Company.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to the date of the Meeting.

He holds 1 equity Share of ₹10/- of the Company as nominee of REC Limited (holding company). Further, the brief resume of Shri Rameshwer Prasad Vaishnaw giving the nature of his expertise in specific functional areas, remuneration paid, number of meetings attended during the year etc. forms a part of this Notice.



The Board of Directors of your Company recommends his appointment as a Director for approval by the shareholders of the Company.

None of the Directors of the Company or their relatives except Shri Rameshwer Prasad Vaishnaw is in any way, concerned or interested, financially or otherwise, in passing of the said resolution set out at item No. 6 of the Notice.

In view of the above, you are requested to grant your consent to the Ordinary Resolution as set out at item no. 6 of this Notice.



# **BRIEF RESUME OF THE DIRECTOR(S) SEEKING APPOINTMENT AT THE 13<sup>TH</sup> ANNUAL GENERAL MEETING;**

Name	Shri Ajoy Choudhury (DIN: 06629871)
Date of Birth	January 21, 1964 (Age: 56 years)
Date of Appointment	June 12, 2020
Qualifications	B. Com (H) & Member of Institute of Cost Accountants of India.
Expertise in specific Functional area	<p>Shri Ajoy Choudhury is holding the position of Director (Finance) in REC Limited since June 1, 2020. He is an Associate Member of the Institute of Cost &amp; Management Accountants of India. He has over 31 years of experience in Indian Power Sector across diverse functions such as International Finance, Contracts Management, Loans &amp; Recovery, Corporate Accounts, Resource Mobilization &amp; Treasury etc. He has been working in REC since April 16, 2007 at Senior Management positions and has been instrumental in implementation of various systemic improvements including formulation of Loan Recovery guidelines, improving communication and services to customers and managing overall Resources and Treasury in REC in an efficient manner. He has also been a member of Core Team for implementation of 'Ujwal DISCOM Assurance Yojana' (UDAY), flagship programme of Government of India, aimed at turnaround of Distribution Companies in the Indian Power Sector. Prior to joining REC, he has worked at various levels with Powergrid Corporation of India Limited and NHPC Limited, over 19 years.</p> <p>As Director (Finance), 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 also a Director on the Board of REC Power Distribution Company Limited since March 25, 2019. He also served as a Nominee Director on the Board of TRN Energy Private Limited.</p>
Directorship held in other Companies	1. REC Limited. 2. REC Power Distribution Company Limited.
Membership/Chairmanship of Committees across all Public Companies other than RECTPCL	<u>REC Limited</u> <ul style="list-style-type: none"> <li>Stakeholders Relationship Committee - Member</li> <li>Corporate Social Responsibility Committee - Member</li> </ul> <u>REC Power Distribution Company Limited</u> <ul style="list-style-type: none"> <li>Corporate Social Responsibility Committee – Chairman</li> </ul>
Number of Meetings attended by him during the year	NIL
Number of equity shares held in the Company	1 (As a nominee of REC Limited)
Remuneration paid	All the Non-Executive Directors on the Board of the Company are nominated by the holding company and are not entitled to any remuneration from the Company.
Relationship with other Directors and Other Key Managerial Personnel	None of the Directors have inter-se relationship with any Director, Manager and/or other Key Managerial Personnel of the Company.

## ANNUAL REPORT 2019-20

Name	Shri Govind Singh Bhati (DIN: 08038296)
Date of Birth	August 29, 1961 (Age: 59 years)
Date of Appointment	June 12, 2020
Qualifications	B. Tech in Electrical Engineering & MBA in Project Management and also Energy Manager.
Expertise in specific Functional area	Shri Govind Singh Bhati has worked in power sector for 33 years. Prior to joining REC in 2006, he was working with NTPC in erection, testing and commissioning of Power Projects for 20 years. On joining REC in 2006, he was posted as Chief Project Manager of Gujarat state for 4 years. Later, he was Zonal Manager for northern states of J&K, Punjab, Haryana, Himachal Pradesh, Rajasthan and Delhi for 3 years. For past 8 years he is in REC Corporate Office and involved in Government Schemes.
Directorship held in other Companies	NIL
Membership/Chairmanship of Committees across all Public Companies other than RECTPCL	NIL
Number of Meetings attended by him during the year	NIL
Number of equity shares held in the Company	1 (As a nominee of REC Limited)
Remuneration paid	All the Non-Executive Directors on the Board of the Company are nominated by the holding company and are not entitled to any remuneration from the Company.
Relationship with other Directors and Other Key Managerial Personnel	None of the Directors have inter-se relationship with any Director, Manager and/or other Key Managerial Personnel of the Company.

## ANNUAL REPORT 2019-20

Name	Shri Rameshwer Prasad Vaishnaw (DIN: 01868883)
Date of Birth	June 10, 1965 (Age: 55 years)
Date of Appointment	June 12, 2020
Qualifications	Chartered Accountant
Expertise in specific Functional area	<p>Shri R.P. Vaishnaw, has over 36 years of rich experience in the field of Finance, Accounts, Audit, Budgeting, Cost Control, Fund Management, Resource Mobilisation, Risk Management/Hedging, IPO Management, Financial Concurrence, Business Development, Appraisal, Sanction and Disbursement of Loan, Bid Process Consultancy etc. He has multifaceted comprehensive experience of large organizations and wide range of industries including a rare blend of working experience with Government as well as Private Sector. After completion of his Chartered Accountancy with one of the leading firm of Chartered Accountants Haribhakti &amp; Co., he worked with a large corporate house Raymond Limited, a part of the nationwide J.K.Organisation for 9 years. Thereafter, he worked with Food Corporation of India as General Manager and Chief General Manager for more than 7 years. He has also worked as Director (Finance) of National Projects Construction Corporation Limited.</p> <p>He joined REC Limited during 2007 and has worked in the position of General Manager, Senior General Manager and Chief General Manager. Presently he is Executive Director (Finance). He was head of Internal Audit in REC and has also worked as CFO of RECTPCL and RECPDCL. He was also Zonal Manager West Zone of REC.</p>
Directorship held in other Companies	NIL
Membership/Chairmanship of Committees across all Public Companies other than RECTPCL	NIL
Number of Meetings attended by him during the year	NIL
Number of equity shares held in the Company	1 (As a nominee of REC Limited)
Remuneration paid	All the Non-Executive Directors on the Board of the Company are nominated by the holding company and are not entitled to any remuneration from the Company.
Relationship with other Directors and Other Key Managerial Personnel	None of the Directors have inter-se relationship with any Director, Manager and/or other Key Managerial Personnel of the Company.

## **BOARD'S REPORT**

To,

The Shareholders,

Your Directors have pleasure in presenting the Thirteenth (13<sup>th</sup>) Annual Report together with the Financial Statements of your Company for the Financial Year ended March 31, 2020.

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

Ministry of Power, Government of India, allocates 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 and State Governments, RECTPCL incorporates a project specific Special Purpose Vehicle (SPV) as Wholly Owned Subsidiary Company and after the selection of developer 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 2019-20, Ministry of Power, Government of India, allocated 7 independent transmission projects to your Company.

Further, Madhya Pradesh Power Transmission Company Limited (MPPTCL) has appointed RECTPCL as the Bid Process Coordinator for development of two Intra-State transmission projects.

During the financial year 2019-20, 8(eight) project specific SPV companies (comprising of 6 inter-state projects and 2 intra-state projects) have been transferred to the successful bidders, as mentioned below:

Sl. No.	Name of Transmission Project	Name of Project Specific SPV & CIN	Name of Selected Bidder/Developer	Date of Transfer
1.	Transmission system associated with LTA application from Rajasthan SEZ (Part -C)	Khetri Transco Limited (U40100DL2019G OI347127)	M/s Power Grid Corporation of India Limited	August 29, 2019
2.	"Intra-State Transmission Work associated with construction of 400 kV Substation near Guna (Distt.-Guna) & construction of 220 kV S/s near Bhind (Distt.-Bhind)	Bhind Guna Transmission Limited (U40300DL2018G OI338734)	M/s Power Grid Corporation of India Limited	September 11, 2019
3.	Transmission System for 400	Udupi Kasargode	M/s Sterlite Grid	September



	kV Udupi (UPCL) - Kasargode D/C line	Transmission Limited (U40100DL2018G OI342365)	14 Limited	12, 2019
4.	Construction of Ajmer (PG)-Phagi 765 kV D/C line along with associated bays for Rajasthan SEZ	Ajmer Phagi Transco Limited (U40101DL2019G OI347423)	M/s Power Grid Corporation of India Limited	October 3, 2019
5.	Western Region Strengthening Scheme - 21 (WRSS-21) Part-A - Transmission System Strengthening for relieving over loadings observed in Gujarat Intra-State System due to RE Injections in Bhuj PS	WRSS XXI (A) Transco Limited (U40107DL2019G OI347713)	M/s Adani Transmission Limited	October 14, 2019
6.	Transmission System associated with RE generations at Bhuj-II, Dwarka & Lakadia	Lakadia Banaskantha Transco Limited (U40107DL2019G OI347428)	M/s Adani Transmission Limited	November 13, 2019
7.	Jam Khambaliya Pooling Station and Interconnection of Jam Khambaliya Pooling Station for providing connectivity to RE Projects (1500 MW) in Dwarka (Gujarat) and Installation of 400/220 Kv ICT along with associated bays at M/s CGPL Switchyard	Jam Khambaliya Transco Limited (U40105DL2019G OI347089)	M/s Adani Transmission Limited	November 13, 2019
8.	Construction of 765/400/220kV GIS Substation, Rampur and 400/220/132kV GIS Substation, Sambhal with associated Transmission Lines	Rampur Sambhal Transco Limited (U40101DL2019G OI349484)	M/s Power Grid Corporation of India Limited	December, 12, 2019

The Company is also acting as Bid Process Coordinator for Intra-State transmission projects viz. Transmission System Strengthening in Jharkhand State (Package-1 to 4), for which it had incorporated 4 SPV companies viz. Chandil Transmission Limited [CIN: U40108DL2018GOI330905], Koderma Transmission Limited [CIN: U40300DL2018GOI331192], Dumka Transmission Limited [CIN: U40300DL2018GOI331490]

and Mandar Transmission Limited [CIN: U40101DL2018GOI331526]. The bidding process of these projects is expected to conclude during the financial year 2020-21.

Further, after March 31, 2020, the Company has incorporated the following project specific SPVs as its wholly owned subsidiaries, for the inter-state / intra-state transmission projects indicated below, in which it is acting as Bid Process Coordinator:-

Sl. No.	Name of Transmission Project	Name of project Specific SPV & CIN	Date of Incorporation
1.	Transmission system for evacuation of power from RE projects in Osmanabad area (1 GW) in Maharashtra	Kallam Transmission Limited (U40106DL2020GOI364104)	May 28, 2020
2.	Transmission Scheme for Solar Energy Zone in Gadag (2500 MW), Karnataka - Part A	Gadag Transmission Limited (U40100DL2020GOI364213)	June 2, 2020
3.	Transmission Scheme for Solar Energy Zone in Bidar (2500 MW), Karnataka	Bidar Transmission Limited (U40106DL2020GOI364498)	June 8, 2020
4.	Transmission system for evacuation of power from RE projects in Rajgarh (2500 MW) SEZ in Madhya Pradesh	Rajgarh Transmission Limited (U40106DL2020GOI364436)	June 6, 2020
5.	Transmission system strengthening scheme for evacuation of power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase II -Part A	Ramgarh New Transmission Limited (U40300DL2020GOI365214.)	June 26, 2020
6.	Transmission system strengthening for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase II -Part B	Fatehgarh Bhadla Transco Limited (U40108DL2020GOI364227)	June 2, 2020
7.	Transmission system strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under phase-II- Part C	Sikar New Transmission Limited (U40106DL2020GOI364672)	June 11, 2020
8.	Development of intra-state transmission work in M.P. through Tariff Based Competitive Bidding:	MP Power Transmission Package-I Limited (U40108DL2020GOI367417)	August 4, 2020

	PACKAGE-I		
9.	Development of intra-state transmission work in M.P. through Tariff Based Competitive Bidding: PACKAGE-II	MP Power Transmission Package-II Limited (U40100DL2020GOI368275)	August 20, 2020

Further, Ministry of Power vide Gazette Notification dated February 1, 2019 had de-notified the project for “Transmission System for Phase-1 Generation Projects in Arunachal Pradesh” allocated to your Company to act as Bid Process Coordinator. The application for striking off the name of the Company i.e. Dinchang Transmission Limited, a project specific Special Purpose Vehicle in respect of above transmission project, has been filed with the Registrar of Companies. The status of the company is under process of Striking off.

Presently, RECTPCL is also working on many other projects as Project Management Agency (PMA) /Project Management consultancy (PMC), Third Party Inspection (TPI) etc.

Your Company under the guidance of Ministry of Power Government of India has developed online web platform and Mobile App for better Transparency & Accountability as detailed below:

**Urja Mitra:** - Urja Mitra is a distribution sector initiative and a first of its kind application being implemented by your Company, under the guidance of the Ministry of Power. Urja Mitra provides a Central Outage Management and Notification Platform 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 get outage update through integrated Mobile Application for Android and iOS platforms. It also provides a platform to view real time power outages in any part of the country, and lodge complaints on power outages. As on June 2020, data of around 22.06 crore consumers of 52 DISCOMs of 29 States is uploaded into the application and 279.37 crore SMSes have been sent to the consumers.

**Tarang:** - Tarang (Transmission App for Real-Time Monitoring and Growth) is a transmission sector initiative, being run under the guidance of the Ministry of Power through your Company. It provides an informative medium regarding the Pan-India progress of Transmission System, which can be drilled down for analysis to month wise, agency wise, state wise information etc. The reasons of delay in case of stalled/delayed projects is separately provided so that all concerned stakeholders can take timely corrective decision for project completion. Tarang monitors the progress of both Inter-State and Intra-State Transmission Projects being implemented through Tariff Based Competitive Bidding (TBCB) as well as Regulated Tariff Mechanism. Tarang provides advance information of upcoming transmission projects approved by Empowered Committee on Transmission, aiding bidders to gear up for future transmission projects. In other words, it is a real time repository of Transmission System across the country.

**11 kV Rural Feeder Monitoring Scheme:** - To get a complete picture of the entire distribution network in country and to ensure achievement of “24x7 Power For All” vision of the Government of India, it was felt essential to capture real time supply parameters of rural India

and this could be achieved by monitoring the availability/quality of power supply in rural areas of the country recording actual distribution parameters i.e., power supply, outages and by conducting feeder wise energy audit and AT&C losses calculation. Towards this objective, the Ministry of Power had introduced “11 kV Rural Feeder Monitoring Scheme” under the Distribution Sector Reforms and has appointed your Company as implementing agency for the same. Under the scheme, meter data of rural feeders is sent to central Meter Data Acquisition System (MDAS) for analysis and the same is then integrated with 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 almost 1.1 lakh rural and agricultural feeders across country by acquiring various essential parameters of all the outgoing 11kV rural feeders and such 66/33 kV incoming feeders from where 11kV rural feeders are emanating and making the information available online for all stakeholders. As on June 2020, 79,000 modems have been installed and integrated with National Power Portal.

## 2. FINANCIAL PERFORMANCE

During the Financial Year ended March 31, 2020, your company has recorded an income of ₹7,916.45 lakh as compared to ₹4,045.17 lakh in previous financial year. The Profit before tax and Profit after tax for the Financial Year 2019-20 was ₹7,054.72 lakh and ₹5,443.86 lakh respectively. The Net worth of the company as on March 31, 2020 was ₹11,260.08 lakh.

The highlights of Financial Performance of the Company for the FY 2019-20 vis-a-vis FY 2018-19 are given below:-

(₹ in Lakh except EPS)

Particulars	FY 2019-20	FY 2018-19
<b>Total Revenue</b>	7,916.45	4,045.17
<b>Total Expenses</b>	861.73	823.94
<b>Profit Before Tax</b>	7,054.72	3,221.22
<b>Tax Expenses</b>	1,610.86	761.23
<b>Profit After Tax</b>	5,443.86	2,459.99
<b>Earnings Per Share (₹)</b>	10,887.71	4,919.97
<b>Other Equity</b>	11,255.08	11,838.99
<b>Net Worth</b>	11,260.08	11,843.99

## 3. DIVIDEND

The Board of Directors in its Meeting held on February 14, 2020 has declared an Interim dividend of ₹10,000/- per equity share, subject to the provisions of Section 123 of the Companies Act, 2013. The total dividend pay-out for the financial year 2019-20 was ₹5,000 Lakh (excluding dividend distribution tax), which was paid in the month of March, 2020. The Board of Directors has not recommended final dividend for the financial year 2019-20.

#### 4. TRANSFER TO RESERVES

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

#### 5. SHARE CAPITAL

The Authorized Share Capital and Paid-up Share Capital of the Company is ₹5 Lakh divided into 50,000 equity shares of ₹10/- each and the entire paid-up share capital is held by REC Limited (holding company) 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. The Company does not have any Executive Director on its Board.

As on March 31, 2020, the Board comprised of the following directors:

Sl. No.	Name of the Director	Director Identification Number (DIN)	Designation	Date of Appointment
1.	Shri Ajeet Kumar Agarwal, Non-Executive Director and Chairman*	02231613	Chairman	December 27, 2008
2.	Shri Sanjeev Kumar Gupta, Non-Executive Director*	03464342	Director	October 26, 2015
3.	Shri Vijay Kumar Singh, Non-Executive Director**	02772733	Director	March 18, 2019

\* As per Articles of Association of the 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. Accordingly, Shri Sanjeev Kumar Gupta is the ex-officio Chairman of the Company.

The Ministry of Power vide Order No. 46/2/2019-RE (247264) dated June 12, 2020 read with order of even no. dated July 21, 2020, has assigned the additional charge of Chairman & Managing Director of the Company to Shri Sanjeev Kumar Gupta, Director (Technical), for a period of three months with effect from June 1, 2020 or till the appointment of a regular incumbent or until further orders, whichever is the earliest. Accordingly, Shri Sanjeev Kumar Gupta has been appointed as Ex-officio chairman of the Company, in terms of Articles of Association of the Company, in place of Shri Ajeet Kumar Agarwal who ceased to be Chairman RECTPCL on attaining superannuation. Further, Ministry of Power, Government of India, vide its Order dated September 10, 2020, has decided the continuance of the additional charge of the post of Chairman & Managing Director, REC Limited to Shri Sanjeev Kumar Gupta, Director(Technical) in REC Limited w.e.f. September 1, 2020 for a period of one and half month i.e. upto 15.10.2020 or till the appointment of a regular incumbent or until further orders, whichever is earlier.



*\*\*Further, Shri Vijay Kumar Singh has ceased to be Director of the Company w.e.f June 13, 2020.*

*\*\*Shri Ajoy Choudhury, Director (Finance), REC, Shri Govind Singh Bhati, Executive Director (Technical) and Shri Rameshwar Prasad Vaishnaw, Executive Director (Finance) have been appointed as Additional Directors on the Board of the Company w.e.f. June 12, 2020.*

All the Non-Executive Directors on the Board of the Company are nominated by the Holding Company and they are not entitled to any remuneration from the Company. 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, pursuant to the provisions of the Companies Act, 2013, Additional Directors are not liable to retire by rotation and hold office till ensuing Annual General Meeting. Presently, Board consists of Chairman and Additional Directors only. In view of the above, none of the Directors is liable to retire by rotation at the ensuing Annual General Meeting.

The Company is not required to appoint Key Managerial Personnel (KMPs) in term of the provisions of Section 203(1) of the Companies Act, 2013 read with Rule 8 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

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

During the Financial Year 2019-20, Seven (7) meetings of the Board of Directors of the Company were held viz. (i) May 17, 2019; (ii) July 31, 2019; (iii) August 27, 2019; (iv) October 14, 2019; (v) October 30, 2019 (vi) January 27, 2020 and (vii) February 14, 2020. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The Company is also complying with the Guidelines on Corporate Governance for Central Public Sector Enterprises and Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Board Meetings (SS-1) and General Meetings (SS-2) to the extent applicable.

**Annual General Meeting:-** The last Annual General Meeting of the Company was held on August 27, 2019.

During the Financial Year 2019-20, the details of Directors' attendance at the Board Meetings, last Annual General Meetings (AGM) and number of other Directorship held by Directors are tabled below:

Sl. No.	Name of Director	Board Meetings			Attendance at Last AGM (held on August 27, 2019)	No. of other Directorships As on March 31, 2020 (other than RECTPCL)
		Held during the tenure	Attended	Percentage of Attendance		
1.	Shri Ajeet Kumar	7	7	100	Present	3



	Agarwal, Non-Executive Director (Chairman)					
2.	Shri Sanjeev Kumar Gupta, Non-Executive Director	7	7	100	Present	2
3.	Shri Vijay Kumar Singh, Non-Executive Director	7	7	100	Present	3

## 8. GENERAL BODY MEETINGS

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

Meeting No.	Financial Year	Date	Venue	Whether any Special Resolution passed
10 <sup>th</sup>	2016-17	September 19, 2017	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi- 110003	No
11 <sup>th</sup>	2017-18	September 17, 2018		
12 <sup>th</sup>	2018-19	August 27, 2019		

No Extraordinary General Meetings was held during the financial year 2019-20. Further, no resolutions have been passed by Postal Ballot during the financial year 2019-20.

## General Shareholder Information

The details of Annual General Meeting for the Financial Year 2019-20 is as under:

Day and Date	Venue
September 22, 2020	Core 4, SCOPE Complex, 7, Lodhi Road, New Delhi – 110 003

## 9. DETAILS OF SUBSIDIARY COMPANIES

In accordance to the provisions of the Companies Act, 2013, as on March 31, 2020, the Company has 5 subsidiaries Companies namely Chandil Transmission Limited, Dumka Transmission Limited, Koderma Transmission Limited, Mandar Transmission Limited and Dinchang Transmission Limited. However, an application for striking off the name of the Company i.e. Dinchang Transmission Limited, has been filed with the Registrar of Companies. The status of the company is under process of Striking off.

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

Special Purpose Vehicles (SPVs) are subsidiary companies in terms of the provisions of Companies Act, 2013. However, these companies are managed as per the mandate from Government of India (GoI)/ State Governments and the Company does not have the ability to direct the relevant activities of these SPVs unilaterally. The Company therefore, considers its investment in respective SPVs as associates having significant influence.

## **10. STATUTORY AUDITORS**

M/s P. Jain & Company, Chartered Accountants (Firm Reg. No.000711C) were appointed as Statutory Auditors of the Company for the Financial Year 2019-20 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, 2020. The Audited Financial Statements, Cash Flow Statement and the required annexure together with the 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.

Further, M/s P. Jain & Company, Chartered Accountants have also been appointed as Statutory Auditors of the Company for the financial year 2020-21 by the Comptroller and Auditor General (C&AG) of India. Approval of the Members of the Company is being obtained in ensuing Annual General Meeting, to authorize the Board of Directors of the Company, to fix the remuneration of Statutory Auditors for the financial year 2020-21.

## **11. 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.

## **12. HUMAN RESOURCE DEVELOPMENT**

Your Company does not appoint any permanent employees. However, holding company i.e. REC Limited has deployed some of its employees on part-time/full time basis for operational convenience and managing day to day affairs of the company, 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.

Sl. No.	Particulars	Nos. of Employees	
		As on March 31, 2020	As on March 31, 2019
i.	Regular Employees deployed by REC on secondment basis	10	9
ii.	Fixed Tenure Staff	12	8
iii.	Outsourced staff on Contract basis through Manpower Supply Agency	117	96
	<b>Total</b>	<b>139</b>	<b>113</b>

As on March 31, 2020; the Company had 11 (women employees), which includes both regular and contractual staff, as against 6 (women employees) as on March 31, 2019.

### **13. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, EXPENDITURE INCURRED ON RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

There are no significant particulars, relating to conservation of energy, technology absorption, expenditure on Research and Development, as your company does not own any manufacturing facility. However, the Company has made intensive use of technology in its operations during the year under review. Further, no Export initiatives were carried out during the year and the Company has no earning or outgo in foreign exchange as per Rule 8(3) of Companies (Accounts) Rules, 2014.

### **14. 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.

### **15. A STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY, SHALL FORM PART OF THE BOARD'S REPORT.**

The Company has been 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 development of transmission projects. Hence, presently a separate risk management policy for the company has not been developed. However



there is no such element of risk which in the opinion of the Board may threaten the existence of the Company.

## **16. MERGER OF RECTPCL WITH RECPDCL**

In order to have a strong & focused base, better synergies in operations, greater ability to access different market segments and to reap the benefits of higher capital base & pooled resources, it is proposed to merge REC Transmission Projects Company Limited with REC Power Distribution Company Limited.

Accordingly, as per provisions of the Companies Act, 2013 and Rules made thereunder and after obtaining requisite approvals of Ministry of Power, Board of Directors, shareholders & creditors of respective companies and approval of Holding Company i.e. REC, an application has been filed with the Ministry of Corporate Affairs (MCA) on August 14, 2020, for sanction of Scheme of Arrangement for amalgamation of RECTPCL (Transferor Company) with RECPDCL (Transferee Company) and the approval of the same is awaited.

## **17. STATUTORY DISCLOSURES**

- a. There are no instances regarding non-compliance, penalties, strictures imposed on the company by any statutory authority during the last three years.
- b. There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year i.e. March 31, 2020 and the date of this report, except the filing of application of merger.
- c. The Company has not accepted any public deposits during the financial year 2019-20.
- d. The Company is a Wholly Owned Subsidiary of REC Limited and accordingly, Presidential Directives issued by the Central Government, if any, applicable to holding company shall apply to the Company as well. The Company has complied with the Presidential Directives issued by the Central Government for the financial year 2019-20 and for the last three years.
- e. There is no expenditure debited in Books of accounts, which is not for the purpose of the business.
- f. There is no expense incurred which are personal in nature and incurred for the Board of Directors and Top Management.
- g. The administrative and office expenses for the financial year 2019-20 is ₹296.43 Lakh as compared to ₹331.96 Lakh during the financial year 2018-19. Further, during the financial year 2019-20, Administrative and office expenses as a percentage of total expenses were 34.40 % as compared to 40.29% during the previous year.
- h. There was no change in the nature of business of the Company during the Financial Year 2019-20.
- i. There were no significant and material orders, penalties or strictures imposed on the Company by any statutory authority during the last three years impacting the going concern status and the Company's operations in future.



- j. 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.
- k. Adequate internal financial control is exercised keeping in view the size of operations of the company.
- l. The provision relating to Audit Committee is not applicable to the Company. However the Financial Statements of the Company are being reviewed by Audit Committee of Holding Company.
- m. 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.
- n. The Central Government has not prescribed the maintenance of cost records for the products/services of the Company under Companies (Cost Records and Audit) Rules, 2014, read with Companies (Cost Records and Audit) Amendment Rules, 2014 under Section 148 of the Companies Act, 2013. Accordingly, Cost Accounts and Records are not required to be maintained by the Company.
- o. The Statutory Auditors have issued Report on the financial statements of the Company as on March 31, 2020 without any adverse remark/observations/qualification.
- p. The Company ensures proper compliances of all statutory laws applicable to the Company and all returns/reports were filed within stipulated time with the concerned authorities.
- q. The Company has not entered into any material, financial or commercial transactions with the Directors or the Management or their relatives or the companies and firms etc. in which they are either directly or through their relatives interested as Directors and/or Partners. However, your Company is executing the assignment received from its holding company, where Directors/officers of your Company are working as Directors/Senior Officials.
- r. The provisions of Section 197 of the Companies Act, 2013 and Rules made thereunder are not applicable to Government Companies.
- s. The Company has not issued any stock options to the Directors or any employee of the Company.
- t. There are no pending vigilance cases pertaining to RECTPCL as on March 31, 2020.
- u. The Company has complied with the requirements of OM dated January 24, 2018 of the Ministry of Parliament Affairs, Government of India to the extent applicable.
- v. In pursuance of the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010, issued by DPE, quarterly Compliance Report is being submitted to the Ministry of Power within 15 days from the end of quarter and annual Compliance Report is being submitted by May 31, every year. The details of submission of the quarter/annual report are as under:

Report for Quarter ended	Date of submission of report
June 30, 2019	July 10, 2019
September 30, 2019	October 15, 2019
December 31, 2019	January 07, 2020
March 31, 2020*	April 27, 2020

A comprehensive report containing Annual Score for the Financial Year 2019-20 (consolidated score of four quarters) was submitted to Ministry of Power on May 15, 2020.

\*In view of Covid-19 crisis the due date was extended and the submission has made within the prescribed time.

## **18. 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** for the FY 2019-20 forms part of the Annual Report and the same available at <http://www.rectpcl.in>.

## **19. DIRECTORS' RESPONSIBILITY STATEMENT**

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, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, 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, 2020 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.

## **20. OBLIGATION OF THE COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

During the financial year 2019-20 no complaint of sexual harassment was received by the Company under the provisions of 'Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013'. The Company has formed a committee under chairmanship of senior women official of holding Company as required under "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013".

## 21. RIGHT TO INFORMATION ACT, 2005

During the financial year 2019-20, no applications were received under “Right to Information Act, 2005 (RTI).

## 22. REPORTING UNDER PUBLIC PROCUREMENT POLICY FOR MICRO & SMALL ENTERPRISES (MSEs) ORDER, 2012

The Company is registered on the **Trade Receivables Discounting System (TReDS)** platform, set up as per the notification of the Reserve Bank of India.

RECTPCL being a subsidiary of REC, the set of rules, regulations, policies and guidelines adopted in REC Limited (holding company) apply *mutatis-mutandis* to RECTPCL to the extent applicable. Further, 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 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 Management Consultancy Organization, is not executing any project. Hence, only petty purchase i.e. stationery and office equipment from small vendors are being made.

## 23. CORPORATE SOCIAL RESPONSIBILITY

The Policy on Corporate Social Responsibility’ of the Company is in line with the provisions of Companies Act, 2013 and Rules made thereunder. As per the provisions of Section 135 of Companies Act 2013, the Board of Directors of the Company has constituted “Corporate Social Responsibility Committee”. CSR policy is available at [http://www.rectpcl.in/pdf/CSR\\_Sust\\_Policy.pdf](http://www.rectpcl.in/pdf/CSR_Sust_Policy.pdf)

### Composition and attendance of CSR Committee

During the Financial Year 2019-20, the Corporate Social Responsibility Committee comprised of the following Members:

Sl. No.	Name of the Committee Members	Position in Committee	No. of Meeting held during the tenure	No. of Meetings attended
1.	Shri Ajeet Kumar Agarwal	Chairman	1	1
2.	Shri Sanjeev Kumar Gupta	Member	1	1
3.	Shri Vijay Kumar Singh	Member	1	1

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

During the Financial Year 2019-20, one Meeting of the CSR Committee was held on July 31, 2019.

The CSR Committee has been reconstituted by the Board of Directors in its 98<sup>th</sup> Board Meeting held on June 12, 2020 as follow:-

- a) Shri Ajoy Choudhury, Director, Chairman of the Committee
- b) Shri G.S. Bhati Director, Member of the Committee
- c) Shri R.P. Vaishnaw, Director, Member of the Committee.

The CSR Budget for the financial year 2019-20 was ₹85.94 Lakh towards CSR activities/projects. Further, committed and undisbursed amount of the previous year of ₹115.63 Lakh was added to the CSR budget of current year, therefore the total CSR Budget works out to ₹201.57 Lakh. In view of the outbreak of pandemic coronavirus, the Company has spent ₹10 Lakh towards distribution of food packets, during the Financial Year 2020-21.

A detailed Annual Report, in terms of Companies (Corporate Social Responsibility Policy) Rules, 2014, on CSR and Sustainability activities is annexed to this Report.

## **24. COMPLIANCE CERTIFICATE**

As per Clause 8.2 of Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by DPE, the Certificate confirming the compliance of conditions of Corporate Governance for the financial year ended March 31, 2020, obtained from M/s Pranav Kumar & Associates, Practicing Company Secretaries, is annexed to this Report.

## **25. STATUTORY AND OTHER INFORMATION REQUIREMENTS**

Information required to be furnished as per the Companies Act, 2013 and other applicable statutory provisions is annexed to this report as under:

<b>Particulars</b>	<b>Annexure</b>
Management Discussion & Analysis Report	<b>I</b>
Annual Report on CSR Activities	<b>II</b>
Extract of Annual Return	<b>III</b>
Particulars of Contracts or Arrangement with Related Parties	<b>IV</b>
Certificate on Corporate Governance	<b>V</b>

**26. ACKNOWLEDGEMENTS**

Your Directors are grateful to the Ministry of Power, Government of India, Central Electricity Authority, Central Electricity Regulatory Commission and State Governments for their continued co-operation and support to the Company. The Directors also thank REC Limited (holding company), C&AG, State Power Utilities and DISCOMs, M/s P. Jain & Company, Chartered Accountants, Statutory Auditors, Pranav Kumar & Associates, Practicing Company Secretaries, for their valued contribution. The Directors also sincerely appreciate and thank all the stakeholders of the Company for their valuable contribution and efforts in ensuring sustainable performance of the Company.

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

**(Sanjeev Kumar Gupta)**  
**Chairman**  
**(DIN: 03464342)**

**Place: New Delhi**

**Date: September 21, 2020**



## ANNEXURE-I TO THE BOARD'S REPORT

### 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 2019-20.

#### OVERVIEW

India is the second most populous country in the world and one of the world's fastest-growing major economies, India will be vital for the future of the global energy markets. India has made remarkable progress in last decade in increasing citizens' access to electricity and implementation of various energy efficiency measures in Power Sector. The Indian economy grew at 4.2% in fiscal 2019-20, with the year ending on the outbreak of COVID-19 pandemic and a nationwide lockdown. The power related services in the country witnessed limited disruption due to COVID-19, as these services come under essential services category. The sector, however, witnessed a significant impact. The demand for power fell steeply on account of the drop in commercial and industrial activity. Power distribution was impacted with fall in revenue collections, affecting the financial and liquidity position of players in the sector. As the lockdown is being lifted, power demand has started to recover.

Power is one of the most critical components of infrastructure, crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy. India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar and agricultural & domestic waste. The generation mix in the country has also witnessed increased penetration of renewable energy sources. India is pursuing a very ambitious target of having 175 GW of installed renewable energy capacity by year 2022, which includes 100 GW of solar power alone. Energy efficiency is being pursued through innovative programmes such as UJALA, for replacing incandescent light bulbs with LEDs. Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India.

The Government of India's focus on attaining '24X7 Power for all' has accelerated capacity addition in the country. As on March 31, 2020, the installed power generating capacity in the country stood over 370 GW which included 93,477 MW (25%) in the Central Sector, 1,03,322 MW (28%) in the State Sector and 173,308 MW (47%) in the Private Sector. The demand has been slightly muted over the last two years. Keeping in view of the Country's per capita electricity consumption being way below the existing world's average per capita consumption, a calibrated capacity addition needs to be continued with on consistent basis to improve and sustain the economic activity in the hinterlands. With surplus coal and power, the Government is taking several initiatives to provide 24X7 quality power for all.

## **INDUSTRY STRUCTURE AND DEVELOPMENT**

### ***Industry Overview***

India is the third largest producer and third largest consumer of electricity in the world, with total installed power capacity of over 370 GW as on March 31, 2020. Indian power sector is highly diversified with conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power on one hand; and renewable energy sources such as solar power, wind power and agriculture & domestic waste, on the other hand. The natural resources for electricity generation in India are unevenly dispersed and concentrated in just few pockets. Transmission, an important element in the power delivery value chain, facilitates evacuation of power from generating stations and its delivery to the load centres. For efficient dispatch of power to deficit regions, strengthening the transmission system network, enhancing the Inter-State power transmission system and augmentation of the National Grid are required. An extensive network of transmission lines has been developed over the years for evacuating power produced by different electricity generating stations and distributing the same to the consumers. The nominal Extra High Voltage lines in vogue are  $\pm 800$  kV HVDC & 765 kV, 400 kV, 230/220 kV, 110 kV and 66 kV AC lines.

The country's power transmission sector has witnessed unprecedented growth in the past five years, with line length and transformation capacity growing. Further, both operational and financial performances of the transmission utilities have witnessed an improvement. Going forward, an estimated ₹2.6 trillion investments are required in the transmission sector to meet future peak load, which is expected to reach 234 GW by 2021-22. The private sector is expected to play an important role in achieving the country's grid expansion targets, as competitive bidding gains momentum at both inter-state and intra-state levels.

The Government has taken several policy measures for improvement of the power transmission sector of the country. Several grid expansion programmes such as the Green Energy Corridor and cross-border links are underway to expand the physical grid infrastructure. Further, transmission utilities, at the central and state level are expected to invest significantly in new technologies to make grids more reliable, resilient, secure and smart. The sector is also expected to immensely benefit from major policy reforms, including the Electricity Act amendments and the Tariff Policy amendments.

During the financial year 2019-20, a total of 11,664 cKm (circuit kilometers) of transmission lines were added, as compared to about 22,437 cKm during the previous fiscal. Transmission sector works as a foundation stone, strongly holding the development of power generation & distribution segments. The growth of power sector is contingent to development of a robust and a reliable transmission network.

## **PRODUCT WISE PERFORMANCE**

RECTPCL is conducting the bidding process for Inter-state and Intra-state transmission projects in the optimum time span and with transparency, starting from selection of qualified bidders to

handing over of the Special Purpose Vehicle to the lowest bidder. This has led to greater participation of the private sector in the transmission business domain and hence greater competition. Presently, the works undertaken by RECTPCL include the following:

### **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.

### **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. The scheme aims to enable monitoring of energy input/power supply at feeder level and also to give an accurate picture of power supply in rural area of country to ensure achievement of "24x7 Power for All".

### **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.

## **OPPORTUNITIES**

India's power sector is experiencing a considerable reformation that has redefined the industry outlook. Further, the Ministry of Power, Government of India has launched various programmes to transform its vision of '24x7 Power for All' into reality. Incredible work has been done towards achieving 100% electrification of all villages and households in the country. In fact, successful implementation of Saubhagya, with access of electricity in every household, will create huge latent demand for power in the near future.

The increase in power demand will also require robust Transmission & Distribution infrastructure, thereby attracting more investment in underground cabling, smart meters & equipment, AMI / AMR infrastructure and Smart Grid etc., to cater to 24x7 power demand of all consumers. Further, the investment needs for creation of dedicated Green Corridors and new network under the Tariff Based Competitive Bidding route are enormous.

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 government reforms and increasing per capita demand for electricity in the country.

## **THREATS, RISKS AND CONCERNS**

A slowdown in the economic growth in India, coupled with the continuing impact of COVID-19 pandemic, is likely to impact the business of the Company adversely. RECTPCL's performance and growth of its business are dependent on the performance of the overall Indian economy. The loss caused to GDP due to nationwide lockdown, followed by local lockdowns in various States, would result in a shortfall in public finances. The global economy has been hit hard by the unexpected and widespread outbreak of COVID-19, which has now posed fresh challenges across all geographies and sectors. The power sector is expected to face new problems like disruption of project execution schedules, migrant labour movement, pressure on finances and liquidity crunch.

The Power Sector in itself has several high risks, with a plethora of common issues of infrastructure projects, longer time horizon, dynamic policy environment and intense competition. The Company is concerned about prevailing exposure norms, poor financial health of State DISCOMs, high AT&C losses, entry of new players in the market, rising competition, uncertain business environment etc. Further, 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. Adding to that, disruptions caused due to COVID-19 would continue to affect RECTPCL directly or indirectly, till normalcy resumes.

## **OUTLOOK**

India is expected to remain one of the fastest growing emerging market economies in the world, despite challenging business environment. With key reforms on the block, India is seen as an engine of global growth. In the power sector, enhanced spending, faster implementation and continuation of reforms are expected to provide further impetus to 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 business outlook for the Company.

## **MEMORANDUM OF UNDERSTANDING-RATING**

RECTPCL's performance has been rated as "*Excellent*" against the Memorandum of Understanding (MoU) signed with REC Limited (holding company) for financial year 2018-19. The Company has not signed MoU for financial year 2019-20.

## **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 has been issued for uniform compliance.

### **FINANCIAL AND OPERATIONAL PERFORMANCE**

During the Financial Year ended March 31, 2020, your company has recorded an income of ₹7916.45 Lakh as compared ₹4045.17 Lakh in previous financial year. The Profit before tax and Profit after tax for the FY 2019-20 was ₹7054.72 Lakh and ₹5443.86 Lakh respectively. The Net worth of the company as on March 31, 2020 was ₹11260.08 Lakh.

### **HUMAN RESOURCES / INDUSTRIAL RELATIONS**

Your Company does not appoint any permanent employees. However, the holding company i.e. REC Limited (formerly Rural Electrification Corporation Limited) has deployed some of its employees on part-time/full time basis for operational convenience and managing day to day affairs of the company, who are having rich and varied experience in the respective fields. The Company has also engaged Fixed Tenure Staff and 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 made 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 2019-20, the Company has CSR budget of ₹85.94 Lakh towards CSR activities/projects. Further, committed and undisbursed amount of the previous year of ₹115.63 Lakh was added to the CSR budget of current year, therefore the total CSR budget works out to ₹201.57 Lakh.

### **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.*



## ANNEXURE-II TO THE BOARD'S REPORT

**ANNUAL REPORT ON CSR ACTIVITIES**

- 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.**

The CSR Policy of RECTPCL is mutatis mutandis to the CSR policy of REC Limited (formerly Rural Electrification Corporation Limited (holding company)). The Company adopted an integrated approach to address the community, societal & environmental concerns by taking up activities strategically in project mode and in a focused manner to the extent possible. The Company is carrying out CSR projects/ programs in line with activities prescribed under Schedule VII of the Companies Act, 2013. The web link of CSR policy of RECTPCL is available at [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 as on March 31, 2020 is as follows;

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

However, the CSR Committee has been reconstituted on June 12, 2020 as follow:-

- a) Shri Ajoy Choudhury, Director-RECTPCL, Chairman of the Committee
- b) Shri G.S. Bhati, Director-RECTPCL, Member of the Committee
- c) Shri R.P. Vaishnaw, 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 S Muralidharan, CFO, RECTPCL
- c) Dr. Pankaj Verma, GM, RECTPCL

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

Average net profit of the RECTPCL, for last three FY is ₹4,297.10 Lakh.

- 5. Prescribed CSR Budget**

Approved CSR budget for CSR for FY- 2019-20 is ₹85.94 Lakh (2% of amount of average Net Profit for the last three years).

The details of CSR budget:

Sl. No.	Particulars	Amount in Lakhs
1	2% of Average Net Profit for last three FY	85.94

Profit for last three years: -

(Amount in Lakhs)

Particulars	2016-17	2017-18	2018-19
PBT, as per the provisions of the Companies Act, 2013	4,985.79	4,684.30	3,221.22
<b>Average profit of last 3 financial years</b>	-	-	4,297.10
<b>CSR @ 2% for FY 2019-20</b>	-	-	85.94
<b>Add: Balance unspent amount for FY 2018-19</b>	-	-	115.63
<b>Total Budget for CSR for FY 2019-20</b>	-	-	201.57

**6. Details of CSR Activities undertaken during the financial year;**

a) During the financial year 2019-20 following projects were examined and sanctioned:

CSR Details				
Sl. No	Year	Name of the Projects	Budget Amount	Sanctioned Amount
		<b>CSR Activities</b>	<b>85,94,000</b>	
1	2019-20	Distribution of Food Packets during Lockdown*		10,00,000
2	2019-20	ASHI Home for Aged Welfare Association (AHAWA)		58,09,905
3	2019-20	Eureka Forbes Institute of Environment (EFIE)		11,74,696
		<b>Total</b>	<b>85,94,000</b>	<b>79,84,601</b>


\*Post facto approval has been taken and disbursement in respect of the same has been made in the Financial Year 2020-21

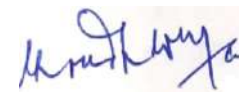
b) Previous year sanctioned projects were monitored and inauguration of seven water supply system in government school in Maharashtra project was achieved.

**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.**

The Company has sanctioned two projects during the Financial Year 2019-20 and the agreements have been executed. However due to Covid-19 pandemic, the milestones for releasing the payments could not be achieved. As the CSR unspent amount is being carried forward to the next Financial Year 2020-21, the payments will be disbursed in FY 2020-21 as per the progress on achieving the milestone.

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

  
(Shri R.P. Vaishnav)  
Director- RECTPCL

  
(Shri Ajoy Choudhury)  
Chairman- CSR Committee

# ANNUAL REPORT 2019-20

## FORM NO. MGT – 9 EXTRACT OF ANNUAL RETURN As on financial year ended on March 31, 2020

ANNEXURE-III TO THE BOARD'S REPORT

(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. Phone. No.- 011-410 20101 Fax No.- 011-2436 0644 E-mail: <a href="mailto:contactus@rectpcl.com">contactus@rectpcl.com</a>
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not applicable

### 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%

## ANNUAL REPORT 2019-20

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON MARCH 31, 2020:

Sl. No.	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Power Finance Corporation Limited (PFC)	'URJANIDHI', 1, Barakhamba Lane, Connaught Place, New Delhi-110001	L65910DL1986GOI024862	Holding Company (52.63% Shares of REC Limited held by PFC Limited)	NIL	2(46)
2.	REC Limited	Core 4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003.	L40101DL1969GOI005095	Holding Company	100%	2(46)
3.	Dinchang Transmission Limited*		U40300DL2015GOI288066	Subsidiary Company	100%	2(87)
4.	Chandil Transmission Limited		U40108DL2018GOI330905			
5.	Koderma Transmission Limited		U40300DL2018GOI331192			
6.	Dumka Transmission Limited		U40300DL2018GOI331490			
7.	Mandar Transmission Limited		U40101DL2018GOI331526			

#### 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 2019-20, one project specific special purpose vehicle i.e. Rampur Sambhal Transco Limited was incorporated on May 02, 2019. Further, during the financial year 2019-20, 8 (Eight) 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.

\*Ministry of Power vide Gazette Notification dated February 1, 2019 had de-notified the project for “Transmission System for Phase-1 Generation Projects in Arunachal Pradesh” allocated to your Company to act as Bid Process Coordinator. The application for striking off the name of the Company i.e. Dinchang Transmission Limited, a project specific Special Purpose Vehicle in respect of above transmission project, has been filed with the Registrar of Companies. The status of the company is under process of Striking off.

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

[illegible]





# ANNUAL REPORT 2019-20

b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs.1lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)(Trustee)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>50,000</b>	<b>50,000</b>	<b>100</b>	<b>0</b>	<b>50,000</b>	<b>50,000</b>	<b>100</b>	<b>0</b>

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

## ii) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2019)			Shareholding at the end of the year (As on March 31, 2020)			% 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	REC Limited	49,994	99.988	0.00	49,994	99.988	0	0
2	Shri Ajeet Kumar Agarwal*	1	0.002	0.00	1	0.002	0	0
3	Shri Sanjeev Kumar Gupta*	1	0.002	0.00	1	0.002	0	0
4	Shri Sanjiv Garg*	1	0.002	0.00	1	0.002	0	0
5	Shri Ashok Awasthi*	1	0.002	0.00	0	0.00	0	-0.002
6	Shri Ajoy Choudhury*	1	0.002	0.00	1	0.002	0	0
7.	Shri V.K. Singh*	1	0.002	0.00	1	0.002	0	0
8.	Shri G.S. Bhati*	0	0.00	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 REC Limited i.e. holding Company.

## 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, 2019)		Cumulative Shareholding at the end of the year (As on March 31, 2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	REC 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> REC 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 2019-20 except 1 equity share of ₹10/- held by Shri Ashok Awasthi was transferred to Shri G.S. Bhati on January 27, 2020. Further, on July 2, 2020, 1 equity share of ₹10/- held by Shri Sanjiv Garg was transferred to Shri R.P. Vaishnaw and 1 equity share of ₹10/- held by Shri Ajeet Kumar Agarwal was transferred to Shri Sanjay Kumar.					

## ANNUAL REPORT 2019-20

### (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, 2019)		Cumulative Shareholding at the end of the year (As on March 31, 2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil. REC Limited along with its Six Nominees holds the entire Paid-up Share Capital ₹5,00,000 divided into 50000 equity share of ₹10/- each in the Company.			
	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				

### (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, 2019)		Cumulative Shareholding at the end of the year (As on March 31, 2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Shri Ajeet Kumar Agarwal (Non-Executive Director) (DIN: 02231613)*</b>				
	At the beginning of the year	1 Equity Share of ₹10/- as nominee	0.002	1 Equity Share of ₹10/- as nominee	0.002
	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/- as nominee	0.002	1 Equity Share of ₹10/- as nominee	0.002



## ANNUAL REPORT 2019-20

2	<b>Shri Sanjeev Kumar Gupta (Non-Executive Director) (DIN: 03464342)</b>				
	At the beginning of the year	1 Equity Share of ₹10/- as nominee	0.002	1 Equity Share of ₹10/- as nominee	0.002
	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/- as nominee	0.002	1 Equity Share of ₹10/- as nominee	0.002
3.	<b>Shri Vijay Kumar Singh (Non-Executive Director) (DIN: 02772733)</b>				
	At the beginning of the year	1 Equity Share of ₹10/- as nominee	0.002	1 Equity Share of ₹10/- as nominee	0.002
	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/- as nominee	0.002	1 Equity Share of ₹10/- as nominee	0.002

\* Superannuated on May 31, 2020

### V. INDEBTEDNESS –

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

(Amount in ₹)

	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>

## ANNUAL REPORT 2019-20

Change in Indebtedness during the financial year				
* Addition	0	5,00,00,000	0	5,00,00,000
* Reduction	0	0	0	0
<b>Net Change</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Indebtedness at the end of the financial year				
(i) Principal Amount	0	5,00,00,000	0	5,00,00,000
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	2,15,068	0	2,15,068
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>5,02,15,068</b>	<b>0</b>	<b>5,02,15,068</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/WTM/ Manager			Total Amount
		Shri Ajeet Kumar Agarwal (Non-Executive Director)	Shri Sanjeev Kumar Gupta (Non-Executive Director)	Shri Vijay Kumar Singh (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

# ANNUAL REPORT 2019-20

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

For and on behalf of the Board of Directors



(Sanjeev Kumar Gupta)  
Chairman  
(DIN: 03464342)

Date: September 21, 2020  
Place: New Delhi



## ANNEXURE-IV TO THE BOARD'S REPORT

**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:** No material contracts or arrangements or transactions were entered by the Company with any Related Party, during financial year 2019-20.
- 2. Details of material contracts or arrangement or transactions at arm's length basis, during financial year 2019-20:**

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	Date(s) of approval by the Board, if any	Amount paid as advances/booked as advances against expenses in respect of SPVs , if any
REC 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 ₹580.91 Lakhs/- on actual basis during the financial year 2019-20.	-----	NIL
Dinchang Transmission Limited (Subsidiary company)	Reimbursement of Expenses and Interest.	On-going transaction	Nil/- during the financial year 2019-20.		NIL

## ANNUAL REPORT 2019-20

Dinchang Transmission Limited has been de-notified by Ministry of Power vide Gazette Notification dated February 1, 2019. Further, No Objection has been received from Ministry of Power for striking off the name of Dinchang Transmission Limited (a Wholly Owned Subsidiary of RECTPCL) under Section 248 of Companies Act, 2013 from the Register of Companies vide letter dated 31.03.2020. The Application for striking off the Name of the Company from the ROC has been filed. The status of the Company is under process of Striking off.					
Dumka Transmission Limited (Subsidiary company)	Reimbursement of Expenses and Interest	On-going transaction	₹52.26 Lakhs during the financial year 2019-20.		NIL
Chandil Transmission Limited (Subsidiary company)	Reimbursement of Expenses and Interest	On-going transaction	₹53.36 Lakhs during the financial year 2019-20.		NIL
Mandar Transmission Limited (Subsidiary company)	Reimbursement of Expenses and Interest	On-going transaction	₹48.84 Lakhs during the financial year 2019-20.		NIL
Koderma Transmission Limited (Subsidiary company)	Reimbursement of Expenses and Interest	On-going transaction	₹50.03 Lakhs during the financial year 2019-20.		NIL
Bhind Guna Transmission Limited (Subsidiary company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (11.09.2019) to selected bidder M/s Power Grid Corporation of	₹440.24 Lakhs during the financial year 2019-20.		₹41.30 Lakhs received as advance against the expenses incurred/ to be incurred, which is adjusted during the transfer.


# ANNUAL REPORT 2019-20

		India Ltd.			
Udupi Kasargode Transmission Limited (Subsidiary company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (12.09.2019) to selected bidder M/s Sterlite Grid 14 Limited	₹809.48 Lakhs during the financial year 2019-20.		Nil
Ajmer Phagi Tranco Limited (Subsidiary company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (03.10.2019) to selected bidder M/s Power Grid Corporation of India Ltd.	₹1019.46 Lakhs during the financial year 2019-20.		₹23.60 Lakhs received as advance against the expenses incurred/ to be incurred, which is adjusted during the transfer.
Jam Khambaliya Transco Limited (Subsidiary company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (13.11.2019) to selected bidder M/s Adani Transmission Ltd.	₹546.06 Lakhs during the financial year 2019-20.		₹17.70 Lakhs received as advance against the expenses incurred/ to be incurred, which is adjusted during the transfer.
WRSS XXI (A) Transco Limited (Subsidiary company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (14.10.2019) to selected bidder M/s Adani	₹1296.89 Lakhs during the financial year 2019-20.		₹46.10 Lakhs received as advance against the expenses incurred/ to be incurred, which is adjusted during the transfer.

# ANNUAL REPORT 2019-20

		Transmission Ltd.			
Khetri Transco Limited (Subsidiary company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (29.08.2019) to selected bidder M/s Power Grid Corporation of India Ltd.	₹1660.24 Lakhs during the financial year 2019-20		₹5.90 Lakhs received as advance against the expenses incurred/ to be incurred, which is adjusted during the transfer
Lakadia Banaskantha Transco Limited (Subsidiary company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (13.11.2019) to selected bidder M/s Adani Transmission Ltd.	₹1250.20 Lakhs during the financial year 2019-20.		Nil
Rampur Sambhal Transco Limited	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (12.12.2019) to selected bidder M/s Power Grid Corporation of India Ltd.	₹685.82 Lakhs during the financial year 2019-20.		₹28.40 Lakhs received as advance against the expenses incurred/ to be incurred, which is adjusted during the transfer

For and on behalf of the Board of Directors

  
 (Sanjeev Kumar Gupta)  
 Chairman  
 (DIN: 03464342)



# Pranav Kumar & Associates

## Company Secretaries

Ph – 0120 4126564; Website – [www.pkacs.in](http://www.pkacs.in); E-mail [services@pkacs.in](mailto:services@pkacs.in)

### CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
REC Transmission Projects Company Limited,  
Core-4, Scope Complex 7,  
Lodhi Road, New Delhi

This is to certify that during the financial year 2019-20, 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), 2010, 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

*Arpita*  
Arpita Saxena  
(Partner)



Date: 03/07/2020  
Place: Ghaziabad

Membership No.: ACS-23822  
COP No. : 11962



**REC Transmission Projects Company Limited**  
**(CIN: U40101DL2007GO1157558)**  
**Balance Sheet as at 31 March 2020**  
 (All amount in ₹ Lakhs unless otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	21.52	27.36
Other Intangible assets	5	0.37	0.56
<b>Financial assets</b>			
Investments	6	7,526.57	8,857.50
Trade receivables	9	1,361.52	0.00
Loans	7	0.20	37.01
Other financial assets	8	36.84	86.38
Deferred tax assets (net)	20	81.97	-
<b>Total non-current assets</b>		<b>9,028.99</b>	<b>9,008.81</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	9	392.20	2,290.29
Cash and cash equivalents	10	14,803.87	14,947.11
Other bank balances	11	91.51	33.64
Loans	12	40.91	-
Other financial assets	13	126.16	852.13
Current tax assets (net)	14	202.10	145.43
Other current assets	15	349.70	396.83
Assets classified as held for sale	16	953.47	955.49
<b>Total current assets</b>		<b>16,959.92</b>	<b>19,620.93</b>
<b>TOTAL ASSETS</b>		<b>25,988.91</b>	<b>28,629.74</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	5.00	5.00
Other equity	18	11,255.08	11,838.99
<b>Total equity</b>		<b>11,260.08</b>	<b>11,843.99</b>
<b>Non-current liabilities</b>			
Provisions	19	11.20	6.30
Deferred tax liabilities (net)	20	-	0.17
<b>Total non-current liabilities</b>		<b>11.20</b>	<b>6.47</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	500.00	-
Other financial liabilities	22	14,021.57	15,414.38
Other current liabilities	23	127.50	1,356.82
Provisions	24	0.34	0.19
Liabilities directly associated with assets classified as held for sale	16	68.22	7.89
<b>Total current liabilities</b>		<b>14,717.63</b>	<b>16,779.28</b>
<b>Total liabilities</b>		<b>14,728.83</b>	<b>16,785.75</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>25,988.91</b>	<b>28,629.74</b>

**Summary of significant accounting policies**

The accompanying notes 1 to 42 are integral part of the financial statements.

This is the balance sheet referred to in our audit report of even date.

For P.Jain & Company

Chartered Accountants

RN-000711C

(Pankaj Jain)

Partner

MRN:097279

Place: New Delhi

Date: 12-06-2020



(Sh. Vijay Kumar Singh)

Director

DIN No.: 02772733

For and on behalf of Board of Directors of  
 REC Transmission Projects Company Limited

(CIN:U40101DL2007GO1157558)

(Sh. Rameshwar Prasad Vaishnav)

Director

DIN No.: 01868883

(CIN: U40101DL2007GO1157558)

**Statement of Profit and Loss for the year ended 31 March 2020**

(All amount in ₹ Lakhs unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Revenue</b>			
Revenue from operations	25	6,643.29	2,869.53
Other income	26	1,273.16	1,175.64
<b>Total income</b>		<b>7,916.45</b>	<b>4,045.17</b>
<b>Expenses</b>			
Cost of services rendered	27	100.54	133.93
Employee benefits expense	28	107.75	169.67
Finance costs	29	15.14	31.61
Depreciation and amortisation expense	30	13.51	14.40
Impairment of asset	31	322.61	112.43
Corporate social responsibility expenses	42 (XIII)	-	27.65
Other expenses	32	302.18	334.26
<b>Total expenses</b>		<b>861.73</b>	<b>823.94</b>
<b>Profit before tax</b>		<b>7,054.72</b>	<b>3,221.22</b>
<b>Tax expense</b>	33		
Current tax		1,693.00	762.43
Deferred tax expense/(Income)		(82.14)	(1.20)
		<b>1,610.86</b>	<b>761.23</b>
<b>Net profit for the year</b>		<b>5,443.86</b>	<b>2,459.99</b>
<b>Other comprehensive Income/(loss)</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		-	-
Income tax relating to these items		-	-
<b>Other comprehensive Income/(loss) for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>5,443.86</b>	<b>2,459.99</b>
<b>Earnings per equity share</b>			
Basic/diluted earnings per share (in Rupees)	34	10,887.71	4,919.97

**Summary of significant accounting policies****The accompanying notes 1 to 42 are integral part of the financial statements.**

This is the statement of total comprehensive income referred to in our audit report of even date.

**For P.Jain & Company**

Chartered Accountants

FRN:000711C

(Pankaj Jain)

Partner

MRN:097279

Place: New Delhi

Date: 12-06-2020



(Sh. Vijay Kumar Singh)

Director

DIN No.: 02772733

Place: New Delhi

For and on behalf of Board of Directors of  
**REC Transmission Projects Company Limited**

(CIN:U40101DL2007GO1157558)

(Sh. Rameshwar Prasad Vaishnav)

Director

DIN No.: 01868883

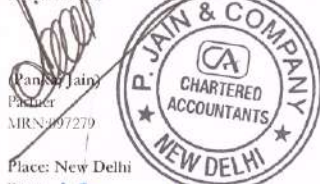
Place: New Delhi

REC Transmission Projects Company Limited  
(CIN: U40101DL2007GOI157558)  
Statement of Cash Flow for the year ended 31 March 2020  
(All amount in ₹ Lakhs unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	7,054.72	3,221.22
Adjustments for:		
Depreciation and amortisation expense	13.51	14.40
Interest Income received	(955.71)	(1,171.69)
Profit on sale of investment	(315.95)	-
Impairment	322.61	-
Interest Expense on borrowings	6.25	0.71
<b>Operating Profit Before Working Capital Changes</b>	<b>6,125.43</b>	<b>2,064.64</b>
<b>Changes in working capital:</b>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Loans (Non Current)	40.91	(0.20)
Loans (Current)	(40.91)	-
Other Non Current assets	-	3.69
Trade receivables	1,898.10	(573.41)
Trade receivables (Non Current)	(1,684.13)	-
Other financial assets (Current)	725.97	(256.22)
Other current assets	47.13	(25.45)
Assets held for sale	(27.98)	(147.72)
<i>Adjustments for (increase) / decrease in operating liabilities:</i>		
Provisions(Non-current)	4.90	1.84
Provisions(Current)	0.15	0.14
Trade payables	-	-
Other financial liabilities (Current)	(1,392.81)	(533.65)
Other Current liabilities	(1,229.32)	97.53
Liabilities held for sale	60.32	7.89
<b>Movement in Operating assets and liabilities</b>	<b>(1,597.67)</b>	<b>(1,425.57)</b>
Cash generated from operations	4,527.76	639.08
Less: Income Tax Paid	(1,749.65)	(959.62)
<b>Net cash flow used in operating activities (A)</b>	<b>2,778.11</b>	<b>(320.54)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(7.48)	(5.92)
Proceeds from sale of Investments	4,615.94	-
Purchases of investments NCDs and staggered bonds	(3,000.00)	-
Sale/(Investment) of/in shares of associate companies (Net)	30.00	(40.00)
Maturity/(Investment) of Corporate Deposits	-	6,483.56
Maturity of Term Deposits	(5.36)	15.17
Interest Received	979.57	1,165.19
<b>Net cash flow from investing activities (B)</b>	<b>2,612.67</b>	<b>7,618.00</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	500.00	-
Interest paid	(6.25)	(0.71)
Dividends paid	(5,000.00)	(6,829.00)
Tax on dividend paid	(1,027.77)	(1,403.72)
<b>Net cash used in financing activities (C)</b>	<b>(5,534.02)</b>	<b>(8,233.43)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(143.24)</b>	<b>(935.97)</b>
Cash and Cash Equivalents at the beginning of the Year	14,947.11	15,883.08
Cash and Cash Equivalents at the end of the Year	14,803.87	14,947.11
<b>Reconciliation of cash and cash equivalents as per the cash flow statement*</b>	<b>(143.24)</b>	<b>(935.97)</b>

Note: Cash flow is prepared on Indirect method  
For components of cash and cash equivalent refer note no. 10  
Profit before tax includes CSR expenses Rs. Nil(Rs.27.65)  
Summary of significant accounting policies  
The accompanying notes 1 to 42 are integral part of the financial statements.  
This is the statement of cash flow referred to in our audit report of even date.

For P.Jain & Company  
Chartered Accountants  
MRN:000711C



Place: New Delhi  
Date: 12-06-2020

(Sh. Vijay Kumar Singh)  
Director  
DIN No.: 02772733

For and on behalf of Board of Directors of  
REC Transmission Projects Company Limited

(Sh. Rameshwar Prasad Vaishnav)  
Director  
DIN No.: 01868883



(CIN: U40101DL2007000137500)

## Statement of changes in Equity for the year ended 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

## A Equity share capital

Particulars	Amount
Balance as at 01 April 2018	5.00
Changes in equity share capital during the year	-
Balance as at 31 March 2019	5.00
Changes in equity share capital during the year	-
Balance as at 31 March 2020	5.00

## B Other equity

Particulars	General reserve	Retained earnings	Total
Balance as at 01 April 2018	1,325.00	16,286.72	17,611.72
Profit for the year	-	2,459.99	2,459.99
Final Dividend	-	(3,529.00)	(3,529.00)
Tax on final dividend	-	(725.40)	(725.40)
Interim dividend	-	(3,300.00)	(3,300.00)
Tax on interim dividend	-	(678.32)	(678.32)
Balance as at 31 March 2019	1,325.00	10,513.99	11,838.99
Profit for the year	-	5,443.86	5,443.86
Interim dividend	-	(5,000.00)	(5,000.00)
Tax on interim dividend	-	(1,027.77)	(1,027.77)
Balance as at 31 March 2020	1,325.00	9,930.08	11,255.08

## Summary of significant accounting policies

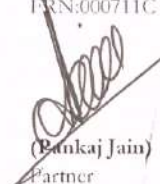

The accompanying notes 1 to 42 are integral part of the financial statements.

This is the statement of changes in equity referred to in our audit report of even date.

## For P.Jain &amp; Company

Chartered Accountants

FARN:000711C

(Bankaj Jain)  
Partner  
MRN:097279

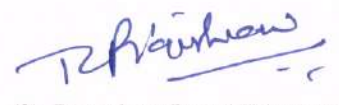
Place: New Delhi

Date: 12-06-2020

For and on behalf of Board of Directors of  
REC Transmission Projects Company Limited


(Sh. Vijay Kumar Singh)  
Director  
DIN No.: 02772733

Place: New Delhi



(Sh. Rameshwar Prasad Vaishnav)  
Director  
DIN No.: 01868883

Place: New Delhi

## **REC Transmission Projects Company Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**  
(All amounts in Rupees lacs, unless otherwise stated)

### **1. Corporate Information**

REC Transmission Projects Company Ltd. ('RECTPCL' or 'the Company') was incorporated in the year 2007. The Company is domiciled in India and is limited by shares, having its registered office at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India and principal place of business at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003. The Company is a wholly-owned subsidiary of REC Limited (formerly Rural Electrification Corporation Limited).

Ministry of Power has appointed RECTPCL as Bid Process Coordinator (BPC) for Inter State Transmission Systems across the country on Tariff Based Competitive Mode. RECTPCL commenced working as BPC in the year 2007 and successfully awarded its first project in the FY - 2009-10. Till date, RECTPCL has been appointed as Bid Process Coordinator for many a large Inter-state Projects. 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, Generation and Smart Grid etc. in India or abroad.

### **2. Statement of Compliance**

The Company prepared its Standalone Financial Statements in accordance with the requirements of Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These Standalone Financial Statements comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines.

The financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 12 June 2020.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy. These changes have also been adopted in line with the transition options available under the standards.

#### **2.1 Standards and interpretations issued but not yet effective**

There are no relevant amendments issued by MCA which are not yet effective as at 31 March 2020.

### **3. Significant accounting policies and management estimates**

(I) The significant accounting policies applied in preparation of the financial statements are as given below:

#### **3.1 Basis of preparation and measurement**

##### **(i) Going concern and basis of measurement**

The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis except for certain financial assets and financial liabilities are measured at fair values at the end of each reporting period.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

##### **(ii) Functional and presentation currency:**

These financials are presented in Indian Rupees (INR), which is also the Company's functional currency, all amounts have been rounded off to nearest lacs (upto two digits), unless otherwise indicated.

#### **3.2 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.





**REC Transmission Projects Company Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020  
(All amounts in Rupees lacs, unless otherwise stated)

The Company, to determine that how much and when revenue is recognized, what is the nature, amount, timing and uncertainty of revenues etc. uses the principles laid down by the Ind AS 115. Revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

*Income from Operation*

Revenues are measured at the fair value of the consideration received or receivable, net of discounts and other indirect taxes.

- (i) In Cost Plus Contracts - revenue is recognised by including eligible contractual items of expenditures plus proportionate margin as per contract;
- (ii) In Fixed Price Contracts – revenue is recognised on the basis of stage of completion of the contract. The Company has assessed that the stage of completion determined as the proportion of the total time expected to complete the performance obligation that has lapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under Ind AS 115.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

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.

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.

*Interest income*

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**3.3 Property, Plant and Equipment:**

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

*Subsequent measurement (depreciation method, useful lives and residual value)*

Depreciation on assets is provided on straight-line method in accordance with the useful lives prescribed under Schedule II of the Companies Act, 2013. Depreciation on assets purchased/ sold during the year is charged for





**REC Transmission Projects Company Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020  
(All amounts in Rupees lacs, unless otherwise stated)**

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.

Assets individually costing less than ₹ 5,000 are fully depreciated in the year of purchase.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

*De-recognition*

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognized.

**3.4 Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Any gain or loss on disposal of an item of intangible assets is recognised in statement of profit or loss.

*Subsequent measurement (amortization method, useful lives and residual value)*

For amortization of intangibles the amortization amount of 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.

**3.5 Leases**

Ind AS 116 "Leases" has been introduced which replaces the earlier Ind AS 17 and is applicable w.e.f. 01 April 2019

**Accounting policy applicable from 1 April 2019**

The Company assesses at contract inception whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.



## **REC Transmission Projects Company Limited**

### **Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020 (All amounts in Rupees lacs, unless otherwise stated)**

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has shown the right-of-use assets and lease liabilities on the face of statement of financial position.

#### **Accounting policy applicable before 1 April 2019**

##### **Company as a lessee**

###### **Operating leases**

All other leases are treated as operating leases. Rentals payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

### **3.6 Financial instruments**

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

#### **Financial assets:**

##### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### *Subsequent measurement*

**Financial assets carried at amortized cost** – a financial asset is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

##### *De-recognition of financial assets*

Financial assets (or where applicable, a part of financial asset or part of a Company of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards





**REC Transmission Projects Company Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**  
**(All amounts in Rupees lacs, unless otherwise stated)**

are transferred. Further, if the Company has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial guarantee contracts which are not measured at Fair value through profit & loss account. (FVTPL).

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

**Financial liabilities:****Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

**Subsequent measurement**

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

**De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



**REC Transmission Projects Company Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**  
**(All amounts in Rupees lacs, unless otherwise stated)**

**3.7 Fair value measurement**

The Company measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

**Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

**Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**3.8 Non-Current assets/disposal Company held for sale**

Non-current assets/disposal Companies are classified as held for sale if their carrying amount will have recovered principally through sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at lower of their carrying amount or fair value less cost to sell, except for assets such as deferred tax, assets arising from employee benefit, financial assets and contractual rights under insurance contracts, which are specifically exempted from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets held for sale are presented separately from other assets in the balance sheet.

Where the Company is committed to a sale plan involving loss of control of an associate, it classifies investment in the associate (i.e. all the assets and liabilities of that associate) as held for sale.

**3.9 Employee benefits:**

Employee benefits include Provident Fund, Leave Encashment & Loyalty Bonus.

**a) Fixed Tenure Employees**

The Company has recruited Fixed Tenure Employees for a period of 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. Pension 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.





**REC Transmission Projects Company Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020****(All amounts in Rupees lacs, unless otherwise stated)****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.

**3.10 Taxation**

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax. It is recognized in Statement of Profit and Loss, except when it relates to an item that is recognised in Other comprehensive income (OCI) or directly in equity, in which case, the tax is also recognised in Other comprehensive income or directly in equity.

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

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

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

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Dividend Distribution Tax is recognized at the same time when the liability to pay a dividend is recognized.

**3.11 Provisions, Contingent Liabilities, and Contingent Assets**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

A contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

In those cases, where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized or disclosure is made.





**REC Transmission Projects Company Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020  
(All amounts in Rupees lacs, unless otherwise stated)**

Any reimbursement that the Company can be virtually certain to collect from a third party concerning the obligation (such as from insurance) is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

Contingent assets are not recognized. However, when the inflow of economic benefits is probable, the related asset is disclosed.

**3.12 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**3.13 Impairment of assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

**3.14 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 associates (called SPVs), the expenses have been allocated at the year end to these associates. Direct expenses have been booked to the respective associates for which the expenditure has been incurred. All Indirect/Common Expenses have been allocated only to the associates in the proportion of salary of HO staff deployed on the associates from the month of issue of RFQ or RFP 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.

**3.15 Cash and cash equivalents**

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

**3.16 Funds/grants received from government**

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

**3.17 Dividend**

Proposed dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

**3.18 Material prior period errors**

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.





**REC Transmission Projects Company Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020  
(All amounts in Rupees lacs, unless otherwise stated)

**3.19 Prepaid Expenses**

A prepaid expense up to Rs. 1,00,000/- is recognized as expense upon initial recognition.

**3.20 Rates and taxes**

Overseas taxes on foreign assignments, indirect taxes, including Goods & Service Tax, professional tax, property tax, entry tax, labour cess, octroi and any other applicable taxes etc. paid/accrued in India or abroad for which credit are not available to the company are charged to the Statement of Profit and Loss.

**3.21 Rounding off amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs as per the requirements of Schedule III of the Act unless otherwise stated.

**(II) Significant management judgments in applying accounting policies and estimation of uncertainty**

The preparation of the Company's financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

**(i) Significant management judgments**

**Recognition of deferred tax assets/ liability** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

**Evaluation of indicators for impairment of assets** – The evaluation of the applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**(ii) Significant estimates**

**Useful lives of depreciable/amortizable assets** – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. In case of non-availability of market-observable data, Level 2 & Level 3 hierarchy is used for fair valuation.

**Income Taxes** – Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions and also in respect of expected future profitability to assess deferred tax asset.

**Expected Credit Loss ('ECL')** – The measurement of an expected credit loss allowance for financial assets measured at amortized cost requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g., likelihood of customers defaulting and resulting losses). The Company makes significant judgments about the following while assessing expected credit loss to estimate ECL:

- Determining criteria for a significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing Company's of similar financial assets to measure ECL.

**Leases** – The management while determining the lease period of an asset makes estimates on various extension and termination options, the same affects the period of the lease and hence the determination of lease liability and right of use of assets.



REC Transmission Projects Company Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in Rupees lacs, unless otherwise stated)

**Revenue from customers** – The management while recognizing revenues, makes several estimates including estimation of recoverability, allocation of transaction prices to respective performance obligations, estimations of degree of work completed (/Performance obligations satisfied) and estimated works.

**Current/Non Current classification-** The management expects the realization of all operating assets is within 12 months from the reporting date. For the assets, even though operational in nature, but expected to be realized after 12 months from the reporting date, are classified as non-current.

**Impact of Covid-19 Outbreak** - The extent to which the Covid-19 pandemic will impact the company will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the Covid-19 pandemic and any further action by the Government. or the Company to contain its spread or mitigate its impact.



## REC Transmission Projects Company Limited

Notes forming part of Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

## 4 Property, plant and equipment

Description	Furniture & Fixtures	Office Equipments	Computer Equipment	Minor Value Assets	Computers	Total
<b>Gross carrying value</b>						
As at 01 April 2018:	6.03	8.44	2.84	3.44	40.18	60.93
Additions	0.44	0.31	-	0.42	4.74	5.92
Disposals	-	-	-	-	-	-
<b>As at 31 March 2019</b>	<b>6.47</b>	<b>8.76</b>	<b>2.84</b>	<b>3.86</b>	<b>44.92</b>	<b>66.85</b>
Additions	0.27	2.30	-	0.28	4.63	7.48
Disposals	-	-	-	-	-	-
<b>As at 31 March 2020</b>	<b>6.74</b>	<b>11.06</b>	<b>2.84</b>	<b>4.14</b>	<b>49.55</b>	<b>74.33</b>
<b>Accumulated depreciation</b>						
As at 01 April 2018:	1.46	2.01	1.45	3.44	16.92	25.28
Charge for the year	0.57	1.59	0.45	0.42	11.18	14.21
Adjustment for disposals	-	-	-	-	-	-
<b>As at 31 March 2019</b>	<b>2.03</b>	<b>3.60</b>	<b>1.90</b>	<b>3.86</b>	<b>28.10</b>	<b>39.49</b>
Charge for the year	0.61	1.81	0.44	0.28	10.18	13.32
Adjustment for disposals	-	-	-	-	-	-
<b>As at 31 March 2020</b>	<b>2.64</b>	<b>5.41</b>	<b>2.34</b>	<b>4.14</b>	<b>38.28</b>	<b>52.81</b>
<b>Net block as at 31 March 2019</b>	<b>4.44</b>	<b>5.16</b>	<b>0.94</b>	<b>-</b>	<b>16.82</b>	<b>27.36</b>
<b>Net block as at 31 March 2020</b>	<b>4.10</b>	<b>5.65</b>	<b>0.50</b>	<b>-</b>	<b>11.27</b>	<b>21.52</b>





**REC Transmission Projects Company Limited**
**Notes forming part of Financial Statements for the year ending 31 March 2020**

(All amount in ₹ Lakhs unless otherwise stated)

**5 Other Intangible assets**

Description	Computer Software	Total
<b>Gross carrying value</b>		
At 01 April 2018:	0.95	0.95
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March 2019</b>	<b>0.95</b>	<b>0.95</b>
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March 2020</b>	<b>0.95</b>	<b>0.95</b>
<b>Accumulated depreciation</b>		
At 01 April 2018:	0.20	0.20
Amortisation charge for the year	0.19	0.19
Disposals	-	-
<b>Balance as at 31 March 2019</b>	<b>0.39</b>	<b>0.39</b>
Amortisation charge for the year	0.19	0.19
Disposals	-	-
<b>Balance as at 31 March 2020</b>	<b>0.58</b>	<b>0.58</b>
<b>Net book value as at 31 March 2019</b>	<b>0.56</b>	<b>0.56</b>
<b>Net book value as at 31 March 2020</b>	<b>0.37</b>	<b>0.37</b>



## Notes forming part of Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
<b>6 Investments (Non Current)</b>		
<b>Investments in Government/Trust Securities</b>		
<b>(a) Investment in tax free bonds-Quoted (at amortised cost)</b>		
<b>Rural Electrification Corporation Ltd. (Holding Company)</b>		
7.38% Tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of Rs. 1000/- each, fully paid (31 March 2020 / 2019 : 100,000 / 350,000)	1,024.60	3,585.63
8.46% Tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of Rs. 1000/- each, fully paid (31 March 2020/2019 : 250,000/250,000)	2,570.50	2,570.11
7.55% Staggered Papers of face value Rs. 1,000,000/- each, fully paid (31 March 2020/2019: 20 /Nil)	207.76	-
7.09% NCD of face value Rs. 1,000,000 /- each, fully paid (31 March 2020/2019: 100 / Nil)	1,021.12	-
<b>(b) Investment in tax free bonds-Quoted (at amortise cost) (in others)</b>		
<b>(i) Housing and Urban Development Corporation Ltd. (HUDCO)</b>		
7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of Rs. 1000/- each, fully paid (31 March 2020/2019: 47,647 /47647)	481.57	481.39
7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of Rs. 1000/- each, fully paid (31 March 2020/2019: 39,151 /39,151)	400.05	399.91
<b>(ii) National Highway Authority of India Ltd. (NHAI)</b>		
7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of Rs. 1000/- each, fully paid (31 March 2020/2019: 42,855/42,855)	459.87	459.79
7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of Rs. 1000/- each, fully paid (31 March 2020/2019: 35,463/35,463)	367.66	367.55
<b>(iii) Indian Renewable Energy Development Agency (IREDA)</b>		
7.49% Tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of Rs. 1000/- each, fully paid (31 March 2020/2019: 61,308 /61,308)	621.99	621.76
<b>(iv) Indian Railway Finance Corporation (IRFC)</b>		
7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of Rs. 1000/- each, fully paid (31 March 2020/2019: 22,338 / 22,338)	230.92	230.85
<b>(v) National Bank for Agriculture and Rural Development (NABARD)</b>		
7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of Rs. 1000/- each, fully paid (31 March 2020/2019: 14,028/14,028)	140.53	140.51
<b>Total</b>	<b>7,526.57</b>	<b>8,857.50</b>
<b>Aggregate market value of quoted investment</b>	<b>8,542.13</b>	<b>9,633.27</b>



## Notes forming part of Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

## 7 Loans (Non Current)

## Unsecured, considered good

Security deposits\*

0.20 37.01

**0.20 37.01**

\* Refer note 39 for fair value disclosures.

## 8 Other financial assets (Non Current)

Term Deposits with maturity more than 12 months\*

36.84 86.38

**36.84 86.38**

\* Term deposit receipt has been placed on lien with Canara Bank as collateral security for issue of bank guarantee for Mizoram.

## 9 Trade receivables

## Non current

Unsecured, considered good

1,684.13 -

Less: Allowance for expected credit loss

(322.61) -

**1,361.52**

Trade receivables with significant increase in credit risk

- -

Less: Allowance for expected credit loss

- -

Credit impaired

- -

Less: Allowance for expected credit loss

- -

- -

**1,361.52 0.00**

## Current

Unsecured, considered good

392.20 2,290.29

Less: Allowance for expected credit loss

(0.00) -

**392.20 2,290.29**

Trade receivables with significant increase in credit risk

- -

Less: Allowance for expected credit loss

- -

Credit impaired

- -

Less: Allowance for expected credit loss

- -

- -

**392.20 2,290.29**

## 10 Cash and cash equivalents

Balances with banks:

- with scheduled banks in current accounts

1,198.28 110.80

- with Government Fund accounts\*\*

13,116.57 14,800.08

Cheque in hand

489.02 36.23

**14,803.87 14,947.11**

\*\*Earmarked Balances with Banks for Government Funds received and can be utilised only for the specific purpose. Refer Note No. 22 (Government Fund for Schemes\*\*)





## Notes forming part of Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

**11 Other bank balances**

Deposits with original maturity more than 3 months but less than 12 months\*

91.51	33.64
<b>91.51</b>	<b>33.64</b>

\* TDR has been placed on lien with Canara Bank as collateral security for issue of Bank guarantee for Goa.

**12 Loans (Current)**

Security deposits \*

40.91	-
<b>40.91</b>	<b>-</b>

\* Refer note 39 for fair value disclosures.

**13 Other financial assets (Current)**

Recoverable from Government of India

Amount spent on Urja Mitra Scheme\*

28.88	795.45
-------	--------

Deen Dayal Upadhyaya Gram Jyoti Yojana Fund

64.87	-
-------	---

Retention money receivable

32.41	30.12
-------	-------

Other Trade/Commercial Advances

-	26.57
---	-------

<b>126.16</b>	<b>852.13</b>
---------------	---------------

\*Refer note 42(XVII)

**14 Current tax assets (net)**

Advance Income Tax and TDS

5,383.95	3,640.18
----------	----------

Less: Provision for Income tax

(5,187.82)	(3,494.75)
------------	------------

<b>196.13</b>	<b>145.43</b>
---------------	---------------

Tax Deposited on income tax demands under contest\*

5.97	-
------	---

Provision for income tax for demand under contest

-	-
---	---

<b>5.97</b>	<b>-</b>
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**Total**

<b>202.10</b>	<b>145.43</b>
---------------	---------------

\*Refer note 42(XII)(A) for details

**15 Other current assets**

Advance to Suppliers

63.32	195.93
-------	--------

Balances with statutory and government authorities

95.15	197.21
-------	--------

Cost of fulfillment carried forward

191.23	-
--------	---

Prepaid Expenses

-	3.69
---	------

<b>349.70</b>	<b>396.83</b>
---------------	---------------

As at 31 March 2020	As at 31 March 2019
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**16 Disposal group**

Assets classified as held for sale

(A) Investment (refer note 16.1)

20.00	50.00
-------	-------

(B) Loans to associates (refer note 16.2)

933.47	905.49
--------	--------

**Total (A+B)**

<b>953.47</b>	<b>955.49</b>
---------------	---------------

Liabilities directly associated with assets classified as held for sale

(C) Payable to associates (refer note 16.3)

68.22	7.89
-------	------

**Total(C)**

<b>68.22</b>	<b>7.89</b>
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**Disposal group -Net assets (A+B-C)**

<b>885.25</b>	<b>947.60</b>
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## Notes forming part of Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

## 16.1 Investments in associates

## Investments in Equity Instruments of associates (fully paid up)

Ajmer Phagi Transco Limited*	0.00	5.00
50000 equity shares of ₹ 10/- each (31 March 2019: Nil)		
Bhindguna Transmission Limited*	0.00	5.00
50000 equity shares of ₹ 10/- each (31 March 2019: Nil)		
Chandil Transmission Ltd	5.00	5.00
50000 equity shares of ₹ 10/- each (31 March 2019: Nil)		
Dumka Transmission Ltd.	5.00	5.00
50000 equity shares of ₹ 10/- each (31 March 2019: Nil)		
Jam Khambaliya Transco Limited*	0.00	5.00
50000 equity shares of ₹ 10/- each (31 March 2019: Nil)		
Khetri Transco Limited*	0.00	5.00
50000 equity shares of ₹ 10/- each (31 March 2019: Nil)		
Koderma Transmission Ltd	5.00	5.00
50000 equity shares of ₹ 10/- each (31 March 2019: Nil)		
Lakadia Banaskantha Transco Limited*	0.00	5.00
50000 equity shares of ₹ 10/- each (31 March 2019: Nil)		
Mandar Transmission Ltd.	5.00	5.00
50000 equity shares of ₹ 10/- each (31 March 2019: Nil)		
Udupi Kasargode Trans. Ltd.*	0.00	5.00
50000 equity shares of ₹ 10/- each (31 March 2019: Nil)		
Dinchar Transmission Ltd.**	0.00	0.00
50000 equity shares of ₹ 10/- each		
	<b>20.00</b>	<b>50.00</b>

\*\* Dinchar Transmission Ltd was denotified vide MoP letter dated 25 March 2019 and subsequently investment was written off. MOP permission for striking off company with MCA is obtained during the year and the required papers are being filled with MCA.

## 16.2 Loans to Associates

Chandil Transmission Limited	249.26	198.64
Dumka Transmission Limited	217.71	193.57
Mandar Transmission Limited	243.17	171.25
Koderma Transmission Limited	223.33	175.74
Ajmer Phagi Transco Ltd*	-	18.14
Bhindguna Transmission Limited*	-	88.05
UDUPI Kasargode Transmission Ltd*	-	25.14
WRSS XXI (A) Transco Ltd	-	34.96
	<b>933.47</b>	<b>905.49</b>

## 16.3 Liabilities directly associated with assets classified as held for sale

Jam Khambaliya Transco Ltd*	-	0.34
Khetri Transco Limited*	-	3.57
Lakadia Banaskantha Transco Ltd*	-	3.98
Bidar Karnataka Line**	10.31	-
Gadag Karnataka Part A Line**	10.41	-
Solar Energy Rajasthan Part A Line**	10.46	-
Solar Energy Rajasthan Part B Line**	5.69	-
Solar Energy Rajasthan Part C Line**	15.48	-
Rajgarh Madhya Pradesh Line**	15.49	-
Osmanabad Maharashtra Line**	0.38	-
<b>Total</b>	<b>68.22</b>	<b>7.89</b>

\* SPV Sold During the FY 2019-2020

\*\* SPVs in process of incorporation as on 31.03.2020



## REC Transmission Projects Company Limited

## Notes forming part of Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

## 17 Equity share capital

	As at 31 March 2020	As at 31 March 2019
<b>Authorised equity share capital</b>		
50,000 (31 March 2019: 50,000) Equity shares of Rs 10 each	5.00	5.00
	<b>5.00</b>	<b>5.00</b>
<b>Issued, subscribed and paid up equity share capital</b>		
50,000 (31 March 2019: 50,000) Equity shares of Rs 10 each	5.00	5.00
	<b>5.00</b>	<b>5.00</b>

## i) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## ii) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	₹ lakhs	No. of shares	₹ lakhs
Equity share capital of Rs. 10 each fully paid up				
Balance at the beginning of the year	50,000	5.00	50,000	5.00
Add: Issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>50,000</b>	<b>5.00</b>	<b>50,000</b>	<b>5.00</b>

## iii) Shareholders holding more than 5% of shares of the Company as at balance sheet date:

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% holding	No. of shares	% holding
49,994 Equity Shares held by REC Limited (formerly known as Rural Electrification Corporation Ltd.) (Holding Company) And Balance 6 Equity Shares through other nominee of REC Ltd.	50,000	100.00%	50,000	100.00%

## iv) Shares held by holding Company:

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% holding	No. of shares	% holding
49,994 Equity Shares held by REC Limited (formerly known as Rural Electrification Corporation Ltd.) (Holding Company) And Balance 6 Equity Shares through other nominee of REC Ltd.	50,000	100.00%	50,000	100.00%

v) The Company has neither issued equity shares pursuant to contract without payment being received in cash or any bonus shares nor has there been any buy-back of shares in the current year and five years immediately preceding the balance sheet date.

## 18 Other equity

	As at 31 March 2020	As at 31 March 2019
General reserve	1,325.00	1,325.00
Retained earnings	9,930.08	10,513.99
	<b>11,255.08</b>	<b>11,838.99</b>

## Note:

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another.

Also refer statement of Changes in Equity





	As at 31 March 2020	As at 31 March 2019
<b>19 Provisions (Non Current)</b>		
<b>Provision for Employee Benefits (refer note 38)</b>		
Provision for Loyalty Bonus	6.04	3.27
Provision for compensated absences	5.16	3.03
	<b>11.20</b>	<b>6.30</b>
<b>20 Deferred tax Assets/Liabilities (net)</b>		
<b>Tax effect of items constituting deferred tax liability</b>		
Property, plant and equipment: Impact of difference between depreciation as per income tax act and depreciation charged in the books	-	(0.29)
<b>Total deferred tax liability</b>	-	(0.29)
<b>Tax effect of items constituting deferred tax assets:</b>		
Property, plant and equipment: Impact of difference between depreciation as per income tax act and depreciation charged in the books	0.77	-
Timing difference on impairment provision	81.20	-
Financial assets and liabilities measured at amortised cost	-	0.12
<b>Total deferred tax assets</b>	<b>81.97</b>	<b>0.12</b>
<b>Deferred tax assets /liabilities (net)</b>	<b>81.97</b>	<b>(0.17)</b>
<b>Net Deffered Tax Charge for the Year</b>		
For the year ended 31 March 2020		(82.14)
For the year ended 31 March 2019		(1.20)
Note: The Movement between years represents additions/deletion (reversals) in current or previous year. Additions/reversals during the year has been charged to profit and loss account during the year.		
<b>21 Borrowings (Current)</b>		
Cash credit loan from HDFC Bank( Unsecured)	500.00	-
	<b>500.00</b>	-
<b>Notes:</b> HDFC Bank has sanctioned Credit Facility Name Working Capital Demand Loan (WCDL) with limit of Rs. 1000 Lakhs. Rate of interest is (1 market credit lending rate + 15 bps). The credit facility is unsecured.		
<b>22 Other financial liabilities (Current)</b>		
Earnest Money Deposits/Contract performance gurantee	17.19	12.50
Expenses Payables	433.38	421.91
Retention money payables	82.34	36.78
Payable to related parties	126.35	35.53
Employee related payables	-	1.54
Government Fund for Schemes		
Prime Minister's Development Package Fund - J&K	11,941.27	14,541.28
Deen Dayal Upadhyaya Gram Jyoti Yojana Fund	-	79.28
Power System Development Fund for Rural Feeder Monitoring Scheme	1,421.04	285.56
	<b>14,021.57</b>	<b>15,414.38</b>



**REC Transmission Projects Company Limited**

**Notes forming part of Financial Statements for the year ending 31 March 2020**

(All amount in ₹ Lakhs unless otherwise stated)

**23 Other current liabilities**

Advance from REC (Holding Company)*	-	1,059.67
Advance from customer	0.56	-
Mobilisation Advance- JKPDD-UDAY	23.74	42.73
Deferred income	89.09	71.46
Statutory Dues payable	14.11	182.95
	<b>127.50</b>	<b>1,356.82</b>

\*Refer note 42(XVII)

**24 Provisions (Current)**

**Provision for Employee Benefits (refer note 38)**

Provision for Loyalty Bonus*	0.01	0.00
Provision for compensated absences	0.33	0.19
	<b>0.34</b>	<b>0.19</b>

\*The amounts has been rounded off to zero.



*This space has been intentionally left blank*

## Notes forming part of Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>25 Revenue from operations</b>		
<b>Sale of services *</b>		
Consultancy & Execution of Transmission Projects	533.98	946.43
Professional Charges	6,092.36	1,827.01
Agency Fees	16.95	16.95
<b>Other Operating Revenue</b>		
Documentation fees	-	79.14
	<b>6,643.29</b>	<b>2,869.53</b>
*Refer note 36 for details revenue.		
<b>26 Other income</b>		
Interest Income on Term/ Corporate Deposits	72.14	430.43
Interest Income on Tax Free Bonds	656.54	663.91
Interest Income from SPVs	125.81	77.35
Interest Income on Staggered Papers	70.20	-
Interest Income on NCDs	26.93	-
Interest Income on financial assets measured at amortised cost	4.10	3.94
Profit on sale of investments	315.95	-
Miscellaneous Income	1.49	0.01
	<b>1,273.16</b>	<b>1,175.64</b>
<b>27 Cost of services rendered</b>		
Survey Charges	36.58	70.75
Consultancy Charges	60.30	49.36
Advertisement Expenses	-	13.16
Meeting & Conference Expenses	3.66	0.67
	<b>100.54</b>	<b>133.93</b>
<b>28 Employee benefits expense</b>		
Salaries and Wages	105.60	169.67
Contribution to Provident and other funds	2.15	-
	<b>107.75</b>	<b>169.67</b>
Refer note 38 Employee benefit obligations details.		
<b>29 Finance costs</b>		
(a) Interest Expenses		
Working capital loan from bank	6.25	0.71
Income tax	2.99	23.97
Others*	5.77	5.36
	<b>15.01</b>	<b>30.04</b>
(b) Bank Charges	0.13	1.57
	<b>15.14</b>	<b>31.61</b>
* Includes interest paid to REC amounting to Rs 4.02.(Nil)		
<b>30 Depreciation and amortisation expense</b>		
Depreciation (also refer note 4)	13.32	14.21
Amortisation (also refer note 5)	0.19	0.19
	<b>13.51</b>	<b>14.40</b>





## Notes forming part of Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>31 Impairment of assets</b>		
Diminution in value of investment	-	5.00
Impairment on trade receivables	322.61	-
Impairment on other assets	-	107.43
	<b>322.61</b>	<b>112.43</b>
<b>32 Other expenses</b>		
Manpower Expenses	132.25	149.71
Travelling and Conveyance	26.88	32.46
Rental Charges	63.34	73.38
Rates and Taxes	0.95	0.63
Power & Fuel	3.49	5.78
Postage, Telegram and Telephone	2.69	3.63
Auditors' Remuneration*	5.75	2.30
Legal & Professional Charges	13.09	30.89
Office Expenses	16.43	17.62
Technical / IT Services Expenses	7.74	1.36
Miscellaneous Expenses	29.57	16.50
	<b>302.18</b>	<b>334.26</b>
<b>*Auditors' Remuneration</b>		
Audit Fee	3.00	1.70
Tax Audit Fee	1.25	0.60
Other Services/Certification fee	1.50	-
	<b>5.75</b>	<b>2.30</b>



**REC Transmission Projects Company Limited**  
**Notes forming part of Financial Statements for the year ending 31 March 2020**  
 (All amount in ₹ Lakhs unless otherwise stated)

**33 Tax expense**

- (i) Current tax (including taxes earlier years)  
     Tax on current year profits  
 (ii) Deferred tax expense/(credit)

	For the year ended 31 March 2020	For the year ended 31 March 2019
	1,693.00	762.43
	(82.14)	(1.20)
	<b>1,610.86</b>	<b>761.23</b>

The reconciliation of expense based on the domestic effective tax rate and the reported tax expense in profit or loss is as follows:

Accounting profit before income tax	7,054.72	3,221.22
Applicable tax rate	25.17%	29.12%
Income tax at the rate mentioned above	1,775.53	938.02
Tax effect of Non-deductible expenses for tax purposes	0.59	16.54
Tax effect of income of tax free bonds	(165.24)	(193.33)
Tax effect of rate change	(0.02)	-
	<b>1,610.86</b>	<b>761.23</b>

**34 Earnings per share (in INR)**

Net profit for the year	5,443.86	2,459.99
Weighted average number of equity shares for EPS	50,000	50,000
Par value per share	10	10
Earnings per share - Basic and diluted (in INR)	<b>10,887.71</b>	<b>4,919.97</b>

**35 Leases**

Company has made transition to Ind AS 116 as at 01 April 2019. The assessment made by the Company as at transition date resulted into a conclusion that all the leases of the Company falls under short term leases.

Total cash outflow in respect of short term leases in the year amounts to Rs. 63.34 Lakhs.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	For the year ended 31 March 2020
Short-term leases	63.34
Leases of low value assets	-

The Company also incurred rental expense amounting to Rs.140.35 Lakhs, which has been allocated to respective associates, the same has not been included above.

**Extension and termination options**

The Company has lease contracts for "Office block and contractual sites" which are used for regular operations of its business. There are several lease contracts that include extension and termination options which are further discussed below.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

*Critical judgements in determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.



#### Other transition options

The transition has resulted to nil effect on the Company's financial statements, although the Company has adopted the new standard and any new contract entered in the future will be dealt according to the new accounting policy of the Company.

For contracts in place as at 1 April 2019, Company Group has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

### 36 Revenue from contracts with customers under Ind AS 115

#### A The Company is engaged in providing following services-

Ministry of Power has appointed RECTPCL as Bid Process Coordinator (BPC) for Inter State Transmission Systems across the country on Tariff Based Competitive Mode. RECTPCL commenced working as BPC in the year 2007 and successfully awarded its first project in the FY - 2009-10. Till date, RECTPCL has been appointed as Bid Process Coordinator for many a large Inter-state Projects. 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, Generation and Smart Grid etc. in India or abroad.

RECTPCL is conducting the bidding process for ISTS projects, starting from selection of qualified bidders to handing over of the Special Purpose Vehicle to the lowest bidder. RECTPCL provides consultancy services in Power Transmission sector to states/Union Territories under various central/state Government schemes such as Project Management Agency (PMA)/Project Management Consultancy (PMC). The company is also working in various Smart Metering/ Smart Grid and Information Technology (IT) projects as Project Implementing Agency (PIA)/Project Management Agency (PMA) for implementation of various distribution infrastructure projects under various Govt. schemes. The company is also working as Project implementation agency in the state of Jammu and UT Srinagar and Lch.

#### B Significant management judgments on revenue recognition:

Recognized amounts of contract revenues and related receivables when the contract has been approved by the parties, inwriting, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue from the contracts recognized based on management's best estimates of each contract's outcome and stage of completion which is determined based on progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spend, service performed (generally mentioned in the contracts with the customer) or any other method that management considered appropriate. When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

Also while allocating that transaction price to the specific performance obligations identified in the contract. The transaction price is allocated to the performance obligations based on its relative standalone selling price, which generally is not readily available, hence management estimates the stand alone selling prices basis upon its experience and contractual negotiations.

#### C Disaggregated revenue information

RECTPCL's revenue mostly comes from execution of transmission projects, professional charges, agency fees. 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.

a. In accordance with Ind AS 115, set out below is the disaggregation of the Company's revenue from contracts with customers:

Type of goods/services	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of goods	-	-
Sale of services	6,643.29	2,869.53
<b>Total revenue from contracts with customers</b>	<b>6,643.29</b>	<b>2,869.53</b>
<b>Revenue by time</b>		
Revenue recognised at point in time	6,084.57	2,169.90
Revenue recognised over time	558.72	699.63
<b>Total revenue from contracts with customers</b>	<b>6,643.29</b>	<b>2,869.53</b>





REC Transmission Projects Company Limited  
Notes forming part of Financial Statements for the year ending 31 March 2020  
(All amount in ₹ Lakhs unless otherwise stated)

**D Reconciliation of revenue recognised with contract price**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contract price*	6,643.29	2,869.53
Adjustments for:		
Rebates and discounts	-	-
<b>Revenue from contracts with customers</b>	<b>6,643.29</b>	<b>2,869.53</b>

\*RECTPCL's revenue mostly comes from execution of transmission projects, professional charges, agency fees and documentation fees.

**E Reconciliations of cost of fulfillment carried forward**

Opening	-	-
Additions during the year	191.23	-
<b>Closing</b>	<b>191.23</b>	<b>-</b>

**F Reconciliations of Deferred income**

Opening of deferred income	71.46	-
Revenue recognised during the year	-	-
Addition received during the year	17.62	71.46
<b>Closing</b>	<b>89.09</b>	<b>71.46</b>

**G Reconciliations of advance from customer**

Opening	-	-
Amount billed for the year	-	-
Additions during the year	0.56	-
<b>Closing</b>	<b>0.56</b>	<b>-</b>

**H Remaining performance obligations**

Amount of remaining performance obligations (unsatisfied or partially unsatisfied)	9,364.00	9,357.00
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The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized. The entity expects to satisfy the above performance obligations within the contracted terms (which is expected to be closed in one year).

**I Balances with customers or contract balances**

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Assets</b>		
Trade receivables	1,753.72	2,290.29
<b>Contract assets</b>		
Cost of fulfillment carried forward*	191.23	-
<b>Contract liability</b>		
Deferred income**	89.09	71.46
Advance from customer***	0.56	-

\***Cost of fulfillment** relates to contract assets recognised equivalent to the recoverable costs incurred in fulfilling a contract (contract related) with a customer, which generates or enhances the resources of the entity that will be used in satisfying the future performance obligations.

\*\***Deferred income** are contract liabilities, where performance obligations are not yet satisfied.

\*\*\***Advance from customers** are contract liabilities, where money has been received and performance obligations are not yet satisfied.

**J Company has not incurred any cost for obtaining contracts except administrative cost required for preparation of offers and the same is charged to statement of profit and loss.**



**37 Related Party transactions**

In accordance with the requirements of Indian Accounting Standard – 24 the names of the related parties where control/ability to exercise significant influence exists, along with the aggregate amount of transactions and year end balances with them as identified and certified by the management are given below:

**a) Details of related parties:**

Description of relationship	Names of related parties
Ultimate holding Company	Power Finance Corporation Ltd. (w.e.f. 28th March 2019)
Holding Company	REC Limited
Subsidiary of holding/ultimate holding Company	REC Power Distribution Company Limited PFC Consulting Limited
Associate Companies	Dinchang Transmission Limited (denotified by MoP on 25 March 2019)*  Ghatampur Transmission Limited (w.e.f. 02 December 2016 and sold on 19 June 2018)** Jawaharpur Firozabad Transmission Limited (w.e.f. 20 August 2018 and sold on 21 December 2018)** Dumka Transmission Limited (w.e.f. 25 March 2018) Chandil Transmission Limited (w.e.f. 14 March 2018) Mandar Transmission Limited (w.e.f. 26 March 2018) Koderma Transmission Limited (w.e.f. 19 March 2018)  Blind Guna Transmission Limited (w.e.f. 18 September 2018 and sold on 11 September 2019)*** Udupi Kasargode Transmission Limited (29 November 2018 – 12 September 2019)*** Jam Khambaliya Transco Limited (11 March 2019 – 13 November 2019)*** Lakadia Banaskantha Transco Limited (19 March 2019 – 13 November 2019)*** Khetri Transco Limited (12 March 2019 – 29 August 2019)*** Ajmer Phagi Transco Limited (19 March 2019 – 03 October 2019)*** WRSS XXI (A) Transco Limited (26 March 2019 – 14 October 2019)*** Rampur Sambhal Transco Limited (w.e.f. 02 May 2019 and sold on 12 December 2019)***  Osmanabad Maharashtra Line (In process of Incorporation)**** Bidar Karnataka Line (In process of Incorporation)**** Gadag Karnataka Part A Line (In process of Incorporation)**** Solar Energy Rajasthan Part A Line (In process of Incorporation)**** Solar Energy Rajasthan Part B Line (In process of Incorporation)**** Solar Energy Rajasthan Part C Line (In process of Incorporation)**** Raigarh Madhya Pradesh Line (In process of Incorporation)****
Post employment benefit plan trust	REC Retired Employees Medical Trust REC Provident Fund Trust

\*No objection from Ministry of Power for striking off the name of Dinchang Transmission Limited has been received on 31 March 2020, the Company is planning for the same.

\*\* indicates associates sold / transferred in FY 2018-19

\*\*\* indicates associates sold / transferred in FY 2019-20

\*\*\*\* indicates associates which are in process of incorporation

**Key management personnel (KMP)**

Mr. P.V. Ramesh	: Chairman and Director	01 April 2018: to 05 March 2019
Mr. Ajeet Kumar Agarwal	: Chairman and Director	Chairman w.e.f. 06 March 2019
Mr. Sanjeev Kumar Gupta	: Director	w.e.f. 26 October 2015
Mr. V.K. Singh	: Director	w.e.f. 18 March 2019

**b) Transactions with Holding Company and KMP are as under:**

	REC Limited		Key Management Personnel	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>(i) Transactions during the year</b>				
Dividend paid to Holding Company	5,000.00	6,829.00	-	-
Advance received for government schemes	-	1,135.00	-	-
Apportionment of Employee Benefits & Other Expenses	580.91	438.56	-	-
By REC (including Service Tax/GST as applicable)				
Interest Income from Investment in Bonds	558.17	469.80	-	-
Income from Other Service Contract	38.69	75.00	-	-
<b>(ii) Outstanding Balances at Year End</b>				
	REC Limited			
	31 March 2020	31 March 2019		
Investment in Bonds	4,700.00	6,000.00		
Apportionment of Employee Benefits & Other Expenses	126.35	35.53		
Interest Accrued but not due from Investment in Bonds	123.97	155.74		
Advance received for government schemes	-	1,135.00		

Cost of employees on secondment basis are reimbursed to REC Limited, Company owes nothing to employees on secondment basis.

**c) Transactions with REC Provident Fund Trust:**

Sale of Bonds



Transactions during the year	
31 March 2020	31 March 2019
312.56	-



Notes forming part of Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

REC Transmission Projects Company Limited

Notes forming part of Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

d) Transactions with Associates are as under:

	Transactions during the year	
	31 March 2020	31 March 2019
(i) Dinchang Transmission Limited (denotified by MoP on 25.03.2019)		
Interest Expenses	-	-
Reimbursement/ Expenses Reimbursement	-	1.85
Amount Writtenoff	-	107.61
(ii) Ghatampur Transmission Limited (sold on 19 June 2018:)		
Interest Expenses	-	10.55
Reimbursement/ Expenses Reimbursement	-	50.51
Sale of Investments	-	5.00
(iii) Dumka Transmission Limited (w.e.f. 25 March 2018:)		
Interest Expenses	26.69	15.78
Reimbursement/ Expenses Reimbursement	25.57	129.51
Advance Received From Parties	-	34.80
Investment made	-	5.00
(iv) Chandil Transmission Limited (w.e.f. 14 March 2018:)		
Interest Expenses	27.38	16.12
Reimbursement/ Expenses Reimbursement	25.98	127.84
Advance Received From Parties	-	29.80
Investment made	-	5.00
(v) Mandar Transmission Limited (w.e.f. 26 March 2018:)		
Interest Expenses	23.75	13.65
Reimbursement/ Expenses Reimbursement	25.09	119.11
Advance Received From Parties	-	44.80
Investment made	-	5.00
(vi) Koderma Transmission Limited (w.e.f. 19 March 2018:)		
Interest Expenses	24.37	13.94
Reimbursement/ Expenses Reimbursement	25.66	118.33
Advance Received From Parties	-	39.80
Investment made	-	5.00
(vii) Bhind Guna Transmission Limited		
Interest Expenses	4.86	3.42
Consultancy Fee	379.49	-
Reimbursement/ Expenses Reimbursement	55.89	89.77
Advance Received From Parties	41.30	4.80
Sale of Investments	5.00	-
Investment made	-	5.00
(viii) Udupi Kasargode Transmission Limited		
Interest Expenses	3.37	0.78
Consultancy Fee	743.34	-
Reimbursement/ Expenses Reimbursement	62.77	76.39
Advance Received From Parties	-	51.95
Sale of Investments	5.00	-
Investment made	-	5.00
(x) Jam Khambaliya Transco Limited		
Interest Expenses	2.12	0.09
Consultancy Fee	457.29	-
Reimbursement/ Expenses Reimbursement	86.65	33.80
Advance Received From Parties	17.70	34.30
Sale of Investments	5.00	-
Investment made	-	5.00
(xi) Lakadia Banaskantha Transco Limited		
Interest Expenses	2.73	0.05
Consultancy Fee	1,166.67	-
Reimbursement/ Expenses Reimbursement	80.80	35.44
Advance Received From Parties	-	40.20
Sale of Investments	5.00	-
Investment made	-	5.00
(xii) Khetri Transco Limited		
Interest Expenses	0.86	0.06
Consultancy Fee	1,601.40	-
Reimbursement/ Expenses Reimbursement	57.98	35.92
Advance Received From Parties	5.90	40.20
Sale of Investments	5.00	-
Investment made	-	5.00
(xiii) Ajmer Phagi Transco Limited		
Interest Expenses	1.19	0.29
Consultancy Fee	963.39	-
Reimbursement/ Expenses Reimbursement	54.88	34.49
Advance Received From Parties	23.60	16.60
Sale of Investments	5.00	-
Investment made	-	5.00



## Notes forming part of Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

## (xiv) WRSS XXI (A) Transco Limited

Interest Expenses	1.73	0.46
Consultancy Fee	1,229.81	-
Reimbursement/ Expenses Reimbursement	65.35	34.54
Advance Received From Parties	46.10	-
Sale of Investments	5.00	-
Investment made	5.00	-

## (xv) Rampur Sambhal Transco Limited

Interest Expenses	6.76	0.27
Consultancy Fee	548.70	-
Reimbursement/ Expenses Reimbursement	130.36	26.33
Advance Received From Parties	28.40	-
Sale of Investments	5.00	-
Investment made	5.00	-

## (xvi) Osmanabad Maharashtra Line (In process of Incorporation)

Interest Expenses	-	-
Reimbursement/ Expenses Reimbursement	9.62	-
Advance Received From Parties	11.80	-

## (xvii) Bidar Karnataka Line (In process of Incorporation)

Interest Expenses	-	-
Reimbursement/ Expenses Reimbursement	9.69	-
Advance Received From Parties	23.60	-

## (xviii) Gadag Karnataka Part A Line (In process of Incorporation)

Interest Expenses	-	-
Reimbursement/ Expenses Reimbursement	9.59	-
Advance Received From Parties	23.60	-

## (xix) Solar Energy Rajasthan Part A Line (In process of Incorporation)

Interest Expenses	-	-
Reimbursement/ Expenses Reimbursement	9.54	-
Advance Received From Parties	23.60	-

## (xx) Solar Energy Rajasthan Part B Line (In process of Incorporation)

Interest Expenses	-	-
Reimbursement/ Expenses Reimbursement	9.31	-
Advance Received From Parties	17.70	-

## (xxi) Solar Energy Rajasthan Part C Line (In process of Incorporation)

Interest Expenses	-	-
Reimbursement/ Expenses Reimbursement	9.52	-
Advance Received From Parties	29.50	-

## (xxii) Rajgarh Madhya Pradesh Line (In process of Incorporation)

Interest Expenses	-	-
Reimbursement/ Expenses Reimbursement	9.51	-
Advance Received From Parties	29.50	-

## e) Outstanding balances w.r.t. associates are as under

	31 March 2020	31 March 2019
<b>Receivable from associates/(Payable to associates)</b>		
Chandil Transmission Limited	249.26	198.64
Dumka Transmission Limited	243.16	193.57
Mandar Transmission Limited	217.71	171.25
Koderma Transmission Limited	223.33	175.74
Ajmer Phagi Transco Ltd	-	18.14
Bhindguna Transmission Limited	-	88.05
Jam Khambaliya Transco Ltd	-	(0.34)
Khetri Transco Limited (advance)	-	(3.57)
Lakadia Banaskantha Transco Ltd	-	(3.98)
UDUPI Kasargode Transmission Ltd	-	25.14
Rampur Sambhal Transco Ltd	-	26.57
Bidar Karnataka Line*	(10.31)	-
Gadag Karnataka Part A Line*	(10.41)	-
Solar Energy Rajasthan Part A Line*	(10.46)	-
Solar Energy Rajasthan Part B Line*	(5.69)	-
Solar Energy Rajasthan Part C Line*	(15.48)	-
Rajgarh Madhya Pradesh Line*	(15.49)	-
Osmanabad Maharashtra Line*	(0.38)	-

\* 7 new SPVs are in process of Incorporation. However RFP was issued in March 2020 therefore as per allocation policy, expense have been allocated.



Notes forming part of Financial Statements for the year ending 31 March 2020  
(All amount in ₹ Lakhs unless otherwise stated)

#### Investments in SPVs

	31 March 2020	31 March 2019
Chandil Transmission Ltd.	5.00	5.00
Dumka Transmission Ltd.	5.00	5.00
Mandla Transmission Ltd.	5.00	5.00
Koderma Transmission Ltd.	5.00	5.00
Dinching Transmission Limited (denotified by MoP on 25 March 2019)	-	-
Ajmer Phagi Transco Ltd	-	5.00
Bhindguna Transmission Limited	-	5.00
Jam Khambaliya Transco Ltd	-	5.00
Khetri Transco Limited (advance)	-	5.00
Jakadia Banaskantha Transco Ltd	-	5.00
UDUPI Kasargode Transmission Ltd	-	5.00



Notes forming part of financial statements for the year ending 31 March 2020  
(All amount in ₹ Lakhs unless otherwise stated)

### 38 Employee Benefits disclosure

#### (i) Defined contribution plans:

##### Provident fund:

The Company has provided provident fund contribution to FTS employees. The contribution is deposited with EPFO. The contribution deposited during the year is Rs. 2.51 Lacs (Previous year Nil).

#### (ii) Defined benefit plans:

##### A. Leave

The Company provides Earned Leave (EL) benefit to the employees of the Company which accrue annually at 30 days. The maximum ceiling for encashment of leave at time of superannuation/cessation from service other than on disciplinary ground shall be limited to 138 days (EL). 50% of EL subject to a maximum 138 days is encashable on resignation. EL is encashable while in service leaving a minimum balance of 15 days twice a year. The scheme is unfunded and liability for the same is recognised on the basis of Actuarial Valuation.

##### Earned Leave

S.No.	Net defined benefit (asset)/liability :	31 March 2020	31 March 2019
1	Current	0.33	0.19
2	Non-current	5.16	3.03
	<b>Total PBO at the End of year</b>	<b>5.49</b>	<b>3.23</b>

#### (ii) Movement in net defined benefit (asset)/liability

S.No.	Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
A	Opening balance	3.23	2.30	-	-	3.23	2.30
B	<b>Included in profit or loss:</b>	-	-	-	-	-	-
(i)	Current service cost	3.16	2.00	-	-	3.16	2.00
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	0.25	0.18	-	-	0.25	0.18
C	<b>Remeasurement loss (gain):</b>	-	-	-	-	-	-
	Actuarial loss (gain) arising from :	1.23	(0.87)	-	-	1.23	(0.87)
(i)	Financial assumptions	-	-	-	-	-	-
(ii)	Experience adjustment	-	-	-	-	-	-
(iii)	Return on plan assets excluding interest income	-	-	-	-	-	-
	<b>Total amount recognised in profit or loss (B+C)</b>	<b>4.64</b>	<b>1.30</b>	-	-	<b>4.64</b>	<b>1.30</b>
D	Other	-	-	-	-	-	-
E	Benefits paid	(2.38)	(0.38)	-	-	(2.38)	(0.38)
	<b>Closing balance (A+B+C+D+E)</b>	<b>5.49</b>	<b>3.23</b>	-	-	<b>5.49</b>	<b>3.23</b>

#### (ii) Actuarial Assumptions

The following were the principal actuarial assumptions at the reporting date

S.No.	Particulars	31 March 2020	31 March 2019
1	Discount Rate	6.80%	7.66%
2	Future Salary Increase	5.00%	5.00%

i.

The discount rate is based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that of the liability.

ii. Salary Growth rate is Company's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting period.

#### (iii) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

S.No.	Assumption	Change in Assumption	As at	As at
			31 March 2020	31 March 2019
			Earned Leave	
1	Discount rate	0.50%	(0.37)	(0.22)
		-0.50%	0.40	0.24
2	Salary growth rate	0.50%	0.41	0.24
		-0.50%	(0.38)	(0.22)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these have not been calculated by actuary.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable

#### (iv) Maturity Profile of Defined Benefit Obligations

S.No.	Year of payment	As at	As at
		31 March 2020	31 March 2019
		Earned Leave	
1	Less than 1 year	0.33	0.19
2	Between 1-2 years	0.10	0.04
3	Between 2-3 years	0.10	0.05
4	Between 3-4 years	0.10	0.05
5	Over 4 years	4.86	2.90





38 Employee Benefits disclosure(continued)

**B. Loyalty Bonus**

The benefits towards Loyalty Bonus is non-contributory defined benefit arrangement providing benefits expressed in terms of multiple of final monthly salary. The obligation is provided for on 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. 6.04 lakhs (previous year Rs. 3.27 lakhs) has been recognised as liability as per the details hereunder:

**Loyalty Bonus**

S.No.	Net defined benefit (asset)/liability :	31 March 2020	31 March 2019
1	Current	0.01	0.00
2	Non-current	6.04	3.27
	<b>Total PBO at the End of year</b>	<b>6.05</b>	<b>3.27</b>

**(i) Movement in net defined benefit (asset)/liability**

S.No.	Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
A	Opening balance	3.27	2.21	-	-	3.27	2.21
B	<b>Included in profit or loss:</b>						
(i)	Current service cost	3.12	2.18	-	-	3.12	2.18
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	0.25	0.17	-	-	0.25	0.17
C	<b>Remeasurement loss (gain):</b>						
	Actuarial loss (gain) arising from :	0.65	(1.30)	-	-	0.65	(1.30)
(i)	Financial assumptions	-	-	-	-	-	-
(ii)	Experience adjustment	-	-	-	-	-	-
(iii)	Return on plan assets excluding interest income	-	-	-	-	-	-
	<b>Total amount recognised in profit or loss (B+C)</b>	<b>4.02</b>	<b>1.06</b>	-	-	<b>4.02</b>	<b>1.06</b>
D	Other	-	-	-	-	-	-
E	Benefits paid	-1.24	-	-	-	-1.24	-
	<b>Closing balance (A+B+C+D+E)</b>	<b>6.05</b>	<b>3.27</b>	-	-	<b>6.05</b>	<b>3.27</b>

**(ii) Actuarial Assumptions**

The following were the principal actuarial assumptions at the reporting date

S.No.	Particulars	31 March 2020	31 March 2019
1	Discount Rate	6.80%	7.66%

The discount rate is based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that of the liability.

**(iii) Maturity Profile of Defined Benefit Obligations**

S.No.	Year of payment	As at 31 March 2020	As at 31 March 2019
		Loyalty Bonus	
1	Less than 1 year	0.01	0.01
2	Between 1-2 years	3.25	0.01
3	Between 2-3 years	2.79	3.25

**(iii) Sensitivity Analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

S.No.	Assumption	Change in Assumption	As at 31 March 2020	As at 31 March 2019
			Loyalty Bonus	
1	Discount rate	0.50% (0.50%)	(0.09) 0.09	(0.05) 0.05



(All amount in ₹ Lakhs unless otherwise stated)

**39 Financial instruments****i) Financial instruments by category measured at amortised cost:**

	As at 31 March 2020	As at 31 March 2019
<b>Financial assets</b>		
Investments	7,526.57	8,857.50
Loans	41.11	37.01
Trade receivables	1,753.72	2,290.29
Cash and cash equivalents	14,803.87	14,947.11
Other bank balances	91.51	33.64
Other financial assets	163.00	938.51
<b>Total</b>	<b>24,379.78</b>	<b>27,104.06</b>
<b>Financial liabilities</b>		
Borrowings	500.00	-
Other financial liabilities	14,021.57	15,414.38
<b>Total</b>	<b>14,521.57</b>	<b>15,414.38</b>

The carrying amounts of financial assets and liabilities are considered a reasonable approximation of their fair values. Except for the below:

Investment in tax free bonds (Quoted market value)	8,542.13	9,633.27
<b>Total fair value of investments</b>	<b>8,542.13</b>	<b>9,633.27</b>

**ii) Fair values hierarchy**

The Company does not have any financial assets or financial liabilities carried at fair value.

**40 Financial risk management****i) Risk management**

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 39.

The main types of risks are credit risk, liquidity risk and market risk.

The Company's risk management is coordinated in close co-operation with the Board of Directors, and focuses on securing the Company's short to medium term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

**A) Credit risk****Credit risk rating**

The entity assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

The entity provides for expected credit loss based on the following:

Asset entity	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, investments and other financial assets	12 month expected credit loss
	Contract asset and trade receivable	Lifetime expected credit loss under simplified approach

Based on business environment in which the entity operates, there have been no defaults on financial assets of the entity by the counterparty. Loss rates reflecting defaults are determined based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as the litigation of debtor is finally decided against the entity. The entity continues to engage with parties whose balances are written off and attempts to enforce repayment.

**b) Provision for expected credit losses**

31 March 2020

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	7,526.57	-	7,526.57
Cash and cash equivalents	14,803.87	-	14,803.87
Other bank balances	91.51	-	91.51
Loans	41.11	-	41.11
Trade receivables	2,076.33	(322.61)	1,753.72
Other financial assets	163.00	-	163.00



(All amount in ₹ Lakhs unless otherwise stated)

31 March 2019

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	8,857.50	-	8,857.50
Cash and cash equivalents	14,947.11	-	14,947.11
Other bank balances	33.64	-	33.64
Loans	37.01	-	37.01
Trade receivables	2,290.29	-	2,290.29
Other financial assets	938.51	-	938.51

**Reconciliation of loss provision – Trade receivables**

Reconciliation of loss allowance	Total
Loss allowance on 01 April 2018	-
Provision created during the period	-
Loss allowance on 31 March 2019	-
Provisions utilised during the period	-
Provision written back during the period	-
Provision created during the period	322.61
Loss allowance on 31 March 2020	322.61

Further, the Company does not have any history of losses and expected losses, hence the Company has not prepared any general provisions in the current year, the impairment provisions as at 31 March 2020 represents impairment provision on trade receivables created over specific assets rather than a general approach, due to some delay expected from recoveries of certain projects from a debtor JKPDID. The same delay is not originated from the date of recognition, but developed during the due course of operations.

	Gross Exposure	Provision amount	Net Debtor
JKPDD-UDAY	498.14	97.46	400.68
JKPDD-PMA	477.92	91.77	386.15
JKPDD-PIA	708.08	133.39	574.69
	<b>1,684.13</b>	<b>322.61</b>	<b>1,361.52</b>

**B) Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by maintaining adequate reserves, back-up facilities such as deposits and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

**Maturities of financial liabilities**

All the financial liabilities of the Company are current in nature and are maturing within 12 months period from the end of reporting period.

**C) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises of currency risk, interest rate risk and price risk.

**Currency risk:**

The Company does not have any foreign currency transactions, hence, it is not exposed to currency risk.

**Interest rate risk**

The Company has taken a credit limit facility during the year and the applicable interest rate on the same is variable. The table below represents the impact on P&L (Gain / (Loss) for 50 basis points increase or decrease in interest rate on Company's floating rate assets and liabilities:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Floating rate borrowings (-0.5% Change in interest rate)	0.40	-
Floating rate borrowings (+0.5% Change in interest rate)	(0.40)	-

**Price risk:**

The Company does not have any financial instrument which exposes it to price risk.

**Capital management policies and procedures**

The Company's capital includes issued share capital and all other distributable reserves. The primary objective of the Company's capital management is to maximise shareholder value and to maintain an optimal capital structure to reduce the cost of capital. The Company does not have any long-term borrowings and all its capital needs are met by capital or shareholders only. Although Company has some current borrowings.

The debt equity ratio of the Company is as follows :

	As at 31 March 2020
Total debt	500.00
Net worth	11,260.08
Debt-equity ratio	0.04





## 41 Additional disclosure explaining interests in other entities

Name of associates	% of holding As at 31 March 2020	% of holding As at 31 March 2019	Place of incorporation/Principle place of business
Dinching Transmission Limited	100.00%	100.00%	India
Ajmer Phagi Transco Limited	-	100.00%	India
Bhindguna Transmission Limited	-	100.00%	India
Chandil Transmission Ltd.	100.00%	100.00%	India
Dumka Transmission Ltd.	100.00%	100.00%	India
Jam Khambaliya Transco Limited	-	100.00%	India
Khetri Transco Limited	-	100.00%	India
Koderma Transmission Ltd.	100.00%	100.00%	India
Lakadia Banaskantha Transco Limited	-	100.00%	India
Mandar Transmission Ltd.	100.00%	100.00%	India
Udupi Kasargode Trans. Ltd.	-	100.00%	India
WRSS XXI (A) Transco Limited**	-	**	India
Rampur Sambhal Transco Limited**	-	**	India
Osmanabad Maharashtra Line*	*	-	India
Bidar Karnataka Line*	*	-	India
Gadag Karnataka Part A Line*	*	-	India
Solar Energy Rajasthan Part A Line*	*	-	India
Solar Energy Rajasthan Part B Line*	*	-	India
Solar Energy Rajasthan Part C Line*	*	-	India
Rajgarh Madhya Pradesh Line*	*	-	India

\* 7 new SPVs are in process of Incorporation. However request for proposal was issued on 16th March 2020 therefore, as per allocation policy expense have been allocated.

\*\* In the previous year these entities were under incorporation status.

## NOTES:

- (i) Management incorporates these entities and invest in them with a view to sell them off as per the guidelines of Ministry of power, through the bid process prescribed by ministry of power. There is no possibility that management will have benefits from these entities other than selling them off, hence all these investment (along with the related assets and liabilities) has been classified as held for sale.

- (ii) The above investments are managed as per the mandate from Government of India (GoI) and the Company does not have the practical ability to direct the relevant activities of these Companies unilaterally.

The Company therefore, considers its investment in respective Companies as associates having significant influence despite the Company holding 100% of their paid-up equity share capital.

## 42 Other notes

- I. There were twelve opening associate companies (SPVs), incorporated in the previous years, namely Dinching Transmission Limited, Bhind Guna Transmission Limited, Udupi Kasargode Transmission Limited, Koderma Transmission Limited, Chandil Transmission Limited, Dumka Transmission Limited, Mandar Transmission Limited, Jamkhambaliya Transco Limited, Khetri Transco Limited, Ajmer Phagi Transco Limited, Lakadia Banaskantha Transco Limited and WRSS XXI (A) Transco Limited. One associates (SPVs) was incorporated during the financial year 2019-20 namely Rampur Sambhal Transco Limited, thus there were total Thirteen associates during the year. Out of the thirteen associates, eight associates namely Khetri Transco Limited, Bhind Guna Transmission Limited, Udupi Kasargode Transmission Limited, Ajmer Phagi Transco Limited, WRSS XXI Transco (A) Limited, Jamkhambaliya Transco Limited, Lakadia Banaskantha Transco Limited and Rampur Sambhal Transco Limited were transferred during the FY 2019-20.

At the year end, there are five associates (SPVs) in hand, out of which one associate namely Dinching Transmission Limited was given No Objection by MoP for for striking off the name of Dinching Transmission Limited (a Wholly Owned Subsidiary of REC/TPCL) under Section 248 of Companies Act, 2013 from the Register of Companies vide its notification No. 44/24/2017-RE dated 31.03.2020, for which the fair value has been taken as zero.

- II. Jamkhambaliya Transco Limited, Khetri Transco Limited, Ajmer Phagi Transco Limited, Lakadia Banaskantha Transco Limited and WRSS XXI Transco Limited have been incorporated in the month of March 2019. 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 was be from the date of incorporation to 31 March 2020.

- III. Government of Jharkhand vide its letter dated 21.08.2017 had nominated REC/TPCL 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 RFP 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.

- IV. The Company is a wholly owned subsidiary of 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	Sh. P.V. Ramesh	Chairman & Director	27 December 2008	upto 05 March 2019
2	Sh. Ajeet Kumar Agarwal	Director	27 December 2008	upto 05 March 2019
3	Sh. Ajeet Kumar Agarwal	Chairman & Director	from 06 March 2019	
4	Sh. Sanjeev Kumar Gupta	Director	26 October 2015	
4	Sh. V.K. Singh	Director	18 March 2019	

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.

- V. 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.).





(All amounts in ₹ Lakhs unless otherwise stated)

- VI. 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.

n) Interest on cost incurred by the Company for the associate 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 @ 13 % p.a as on the beginning of the Financial Year.

#### 42 Other notes (Continued)

- VII. Since the Company is incurring expenses mainly for its project specific associates (called SPVs), the expenses have been allocated at the year end to these SPVs. Direct expenses have been booked to the respective SPV for which the expenditure has been incurred. All Indirect/Common Expenses have been allocated to SPVs & projects (except Government Schemes) in proportion of salary of H.O. Staff deployed on the SPV from the month of issue of RFQ/ RFP (if RFQ stage is not adopted in the Bidding Process) 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 or at the time of transfer of SPV, whichever is earlier.

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

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

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

S.No.	Particulars		31 March 2020	31 March 2019
1	Expenditure		Nil	Nil
2	Earnings		Nil	Nil
	Total		-	-

- X. Balances in parties accounts, advances, trade receivables and sundry payables are subject to confirmation/reconciliation and consequential adjustment that may arise on reconciliation if any.

- XI. RECTPCL has got an assignment under UDAY(Ujjwal DISCOM Assurance Yojana) Scheme from J&K Power Development Department 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. on mutual consent basis, the commencement of contract has been recognised from the date of signing of agreement.

- XII. Contingent Liabilities and Commitments:

#### I. Contingent Liabilities not provided for

Claims against the Company not acknowledged as debts  
Others

	As at 31 March 2020	As at 31 March 2019
Claims against the Company not acknowledged as debts	Nil.	Nil.
Others	29.86	114.18

(A) An appeal has been filed before CIT (Appeals) on 03 January 2020 against the Notice and Order dated 08 December 2019 pertaining to AY 2017-18. The total amount of demand raised is Rs 29.86 Lakh and 20% of demand deposited in FY 19-20 for Rs. 5.97 Lakh

(B) PGCIL has claimed for recovery of charges from the company on account of non requirement of the Vemagiri transmission line, which the company has disputed on the ground that the said event has arisen after the transfer of SPV to PGCIL, the said cases pending before the Hon'ble Appellate Tribunal, Delhi as of the current status in the opinion of management no amount is payable to PGCIL.

#### II. Commitments not provided for

CSR Commitments  
Capital Commitments

	201.57	115.63
Capital Commitments	0.00	10.00

- XIII. Disclosure for Corporate Social Responsibility as per Section 135 of Companies Act, 2013

- a) Gross amount required to be spent by the Company during the financial year: Rs. 85.94 lakh (Previous year Rs. 92.99 lakh) excluding brought forward amount.  
b) Amount spent during the year:

	For the year ended 31 March 2020			For the year ended 31 March 2019		
	In cash	Yet to be paid	Total	In cash	Yet to be paid	Total
Construction/acquisition of the any asset	-	-	-	-	-	-
Other than (i) above: spend through						
Eureka Forbes Institute of Environment	-	-	-	10.06	-	10.06
Artificial Lamb Manufacturing Corporation of India (ALIMCO)	-	-	-	17.59	-	17.59
Total	-	-	-	27.65	-	27.65

- c) Unspent CSR fund for FY 2017-18 of Rs.22.63, 2018-19 of Rs. 92.99, 2019-2020 of Rs. 85.94.



(FOR ATTENTION OF THE AUDITORS ONLY)

- XIV \* The Company is operating in a single segment i.e. providing consultancy services and therefore disclosure requirements of Ind AS 108 is not applicable.
- XV In the opinion of the management the value of the current assets and loans and advances on realisation in ordinary course of business will not be less than value at which these are stated in the financial statements.
- XVI 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 REC Ltd i.e. REC Power Distribution Company Limited (REC PDCL) and REC Transmission Projects Company Limited (RECTPCL), have initiated the process of amalgamation under which RECTPCL (Transferor Company) along with its wholly owned subsidiaries/associates, will merge into RECPDCL (Transferee Company), subject to requisite approvals/sanctions of shareholders/creditors of the transferor and transferee companies and any other Competent Authority (ies), as may be required. Approval for amalgamation is obtained via MOP letter dated 11th November, 2019. Further, the company in its 95th Board meeting dated 27 Jan 2020 have approved the merger.
- XVII Adjustment of advance from party against advance to Urja Mitra.

Particulars	For the Year ended	
	31-Mar-20	31-Mar-19
Amount spent on Urja Mitra Scheme	1,088.55	795.45
Advance from REC (Holding Company)	1,059.67	1059.67
Amount spent on Urja Mitra Scheme (Balance)	28.88	-
Advance from REC (Holding Company Balance)	-	264.22

- XVIII The novel coronavirus (COVID-19) pandemic is spreading around the globe rapidly. The virus has taken its toll on not just human life, but businesses and financial markets too, the extent of which is currently indeterminate. The Government of India has also announced a compulsory lockdown of on 22 March 2020. The Company is carefully considering the accounting implications of this situation. However as of now the management has been able to cope with the situation very well. Due to the lockdown the operations at the different sites of the Company has been partially affected, as the Company has adopted the offline work policy for most of the works.

Further, the above does not impact the revenue recognition of the Company where "Over the period" services were being rendered. However in case of "Point of sale" revenue, the revenues may get delay due to project delays, therefore the Company has not recognised any revenue after the lockdown/suspension of operations in such cases. Further, the direct expenses relating to these projects has also got delayed/suspended. The Indirect expenses or expenses which are in the permanent nature (Employee salary etc.) are being expensed by the Company, and the same has been recognised in the period/year to which these expenses pertain.

Also as the Company deals with the Government departments or Companies, it seems non-probable to the management that any of the Customers of the Company will default any payments. However there has been a few cases of delays in the collection, but the management estimates that these are receivable very soon, once the situations get normalised.


Also, basis upon the above fact, the management does not accept any additional impairment in the trade receivables or investments in the associates.

Management is still considering the impact of the situations on the periods subsequent to the current reporting period and will use the appropriate estimates at the respective reporting dates.

For P.Jain & Company  
Chartered Accountants  
BRN:000741C  
  
(P. Jain)  
Partner  
BRN:097279  
Place: New Delhi  
Date: 12-06-2020



  
(Sh. Vijay Kumar Singh)  
Director  
DIN No.:02772733

For and on behalf of Board of Directors of  
REC Transmission Projects Company Limited  
  
(Sh. Rameshwar Prasad Vaishnav)  
Director  
DIN No.: 01868883



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF REC TRANSMISSION PROJECTS COMPANY LIMITED

#### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **REC TRANSMISSION PROJECTS COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Emphasis of Matter

We draw attention to the following matters in the Notes to Standalone Ind AS Financial Statements:

Reference is invited to note no. 40(X) regarding non receipt of confirmation of balances from parties other than banks and related parties, and consequential adjustment that may arise on reconciliation. In this it is explained by the management that necessary letter for obtaining the balance confirmation has been sent to the parties and with respect to major amount, which is due towards Government funds received, the concerned authority have confirmed total disbursement to the company.

Reference is invited to Note no 42(XVI) regarding amalgamation of the company with REC Power Distribution Company Limited as per approval of Board dt 27<sup>th</sup> January, 2020 and administrative Ministry approval dt 11<sup>th</sup> November, 2019.

Reference is invited to Note no 42(XVIII) regarding impact of Covid-19 on financial statements.

Our opinion is not modified in respect of these matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.



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### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, and Corporate Governance, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Contd.....



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- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate on the appropriateness of Management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

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



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- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) Vide notification no. G.S.R.463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government Companies have been exempted from applicability of provision of section 164(2) of the Companies Act, 2013.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. As per the information and explanation given to us, the Company has disclosed pending litigations which may impact its financial position in note 40(X11).
    - ii. The Company does have any such long-term contracts including derivative contracts for which there are any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As required by C&AG of India through directions issued under section 143(5) of the Act, we give a report in the attached Annexure-C.

Place : New Delhi

Date : 12-06-2020



For **P. Jain & Company**  
Chartered Accountants  
(Firm's Registration No. 000711C)

(**PANKAJ JAIN**)  
Partner  
(Membership No. 097279)

UDIN: 20097279AAAAAF3027



## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of REC Transmission Projects Company Limited of even date)

### **Report on the Internal Financial Controls Over Financial Reporting 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, 2020 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective 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.

#### **Auditor's Responsibility**

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

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 internal financial controls system over financial reporting of the Company.

#### **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 authorization of management and directors of the company; and (3)

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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.

### **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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system, except improvement in the system of allocation of common expenses to associates (SPVs) and adequately defining the Internal Audit scope, over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

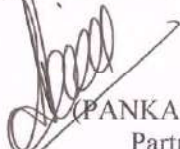
We have considered the areas of improvement identified which needs further strengthening as reported above in the determining the nature, timing and extent of audit test applied in our audit of the 31<sup>st</sup> March, 2020 Standalone Financial Statements of the Company. However these areas of improvement do not effect our opinion on the Standalone Financial Statements of the Company.

Place : New Delhi

Date : 12-06-2020

For **P. Jain & Company**  
Chartered Accountants  
(Firm's Registration No. 000711C)



  
(PANKAJ JAIN)  
Partner  
(Membership No. 097279)



**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of REC Transmission Projects Company Limited of even date)**

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars except codification on laptops and detailed location of fixed assets.
  - (b) The Company has a program of verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the company does not have any immovable property, accordingly, reporting under clause 3 (i)(c) of the Order is not applicable to the Company.
- ii. The Company is not having any physical inventories, accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted unsecured loans to bodies corporate except advances to associate companies in the ordinary course of business, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding as at the year-end.
- iv. In our opinion and according to the information and explanations given to us, the Company has not made any loans, provided guarantees, investments and provided securities in contravention to Sections 185 and 186 of the Act, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no disputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 except income tax demand for A.Y 2017-18 of Rs 23.89 lac for which appeal has been filed before CIT(Appeals).
- viii. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures except working capital demand loan from HDFC bank for Rs 100 lakh. The company has not made any default in repayment of such loan.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.



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- x. To the best of our knowledge and 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 year.
- xi. As per notification No. F.No. 1/2/2014-CL-V dated 05.06.2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the company being a Central Government PSU.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : New Delhi

Date : 12-06-2020



For **P. Jain & Company**  
Chartered Accountants  
(Firm's Registration No. 000711C)

**PANKAJ JAIN**  
Partner  
(Membership No. 097279)



# **P.JAIN & COMPANY** CHARTERED ACCOUNTANTS

HO- 210 ARUNACHAL BHAWAN, 2<sup>ND</sup> FLOOR, 19 BARAKHAMBA ROAD NEW DELHI 110001  
BO- 6, NAVYUG MARKET, 1<sup>ST</sup> FLOOR, GHAZIABAD 201001

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## Compliance Certificate

We have conducted the audit of Standalone Ind AS financial statements of REC Transmission Projects Company Limited for the year ended March 31, 2020 in accordance with the directions/sub-directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013 and certify that to the best of knowledge and belief we have complied with all the directions/sub-directions issued to us.

Place : New Delhi

Date : 12-06-2020

For P. Jain & Company

Chartered Accountants

Firm Regn. No. 000711C



(Pankaj Jain)  
Partner

M. No. 097279

**ANNEXURE "C" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of REC Transmission Projects Company Limited of even date)

- |  |  |
|--|--|
| (i) Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated. | The company is using Tally ERP 9 software for recording accounting transactions entered by the company. The tally software is not used in a fully integrated way, as a result it does not captures the transactions automatically and transactions are manually entered. |
| (ii) Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.   | No.  |
| (iii) Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation  | Yes, as per our test checks. It is suggested that there should reconciliation of balances by concerned Ministries.   |







INDIAN AUDIT & ACCOUNTS DEPARTMENT  
OFFICE OF THE  
DIRECTOR GENERAL OF AUDIT (ENERGY)  
DELHI

दिनांक/Dated: 06.08.2020

सेवा में,  
अध्यक्ष  
आरईसी ट्रांसमिशन प्रोजेक्ट्स कम्पनी लिमिटेड  
नई दिल्ली

महोदय,

विषय:-31 मार्च 2020 को समाप्त वर्ष के लिए आरईसी ट्रांसमिशन प्रोजेक्ट्स कम्पनी लिमिटेड, नई दिल्ली के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

मैं, आरईसी ट्रांसमिशन प्रोजेक्ट्स कम्पनी लिमिटेड, नई दिल्ली के 31 मार्च 2020 को समाप्त वर्ष के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्नक:- यथोपरि।

(डी. के. शेखर)  
महानिदेशक

**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 2020**

The preparation of financial statements of REC Transmission Projects Company Limited for the year ended 31 March 2020 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 12 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of REC Transmission Projects Company Limited for the year ended 31 March 2020 under Section 143(6)(a) of the Act. 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

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

**(D.K. Sekar)**  
**Director General of Audit (Energy),**  
**Delhi**

**Place: New Delhi**  
**Dated: 06 August 2020**

REC Transmission Projects Company Limited  
(CIN: U40101DL2007GO1157558)  
Consolidated Balance Sheet as at 31 March 2020  
(All amount in ₹ Lakhs unless otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	21.52	27.36
Other Intangible assets	5	0.37	0.56
<b>Financial assets</b>			
Investments	6	7,526.57	8,857.50
Trade receivables	9	1,361.52	0.00
Loans	7	0.20	37.01
Other financial assets	8	36.84	86.38
Deferred tax assets (net)	20	81.97	-
<b>Total non-current assets</b>		<b>9,028.99</b>	<b>9,008.81</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	9	392.20	2,290.29
Cash and cash equivalents	10	14,803.87	14,947.11
Other bank balances	11	91.51	33.64
Loans	12	40.91	-
Other financial assets	13	126.16	852.13
Current tax assets (net)	14	202.10	145.43
Other current assets	15	349.70	396.83
Assets classified as held for sale	16	953.47	955.49
<b>Total current assets</b>		<b>16,959.92</b>	<b>19,620.93</b>
<b>TOTAL ASSETS</b>		<b>25,988.91</b>	<b>28,629.74</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	5.00	5.00
Other equity	18	11,255.08	11,838.99
<b>Total equity</b>		<b>11,260.08</b>	<b>11,843.99</b>
<b>Non-current liabilities</b>			
Provisions	19	11.20	6.30
Deferred tax liabilities (net)	20	-	0.17
<b>Total non-current liabilities</b>		<b>11.20</b>	<b>6.47</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	500.00	-
Other financial liabilities	22	14,021.57	15,414.38
Other current liabilities	23	127.50	1,356.82
Provisions	24	0.34	0.19
Liabilities directly associated with assets classified as held for sale	16	68.22	7.89
<b>Total current liabilities</b>		<b>14,717.63</b>	<b>16,779.28</b>
<b>Total liabilities</b>		<b>14,728.83</b>	<b>16,785.75</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>25,988.91</b>	<b>28,629.74</b>

Summary of significant accounting policies

The accompanying notes 1 to 42 are integral part of the Consolidated financial statements.

This is the balance sheet referred to in our audit report of even date.

For P. Jain & Company

Chartered Accountants

PEN:000711C

(Pankaj Jain)  
Partner  
MRN:097279



Place: New Delhi

Date: 12-06-2020

(Sh. Vijay Kumar Singh)  
Director  
DIN No.: 02772733

For and on behalf of Board of Directors of  
REC Transmission Projects Company Limited  
(CIN:U40101DL2007GO1157558)

(Sh. Rameshwar Prasad Vaishnav)  
Director  
DIN No.: 01868883



(CIN: U40101DL2007GO1157558)

**Consolidated Statement of Profit and Loss for the year ended 31 March 2020**

(All amount in ₹ Lakhs unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Revenue</b>			
Revenue from operations	25	6,643.29	2,869.53
Other income	26	1,273.16	1,175.64
<b>Total income</b>		<b>7,916.45</b>	<b>4,045.17</b>
<b>Expenses</b>			
Cost of services rendered	27	100.54	133.93
Employee benefits expense	28	107.75	169.67
Finance costs	29	15.14	31.61
Depreciation and amortisation expense	30	13.51	14.40
Impairment of asset	31	322.61	112.43
Corporate social responsibility expenses	42 (XIII)	-	27.65
Other expenses	32	302.18	334.26
<b>Total expenses</b>		<b>861.73</b>	<b>823.94</b>
<b>Profit before tax</b>		<b>7,054.72</b>	<b>3,221.22</b>
<b>Tax expense</b>	33		
Current tax		1,693.00	762.43
Deferred tax expense/(Income)		(82.14)	(1.20)
		<b>1,610.86</b>	<b>761.23</b>
<b>Net profit for the year</b>		<b>5,443.86</b>	<b>2,459.99</b>
<b>Other comprehensive Income/(loss)</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		-	-
Income tax relating to these items		-	-
<b>Other comprehensive Income/(loss) for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>5,443.86</b>	<b>2,459.99</b>
<b>Earnings per equity share</b>			
Basic/diluted earnings per share (in Rupees)	34	10,887.71	4,919.97

**Summary of significant accounting policies**

The accompanying notes 1 to 42 are integral part of the Consolidated financial statements.

This is the statement of total comprehensive income referred to in our audit report of even date.

**For P.Jain & Company**

Chartered Accountants

FRN:000711C

(Ranajit Jain)

Partner

MRN:097279

Place: New Delhi

Date: 12-06-2020



(Sh. Vijay Kumar Singh)

Director

DIN No.: 02772733

Place: New Delhi

For and on behalf of Board of Directors of  
REC Transmission Projects Company Limited

(CIN:U40101DL2007GO1157558)

(Sh. Rameshwer Prasad Vaishnav)

Director

DIN No.: 01868883

Place: New Delhi



(CIN: U40101DL2007GOI157558)

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

(All amount in ₹ Lakhs unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	7,054.72	3,221.22
Adjustments for:		
Depreciation and amortisation expense	13.51	14.40
Interest Income received	(955.71)	(1,171.69)
Profit on sale of investment	(315.95)	-
Impairment	322.61	-
Interest Expense on borrowings	6.25	0.71
<b>Operating Profit Before Working Capital Changes</b>	<b>6,125.43</b>	<b>2,064.64</b>
<b>Changes in working capital:</b>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Loans (Non Current)	40.91	(0.20)
Loans (Current)	(40.91)	-
Other Non Current assets	-	3.69
Trade receivables	1,898.10	(373.41)
Trade receivables (Non Current)	(1,684.13)	-
Other financial assets (Current)	725.97	(256.22)
Other current assets	47.13	(25.45)
Assets held for sale	(27.98)	(147.72)
<i>Adjustments for (increase) / decrease in operating liabilities:</i>		
Provisions(Non-current)	4.90	1.84
Provisions(Current)	0.15	0.14
Trade payables	-	-
Other financial liabilities (Current)	(1,392.81)	(533.65)
Other Current liabilities	(1,229.32)	97.53
Liabilities held for sale	60.32	7.89
<b>Movement in Operating assets and liabilities</b>	<b>(1,597.67)</b>	<b>(1,425.57)</b>
<b>Cash generated from operations</b>	<b>4,527.76</b>	<b>639.08</b>
Less: Income Tax Paid	(1,749.65)	(959.62)
<b>Net cash flow used in operating activities (A)</b>	<b>2,778.11</b>	<b>(320.54)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(7.48)	(5.92)
Proceeds from sale of Investments	4,615.94	-
Purchases of investments NCDs and staggered bonds	(3,000.00)	-
Sale/(Investment) of/in shares of associate companies (Net)	30.00	(40.00)
Maturity/(Investment) of Corporate Deposits	-	6,483.56
Maturity of Term Deposits	(5.36)	15.17
Interest Received	979.57	1,165.19
<b>Net cash flow from investing activities (B)</b>	<b>2,612.67</b>	<b>7,618.00</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	500.00	-
Interest paid	(6.25)	(0.71)
Dividends paid	(5,000.00)	(6,829.00)
Tax on dividend paid	(1,027.77)	(1,403.72)
<b>Net cash used in financing activities (C)</b>	<b>(5,534.02)</b>	<b>(8,233.43)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(143.24)</b>	<b>(935.97)</b>
Cash and Cash Equivalents at the beginning of the Year	14,947.11	15,883.08
Cash and Cash Equivalents at the end of the Year	14,803.87	14,947.11
<b>Reconciliation of cash and cash equivalents as per the cash flow statement*</b>	<b>(143.24)</b>	<b>(935.97)</b>

Note: Cash flow is prepared on Indirect method

For components of cash and cash equivalent refer note no. 10

Profit before tax includes CSR expenses Rs. Nil(Rs.27.65)

Summary of significant accounting policies

The accompanying notes 1 to 42 are integral part of the Consolidated financial statements.

This is the statement of cash flow referred to in our audit report of even date.

For P.Jain &amp; Company

Chartered Accountants

FIRN:000711/C

(Pankaj Jain)

Partner

FIRN:097279

Place: New Delhi

Date: 12-06-2020



(Sh. Vijay Kumar Singh)  
Director  
DIN No.: 02772733

For and on behalf of Board of Directors of  
REC Transmission Projects Company Limited

(Sh. Rameshwar Prasad Vaishnav)  
Director  
DIN No.: 01868883

(CIN: U40101DL2007301137330)

**Consolidated Statement of changes in Equity for the year ended 31 March 2020**

(All amount in ₹ Lakhs unless otherwise stated)

**A Equity share capital**

Particulars	Amount
Balance as at 01 April 2018	5.00
Changes in equity share capital during the year	-
Balance as at 31 March 2019	5.00
Changes in equity share capital during the year	-
Balance as at 31 March 2020	5.00

**B Other equity**

Particulars	General reserve	Retained earnings	Total
Balance as at 01 April 2018	1,325.00	16,286.72	17,611.72
Profit for the year	-	2,459.99	2,459.99
Final Dividend	-	(3,529.00)	(3,529.00)
Tax on final dividend	-	(725.40)	(725.40)
Interim dividend	-	(3,300.00)	(3,300.00)
Tax on interim dividend	-	(678.32)	(678.32)
Balance as at 31 March 2019	1,325.00	10,513.99	11,838.99
Profit for the year	-	5,443.86	5,443.86
Interim dividend	-	(5,000.00)	(5,000.00)
Tax on interim dividend	-	(1,027.77)	(1,027.77)
Balance as at 31 March 2020	1,325.00	9,930.08	11,255.08

**Summary of significant accounting policies**


The accompanying notes 1 to 42 are integral part of the Consolidated financial statements.

This is the statement of changes in equity referred to in our audit report of even date.

For P. Jain &amp; Company

Chartered Accountants

FIRM:000711C

  
(Pankaj Jain)  
Partner  
MIRN:097279



Place: New Delhi

Date: 12-06-2020



(Sh. Vijay Kumar Singh)

Director

DIN No.: 02772733

Place: New Delhi

For and on behalf of Board of Directors of  
REC Transmission Projects Company Limited


(Sh. Rameshwer Prasad Vaishnav)

Director

DIN No.: 01868883

Place: New Delhi



**REC Transmission Projects Company Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020  
(All amounts in Rupees lacs, unless otherwise stated)

**1. Corporate Information**

REC Transmission Projects Company Ltd. ('RECTPCL' or 'the Group') was incorporated in the year 2007. The Company is domiciled in India and is limited by shares, having its registered office at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India and principal place of business at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003. The Group is a wholly-owned subsidiary of REC Limited (formerly Rural Electrification Corporation Limited). RECTPCL together with its associates is called Group.

Ministry of Power has appointed RECTPCL as Bid Process Coordinator (BPC) for Inter State Transmission Systems across the country on Tariff Based Competitive Mode. RECTPCL commenced working as BPC in the year 2007 and successfully awarded its first project in the FY - 2009-10. Till date, RECTPCL has been appointed as Bid Process Coordinator for many a large Inter-state Projects. 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, Generation and Smart Grid etc. in India or abroad.

**2. Statement of Compliance**

The Group prepared its Consolidated Financial Statements in accordance with the requirements of Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These Consolidated Financial Statements comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines.

The Consolidated financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 12 June 2020.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy. These changes have also been adopted in line with the transition options available under the standards.

**2.1 Standards and interpretations issued but not yet effective**

There are no relevant amendments issued by MCA which are not yet effective as at 31 March 2020.

**3. Significant accounting policies and management estimates**

(I) The significant accounting policies applied in preparation of the financial statements are as given below:

**3.1 Basis of preparation and measurement****(i) Going concern and basis of measurement**

The Consolidated financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis except for certain financial assets and financial liabilities are measured at fair values at the end of each reporting period.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Companies Act, 2013. The Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities. Although one of the associates of the Company is "Non-going concern", all the receivables from such associates has been written off from the Consolidated financial statements.

**(ii) Functional and presentation currency:**

These financials are presented in Indian Rupees (INR), which is also the Group's functional currency, all amounts have been rounded off to nearest lacs (upto two digits), unless otherwise indicated.

**3.2 Basis of Consolidation**

The Group's interests in equity accounted investees comprise interests in the associates. An associates is an entity, including an unincorporated entity, over which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture.





**REC Transmission Projects Company Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**  
**(All amounts in Rupees lacs, unless otherwise stated)**

Interests in associates are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of Profit and Loss and Other Comprehensive Income (OCI) of equity – accounted investees until the date on which significant influence ceases. In cases where it is considered that the investment/interest in associate is held for sale, the interest in associate is accounted for under Ind AS 105.

**3.3 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

The Group, to determine that how much and when revenue is recognized, what is the nature, amount, timing and uncertainty of revenues etc. uses the principles laid down by the Ind AS 115. Revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

*Income from Operation*

Revenues are measured at the fair value of the consideration received or receivable, net of discounts and other indirect taxes.

- (i) In Cost Plus Contracts - revenue is recognised by including eligible contractual items of expenditures plus proportionate margin as per contract;
- (ii) In Fixed Price Contracts – revenue is recognised on the basis of stage of completion of the contract. The Group has assessed that the stage of completion determined as the proportion of the total time expected to complete the performance obligation that has lapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under Ind AS 115.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

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.

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 Group and accounted as income of the Group.

*Interest income*

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**3.4 Property, Plant and Equipment:**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes all expenses, direct and indirect, specifically attributable to its acquisition and bringing it to its working condition for its intended use. Incidental expenditure pending allocation and attributable to the acquisition of fixed assets is allocated/ capitalised with the related assets. Subsequent expenditure is capitalised to the asset's





**REC Transmission Projects Company Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**  
(All amounts in Rupees lacs, unless otherwise stated)

carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

*Subsequent measurement (depreciation method, useful lives and residual value)*

Depreciation on assets is provided on straight-line method in accordance with the useful lives prescribed under Schedule II of the Companies Act, 2013. 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.

Assets individually costing less than Rs. 5,000 are fully depreciated in the year of purchase.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

*De-recognition*

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognized.

**3.5 Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Any gain or loss on disposal of an item of intangible assets is recognised in statement of profit or loss.

*Subsequent measurement (amortization method, useful lives and residual value)*

For amortization of intangibles the amortization amount of 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.

**3.6 Leases**

Ind AS 116 "Leases" has been introduced which replaces the earlier Ind AS 17 and is applicable w.e.f. 01 April 2019

**Accounting policy applicable from 1 April 2019**

The Group assesses at contract inception whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).



**REC Transmission Projects Company Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020  
(All amounts in Rupees lacs, unless otherwise stated)**

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has shown the right-of-use assets and lease liabilities on the face of statement of financial position.

**Accounting policy applicable before 1 April 2019****Group as a lessee****Operating leases**

All other leases are treated as operating leases. Rentals payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

**3.7 Financial instruments**

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

**Financial assets:****Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

*Subsequent measurement*

**Financial assets carried at amortized cost** – a financial asset is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.





**REC Transmission Projects Company Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020  
(All amounts in Rupees lacs, unless otherwise stated)

*De-recognition of financial assets*

Financial assets (or where applicable, a part of financial asset or part of a Group of similar financial assets) are derecognised (i.e. removed from the Group's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Group has not retained control, it shall also derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

**Impairment of financial assets**

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial guarantee contracts which are not measured at Fair value through profit & loss account. (FVTPL).

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

**Financial liabilities:****Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

**Subsequent measurement**

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

**De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.





**REC Transmission Projects Company Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020  
(All amounts in Rupees lacs, unless otherwise stated)

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**3.8 Fair value measurement**

The Group measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

**Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

**Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**3.9 Non-Current assets/disposal Company held for sale**

Non-current assets/disposal Group are classified as held for sale if their carrying amount will have recovered principally through sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at lower of their carrying amount or fair value less cost to sell, except for assets such as deferred tax, assets arising from employee benefit, financial assets and contractual rights under insurance contracts, which are specifically exempted from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets held for sale are presented separately from other assets in the balance sheet.

Where the Group is committed to a sale plan involving loss of control of an associate, it classifies investment in the associate (i.e. all the assets and liabilities of that associate) as held for sale.

**3.10 Employee benefits:**

Employee benefits include Provident Fund, Leave Encashment & Loyalty Bonus.

**a) Fixed Tenure Employees**

The Group has recruited Fixed Tenure Employees for a period of 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. Pension and Gratuity etc. are not applicable to the Group. However, the Group provided for leave





**REC Transmission Projects Company Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020  
(All amounts in Rupees lacs, unless otherwise stated)**

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 Group is managed by the employees deployed by REC Ltd (holding Group) on secondment basis and pays their charges as service fee for deemed management service provided by its holding Group. 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, Group owes nothing to its holding company for any future liabilities whatsoever against such seconded employees.

**3.11 Taxation**

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax. It is recognized in Statement of Profit and Loss, except when it relates to an item that is recognised in Other comprehensive income (OCI) or directly in equity, in which case, the tax is also recognised in Other comprehensive income or directly in equity.

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

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

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

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Dividend Distribution Tax is recognized at the same time when the liability to pay a dividend is recognized.

**3.12 Provisions, Contingent Liabilities, and Contingent Assets**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

A contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.





**REC Transmission Projects Company Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020  
(All amounts in Rupees lacs, unless otherwise stated)**

In those cases, where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized or disclosure is made.

Any reimbursement that the Group can be virtually certain to collect from a third party concerning the obligation (such as from insurance) is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

Contingent assets are not recognized. However, when the inflow of economic benefits is probable, the related asset is disclosed.

**3.13 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**3.14 Impairment of assets**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

**3.15 Allocation of expenses**

The Group 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 Group is incurring expenses mainly for its project specific associates (called SPVs), the expenses have been allocated at the year end to these associates. Direct expenses have been booked to the respective associates for which the expenditure has been incurred. All Indirect/Common Expenses have been allocated only to the associates in the proportion of salary of HO staff deployed on the associates from the month of issue of RFQ or RFP 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 Group has also charged interest on the funds deployed by it.

**3.16 Cash and cash equivalents**

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

**3.17 Funds/grants received from government**

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

**3.18 Dividend**

Proposed dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.





**REC Transmission Projects Company Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020  
(All amounts in Rupees lacs, unless otherwise stated)

**3.19 Material prior period errors**

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

**3.20 Prepaid Expenses**

A prepaid expense up to Rs. 1,00,000/- is recognized as expense upon initial recognition.

**3.21 Rates and taxes**

Overseas taxes on foreign assignments, indirect taxes, including Goods & Service Tax, professional tax, property tax, entry tax, labour cess, octroi and any other applicable taxes etc. paid/accrued in India or abroad for which credit are not available to the Group are charged to the Statement of Profit and Loss.

**3.22 Rounding off amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs as per the requirements of Schedule III of the Act unless otherwise stated.

**(II) Significant management judgments in applying accounting policies and estimation of uncertainty**

The preparation of the Group's financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

**(i) Significant management judgments**

**Recognition of deferred tax assets/ liability** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

**Evaluation of indicators for impairment of assets** – The evaluation of the applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**(ii) Significant estimates**

**Useful lives of depreciable/amortizable assets** – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. In case of non-availability of market-observable data, Level 2 & Level 3 hierarchy is used for fair valuation.

**Income Taxes** – Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions and also in respect of expected future profitability to assess deferred tax asset.

**Expected Credit Loss ('ECL')** – The measurement of an expected credit loss allowance for financial assets measured at amortized cost requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g., likelihood of customers defaulting and resulting losses). The Group makes significant judgments about the following while assessing expected credit loss to estimate ECL:

- Determining criteria for a significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and



REC Transmission Projects Company Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020  
(All amounts in Rupees lacs, unless otherwise stated)

- Establishing Companies of similar financial assets to measure ECL.

**Leases** – The management while determining the lease period of an asset makes estimates on various extension and termination options, the same affects the period of the lease and hence the determination of lease liability and right of use of assets.

**Revenue from customers** – The management while recognizing revenues, makes several estimates including estimation of recoverability, allocation of transaction prices to respective performance obligations, estimations of degree of work completed (/Performance obligations satisfied) and estimated works.

**Current/Non Current classification-** The management expects the realization of all operating assets is within 12 months from the reporting date. For the assets, even though operational in nature, but expected to be realized after 12 months from the reporting date, are classified as non-current.

**Impact of Covid-19 Outbreak** - The extent to which the Covid-19 pandemic will impact the Group will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the Covid-19 pandemic and any further action by the Government. or the Group to contain its spread or mitigate its impact.





## REC Transmission Projects Company Limited

## Notes forming part of Consolidated Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

## 4 Property, plant and equipment

Description	Furniture & Fixtures	Office Equipments	Computer Equipment	Minor Value Assets	Computers	Total
<b>Gross carrying value</b>						
As at 01 April 2018:	6.03	8.44	2.84	3.44	40.18	60.93
Additions	0.44	0.31	-	0.42	4.74	5.92
Disposals	-	-	-	-	-	-
<b>As at 31 March 2019</b>	<b>6.47</b>	<b>8.76</b>	<b>2.84</b>	<b>3.86</b>	<b>44.92</b>	<b>66.85</b>
Additions	0.27	2.30	-	0.28	4.63	7.48
Disposals	-	-	-	-	-	-
<b>As at 31 March 2020</b>	<b>6.74</b>	<b>11.06</b>	<b>2.84</b>	<b>4.14</b>	<b>49.55</b>	<b>74.33</b>
<b>Accumulated depreciation</b>						
As at 01 April 2018:	1.46	2.01	1.45	3.44	16.92	25.28
Charge for the year	0.57	1.59	0.45	0.42	11.18	14.21
Adjustment for disposals	-	-	-	-	-	-
<b>As at 31 March 2019</b>	<b>2.03</b>	<b>3.60</b>	<b>1.90</b>	<b>3.86</b>	<b>28.10</b>	<b>39.49</b>
Charge for the year	0.61	1.81	0.44	0.28	10.18	13.32
Adjustment for disposals	-	-	-	-	-	-
<b>As at 31 March 2020</b>	<b>2.64</b>	<b>5.41</b>	<b>2.34</b>	<b>4.14</b>	<b>38.28</b>	<b>52.81</b>
<b>Net block as at 31 March 2019</b>	<b>4.44</b>	<b>5.16</b>	<b>0.94</b>	<b>-</b>	<b>16.82</b>	<b>27.36</b>
<b>Net block as at 31 March 2020</b>	<b>4.10</b>	<b>5.65</b>	<b>0.50</b>	<b>-</b>	<b>11.27</b>	<b>21.52</b>



**REC Transmission Projects Company Limited**
**Notes forming part of Consolidated Financial Statements for the year ending 31 March 2020**

(All amount in ₹ Lakhs unless otherwise stated)

**5 Other Intangible assets**

Description	Computer Software	Total
<b>Gross carrying value</b>		
At 01 April 2018:	0.95	0.95
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March 2019</b>	<b>0.95</b>	<b>0.95</b>
Additions	-	-
Disposals	-	-
<b>Balance as at 31 March 2020</b>	<b>0.95</b>	<b>0.95</b>
<b>Accumulated depreciation</b>		
At 01 April 2018:	0.20	0.20
Amortisation charge for the year	0.19	0.19
Disposals	-	-
<b>Balance as at 31 March 2019</b>	<b>0.39</b>	<b>0.39</b>
Amortisation charge for the year	0.19	0.19
Disposals	-	-
<b>Balance as at 31 March 2020</b>	<b>0.58</b>	<b>0.58</b>
<b>Net book value as at 31 March 2019</b>	<b>0.56</b>	<b>0.56</b>
<b>Net book value as at 31 March 2020</b>	<b>0.37</b>	<b>0.37</b>



## Notes forming part of Consolidated Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
<b>6 Investments (Non Current)</b>		
<b>Investments in Government/Trust Securities</b>		
<b>(a) Investment in tax free bonds-Quoted (at amortised cost)</b>		
<b>Rural Electrification Corporation Ltd. (Holding Company)</b>		
7.38% Tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of Rs. 1000/- each, fully paid (31 March 2020 / 2019 : 100,000 / 350,000)	1,024.60	3,585.63
8.46% Tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of Rs. 1000/- each, fully paid (31 March 2020/2019 : 250,000/250,000)	2,570.50	2,570.11
7.55% Staggered Papers of face value Rs. 1,000,000/- each, fully paid (31 March 2020/2019: 20 /Nil)	207.76	-
7.09% NCD of face value Rs. 1,000,000 /- each, fully paid (31 March 2020/2019: 100 / Nil)	1,021.12	-
<b>(b) Investment in tax free bonds-Quoted (at amortise cost) (in others)</b>		
<b>(i) Housing and Urban Development Corporation Ltd. (HUDCO)</b>		
7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of Rs. 1000/- each, fully paid (31 March 2020/2019: 47,647 /47647)	481.57	481.39
7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of Rs. 1000/- each, fully paid (31 March 2020/2019: 39,151 /39,151)	400.05	399.91
<b>(ii) National Highway Authority of India Ltd. (NHAI)</b>		
7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of Rs. 1000/- each, fully paid (31 March 2020/2019: 42,855/42,855)	459.87	459.79
7.39% Tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of Rs. 1000/- each, fully paid (31 March 2020/2019: 35,463/35,463)	367.66	367.55
<b>(iii) Indian Renewable Energy Development Agency (IREDA)</b>		
7.49% Tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of Rs. 1000/- each, fully paid (31 March 2020/2019: 61,308 /61,308)	621.99	621.76
<b>(iv) Indian Railway Finance Corporation (IRFC)</b>		
7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of Rs. 1000/- each, fully paid (31 March 2020/2019: 22,338 / 22,338)	230.92	230.85
<b>(v) National Bank for Agriculture and Rural Development (NABARD)</b>		
7.35% Tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of Rs. 1000/- each, fully paid (31 March 2020/2019: 14,028/14,028)	140.53	140.51
<b>Total</b>	<b>7,526.57</b>	<b>8,857.50</b>
<b>Aggregate market value of quoted investment</b>	<b>8,542.13</b>	<b>9,633.27</b>
<b>7 Loans (Non Current)</b>		
<b>Unsecured, considered good</b>		
Security deposits*	0.20	37.01





## Notes forming part of Consolidated Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

\* Refer note 39 for fair value disclosures.

## 8 Other financial assets (Non Current)

Term Deposits with maturity more than 12 months\*

\* Term deposit receipt has been placed on lien with Canara Bank as collateral security for issue of bank guarantee for Mizoram.

## 9 Trade receivables

## Non current

Unsecured, considered good

Less: Allowance for expected credit loss

Trade receivables with significant increase in credit risk

Less: Allowance for expected credit loss

Credit impaired

Less: Allowance for expected credit loss

## Current

Unsecured, considered good

Less: Allowance for expected credit loss

Trade receivables with significant increase in credit risk

Less: Allowance for expected credit loss

Credit impaired

Less: Allowance for expected credit loss

## 10 Cash and cash equivalents

Balances with banks:

- with scheduled banks in current accounts

- with Government Fund accounts\*\*

Cheque in hands

\*\*Earmarked Balances with Banks for Government Funds received and can be utilised only for the specific purpose. Refer Note No. 22 (Government Fund for Schemes\*\*)

## 11 Other bank balances

Deposits with original maturity more than 3 months but less than 12 months\*

\* TDR has been placed on lien with Canara Bank as collateral security for issue of Bank guarantee for Goa.

0.20	37.01
------	-------

As at 31 March 2020	As at 31 March 2019
36.84	86.38
36.84	86.38

As at 31 March 2020	As at 31 March 2019
1,684.13	-
(322.61)	-
1,361.52	-
-	-
-	-
-	-
-	-
-	-
1,361.52	0.00

392.20	2,290.29
(0.00)	-
392.20	2,290.29
-	-
-	-
-	-
-	-
-	-
392.20	2,290.29

1,198.28	110.80
13,116.57	14,800.08
489.02	36.23
14,803.87	14,947.11

91.51	33.64
91.51	33.64



## Notes forming part of Consolidated Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

**12 Loans (Current)**

Security deposits \*-current

40.91

-

**40.91****-**

\* Refer note 39 for fair value disclosures.

**13 Other financial assets (Current)**

Recoverable from Government of India

Amount spent on Urja Mitra Scheme\*

28.88

795.45

Deen Dayal Upadhyaya Gram Jyoti Yojana Fund

64.87

-

Retention money receivable

32.41

30.12

Other Trade/Commercial Advances

-

26.57

**126.16****852.13**

\*Refer note 42(XVII)

**14 Current tax assets (net)**

Advance Income Tax and TDS

5,383.95

3,640.18

Less: Provision for Income tax

(5,187.82)

(3,494.75)

**196.13****145.43**

Tax Deposited on income tax demands under contest\*

5.97

-

Provision for income tax for demand under contest

-

-

**5.97****-****Total****202.10****145.43**

\*Refer note 42(XII)(A) for details

**15 Other current assets**

Advance to Suppliers

63.32

195.93

Balances with statutory and government authorities

95.15

197.21

Cost of fulfillment carried forward

191.23

-

Prepaid Expenses

-

3.69

**349.70****396.83**

As at 31 March 2020	As at 31 March 2019
------------------------	------------------------

**16 Disposal group****Assets classified as held for sale**

(A) Investment (refer note 16.1)

20.00

50.00

(B) Loans to associates (refer note 16.2)

933.47

905.49

**Total (A+B)****953.47****955.49****Liabilities directly associated with assets classified as held for sale**

(C) Payable to associates (refer note 16.3)

68.22

7.89

**Total(C)****68.22****7.89****Disposal group -Net assets (A+B-C)****885.25****947.60***This space has been intentionally left blank.***16.1 Investments in associates****Investments in Equity Instruments of associates (fully paid up)**

Ajmer Phagi Transco Limited\*

0.00

5.00

50000 equity shares of ₹ 10/- each (31 March 2019: Nil)



# Notes forming part of Consolidated Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

Bhindguna Transmission Limited*	0.00	5.00
50000 equity shares of ₹ 10/- each (31 March 2019: Nil)		
Chandil Transmission Ltd	5.00	5.00
50000 equity shares of ₹ 10/- each (31 March 2019: Nil)		
Dumka Transmission Ltd.	5.00	5.00
50000 equity shares of ₹ 10/- each (31 March 2019: Nil)		
Jam Khambaliya Transco Limited*	0.00	5.00
50000 equity shares of ₹ 10/- each (31 March 2019: Nil)		
Khetri Transco Limited*	0.00	5.00
50000 equity shares of ₹ 10/- each (31 March 2019: Nil)		
Koderma Transmission Ltd	5.00	5.00
50000 equity shares of ₹ 10/- each (31 March 2019: Nil)		
Lakadia Banaskantha Transco Limited*	0.00	5.00
50000 equity shares of ₹ 10/- each (31 March 2019: Nil)		
Mandar Transmission Ltd.	5.00	5.00
50000 equity shares of ₹ 10/- each (31 March 2019: Nil)		
Udupi Kasargode Trans. Ltd.*	0.00	5.00
50000 equity shares of ₹ 10/- each (31 March 2019: Nil)		
Dinchang Transmission Ltd.**	0.00	0.00
50000 equity shares of ₹ 10/- each		
	<b>20.00</b>	<b>50.00</b>

\*\* Dinchang Transmission Ltd was denotified vide MoP letter dated 25 March 2019 and subsequently investment was written off. MOP permission for striking off company with MCA is obtained during the year and the required papers are being filled with MCA.

## 16.2 Loans to Associates

Chandil Transmission Limited	249.26	198.64
Dumka Transmission Limited	217.71	193.57
Mandar Transmission Limited	243.17	171.25
Koderma Transmission Limited	223.33	175.74
Ajmer Phagi Transco Ltd*	-	18.14
Bhindguna Transmission Limited*	-	88.05
UDUPI Kasargode Transmission Ltd*	-	25.14
WRSS XXI (A) Transco Ltd	-	34.96
	<b>933.47</b>	<b>905.49</b>

## 16.3 Liabilities directly associated with assets classified as held for sale

Jam Khambaliya Transco Ltd*	-	0.34
Khetri Transco Limited*	-	3.57
Lakadia Banaskantha Transco Ltd*	-	3.98
Bidar Karnataka Line**	10.31	-
Gadag Karnataka Part A Line**	10.41	-
Solar Energy Rajasthan Part A Line**	10.46	-
Solar Energy Rajasthan Part B Line**	5.69	-
Solar Energy Rajasthan Part C Line**	15.48	-
Rajgarh Madhya Pradesh Line**	15.49	-
Osmanabad Maharashtra Line**	0.38	-
<b>Total</b>	<b>68.22</b>	<b>7.89</b>

\* SPV Sold During the FY 2019-2020

\*\* SPVs in process of incorporation as on 31.03.2020





## REC Transmission Projects Company Limited

## Notes forming part of Consolidated Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

## 17 Equity share capital

## Authorised equity share capital

50,000 (31 March 2019: 50,000) Equity shares of Rs 10 each

As at 31 March 2020	As at 31 March 2019
5.00	5.00
<b>5.00</b>	<b>5.00</b>

## Issued, subscribed and paid up equity share capital

50,000 (31 March 2019: 50,000) Equity shares of Rs 10 each

5.00	5.00
<b>5.00</b>	<b>5.00</b>

## i) Rights, preferences and restrictions attached to equity shares:

The Parent Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## ii) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	₹ lakhs	No. of shares	₹ lakhs
Equity share capital of Rs. 10 each fully paid up				
Balance at the beginning of the year	50,000	5.00	50,000	5.00
Add: Issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>50,000</b>	<b>5.00</b>	<b>50,000</b>	<b>5.00</b>

## iii) Shareholders holding more than 5% of shares of the Parent Company as at balance sheet date:

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% holding	No. of shares	% holding
49,994 Equity Shares held by REC Limited (formerly known as Rural Electrification Corporation Ltd.) (Holding Company) And Balance 6 Equity Shares through other nominee of REC Ltd.	50,000	100.00%	50,000	100.00%

## iv) Shares held by holding Company:

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% holding	No. of shares	% holding
49,994 Equity Shares held by REC Limited (formerly known as Rural Electrification Corporation Ltd.) (Holding Company) And Balance 6 Equity Shares through other nominee of REC Ltd.	50,000	100.00%	50,000	100.00%

v) The Parent Company has neither issued equity shares pursuant to contract without payment being received in cash or any bonus shares nor has there been any buy-back of shares in the current year and five years immediately preceding the balance sheet date.

## 18 Other equity

General reserve  
Retained earnings

As at 31 March 2020	As at 31 March 2019
1,325.00	1,325.00
9,930.08	10,513.99
<b>11,255.08</b>	<b>11,838.99</b>

## Note:

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another.

Also refer statement of Changes in Equity



## REC Transmission Projects Company Limited

## Notes forming part of Consolidated Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
<b>19 Provisions (Non Current)</b>		
<b>Provision for Employee Benefits (refer note 38)</b>		
Provision for Loyalty Bonus	6.04	3.27
Provision for compensated absences	5.16	3.03
	<b>11.20</b>	<b>6.30</b>
<b>20 Deferred tax Assets/Liabilities (net)</b>		
<b>Tax effect of items constituting deferred tax liability</b>		
Property, plant and equipment: Impact of difference between depreciation as per income tax act and depreciation charged in the books	-	(0.29)
<b>Total deferred tax liability</b>	<b>-</b>	<b>(0.29)</b>
<b>Tax effect of items constituting deferred tax assets:</b>		
Property, plant and equipment: Impact of difference between depreciation as per income tax act and depreciation charged in the books	0.77	-
Timing difference on impairment provision	81.20	-
Financial assets and liabilities measured at amortised cost	-	0.12
<b>Total deferred tax assets</b>	<b>81.97</b>	<b>0.12</b>
<b>Deferred tax assets /liabilities (net)</b>	<b>81.97</b>	<b>(0.17)</b>
<b>Net Deferred Tax Charge for the Year</b>		
For the year ended 31 March 2020		(82.14)
For the year ended 31 March 2019		(1.20)
Note: The Movement between years represents additions/deletion (reversals) in current or previous year. Additions/reversals during the year has been charged to profit and loss account during the year.		
<b>21 Borrowings (Current)</b>		
Cash credit loan from HDFC Bank( Unsecured)	500.00	-
	<b>500.00</b>	<b>-</b>
<b>Notes:</b> HDFC Bank has sanctioned Credit Facility Name Working Capital Demand Loan (WCDL) with limit of Rs. 1000 Lakhs. Rate of interest is (1 market credit lending rate + 15 bps). The credit facility is unsecured.		
<b>22 Other financial liabilities (Current)</b>		
Earnest Money Deposits/Contract performance guarantee	17.19	12.50
Expenses Payables	433.38	421.91
Retention money payables	82.34	36.78
Payable to related parties	126.35	35.53
Employee related payables	-	1.54
Government Fund for Schemes		
Prime Minister's Development Package Fund - J&K	11,941.27	14,541.28
Deen Dayal Upadhyaya Gram Jyoti Yojana Fund	-	79.28
Power System Development Fund for Rural Feeder Monitoring Scheme	1,421.04	285.56
	<b>14,021.57</b>	<b>15,414.38</b>



**REC Transmission Projects Company Limited****Notes forming part of Financial Statements for the year ending 31 March 2020**

(All amount in ₹ Lakhs unless otherwise stated)

**23 Other current liabilities**

Advance from REC (Holding Company)*	-	1,059.67
Advance from customer	0.56	-
Mobilisation Advance- JKPDD-UDAY	23.74	42.73
Deferred income	89.09	71.46
Statutory Dues payable	14.11	182.95
	<b>127.50</b>	<b>1,356.82</b>

\*Refer note 42(XVII)

**24 Provisions (Current)****Provision for Employee Benefits (refer note 38)**

Provision for Loyalty Bonus*	0.01	0.00
Provision for compensated absences	0.33	0.19
	<b>0.34</b>	<b>0.19</b>

\*The amounts has been rounded off to zero.

*This space has been intentionally left blank*



## Notes forming part of Consolidated Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>25 Revenue from operations</b>		
<b>Sale of services *</b>		
Consultancy & Execution of Transmission Projects	533.98	946.43
Professional Charges	6,092.36	1,827.01
Agency Fees	16.95	16.95
<b>Other Operating Revenue</b>		
Documentation fees	-	79.14
	<b>6,643.29</b>	<b>2,869.53</b>
*Refer note 36 for details revenue.		
<b>26 Other income</b>		
Interest Income on Term/ Corporate Deposits	72.14	430.43
Interest Income on Tax Free Bonds	656.54	663.91
Interest Income from SPVs	125.81	77.35
Interest Income on Staggered Papers	70.20	-
Interest Income on NCDs	26.93	-
Interest Income on financial assets measured at amortised cost	4.10	3.94
Profit on sale of investments	315.95	-
Miscellaneous Income	1.49	0.01
	<b>1,273.16</b>	<b>1,175.64</b>
<b>27 Cost of services rendered</b>		
Survey Charges	36.58	70.75
Consultancy Charges	60.30	49.36
Advertisement Expenses	-	13.16
Meeting & Conference Expenses	3.66	0.67
	<b>100.54</b>	<b>133.93</b>
<b>28 Employee benefits expense</b>		
Salaries and Wages	105.60	169.67
Contribution to Provident and other funds	2.15	-
	<b>107.75</b>	<b>169.67</b>
Refer note 38 Employee benefit obligations details.		
<b>29 Finance costs</b>		
(a) Interest Expenses		
Working capital loan from bank	6.25	0.71
Income tax	2.99	23.97
Others*	5.77	5.36
	<b>15.01</b>	<b>30.04</b>
(b) Bank Charges	0.13	1.57
	<b>15.14</b>	<b>31.61</b>
* Includes interest paid to REC amounting to Rs 4.02.(Nil)		
<b>30 Depreciation and amortisation expense</b>		
Depreciation (also refer note 4)	13.32	14.21
Amortisation (also refer note 5)	0.19	0.19
	<b>13.51</b>	<b>14.40</b>



## Notes forming part of Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>31 Impairment of assets</b>		
Diminution in value of investment	-	5.00
Impairment on trade receivables	322.61	-
Impairment on other assets	-	107.43
	<b>322.61</b>	<b>112.43</b>
<b>32 Other expenses</b>		
Manpower Expenses	132.25	149.71
Travelling and Conveyance	26.88	32.46
Rental Charges	63.34	73.38
Rates and Taxes	0.95	0.63
Power & Fuel	3.49	5.78
Postage, Telegram and Telephone	2.69	3.63
Auditors' Remuneration*	5.75	2.30
Legal & Professional Charges	13.09	30.89
Office Expenses	16.43	17.62
Technical / IT Services Expenses	7.74	1.36
Miscellaneous Expenses	29.57	16.50
	<b>302.18</b>	<b>334.26</b>
<b>*Auditors' Remuneration</b>		
Audit Fee	3.00	1.70
Tax Audit Fee	1.25	0.60
Other Services/Certification fee	1.50	-
	<b>5.75</b>	<b>2.30</b>



**REC Transmission Projects Company Limited**  
**Notes forming part of Consolidated Financial Statements for the year ending 31 March 2020**  
 (All amount in ₹ Lakhs unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>33 Tax expense</b>		
(i) Current tax (including taxes earlier years)		
Tax on current year profits	1,693.00	762.43
(ii) Deferred tax expense/(credit)	(82.14)	(1.20)
	<b>1,610.86</b>	<b>761.23</b>

The reconciliation of expense based on the domestic effective tax rate and the reported tax expense in profit or loss is as follows:

Accounting profit before income tax	7,054.72	3,221.22
Applicable tax rate	25.17%	29.12%
Income tax at the rate mentioned above	1,775.53	938.02
Tax effect of Non-deductible expenses for tax purposes	0.59	16.54
Tax effect of income of tax free bonds	(165.24)	(193.33)
Tax effect of rate change	(0.02)	-
	<b>1,610.86</b>	<b>761.23</b>
<b>34 Earnings per share (in INR)</b>		
Net profit for the year	5,443.86	2,459.99
Weighted average number of equity shares for EPS	50,000	50,000
Par value per share	10	10
Earnings per share - Basic and diluted (in INR)	<b>10,887.71</b>	<b>4,919.97</b>

**35 Leases**

Group has made transition to Ind AS 116 as at 01 April 2019. The assessment made by the Group as at transition date resulted into a conclusion that all the leases of the Group falls under short term leases.

Total cash outflow in respect of short term leases in the year amounts to Rs. 63.34 Lakhs.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	For the year ended 31 March 2020
Short-term leases	63.34
Leases of low value assets	-

The Group also incurred rental expense amounting to Rs.140.35 Lakhs, which has been allocated to respective associates, the same has not been included above.

**Extension and termination options**

The Group has lease contracts for "Office block and contractual sites" which are used for regular operations of its business. There are several lease contracts that include extension and termination options which are further discussed below.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

*Critical judgements in determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.





#### Other transition options

The transition has resulted to nil effect on the Group's financial statements, although the Group has adopted the new standard and any new contract entered in the future will be dealt according to the new accounting policy of the Group.

For contracts in place as at 1 April 2019, Group has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

### 36 Revenue from contracts with customers under Ind AS 115

#### A The Parent Company is engaged in providing following services-

Ministry of Power has appointed RECTPCL as Bid Process Coordinator (BPC) for Inter State Transmission Systems across the country on Tariff Based Competitive Mode. RECTPCL commenced working as BPC in the year 2007 and successfully awarded its first project in the FY - 2009-10. Till date, RECTPCL has been appointed as Bid Process Coordinator for many a large Inter-state Projects. 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, Generation and Smart Grid etc. in India or abroad.

RECTPCL is conducting the bidding process for ISTS projects, starting from selection of qualified bidders to handing over of the Special Purpose Vehicle to the lowest bidder. RECTPCL provides consultancy services in Power Transmission sector to states/Union Territories under various central/state Government schemes such as Project Management Agency (PMA)/Project Management Consultancy (PMC). The Parent Company is also working in various Smart Metering/ Smart Grid and Information Technology (IT) projects as Project Implementing Agency (PIA)/Project Management Agency (PMA) for implementation of various distribution infrastructure projects under various Govt. schemes. The Parent Company is also working as Project implementation agency in the state of Jammu and UT Srinagar and Lch.

#### B Significant management judgments on revenue recognition:

Recognized amounts of contract revenues and related receivables when the contract has been approved by the parties, inwriting, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue from the contracts recognized based on management's best estimates of each contract's outcome and stage of completion which is determined based on progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spend, service performed (generally mentioned in the contracts with the customer) or any other method that management considered appropriate. When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

Also while allocating that transaction price to the specific performance obligations identified in the contract. The transaction price is allocated to the performance obligations based on its relative standalone selling price, which generally is not readily available, hence management estimates the stand alone selling prices basis upon its experience and contractual negotiations.

#### C Disaggregated revenue information

RECTPCL's revenue mostly comes from execution of transmission projects, professional charges, agency fees. 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.

#### a. In accordance with Ind AS 115, set out below is the disaggregation of the Group's revenue from contracts with customers:

Type of goods/services	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of goods	-	-
Sale of services	6,643.29	2,869.53
<b>Total revenue from contracts with customers</b>	<b>6,643.29</b>	<b>2,869.53</b>
<b>Revenue by time</b>		
Revenue recognised at point in time	6,084.57	2,169.90
Revenue recognised over time	558.72	699.63
<b>Total revenue from contracts with customers</b>	<b>6,643.29</b>	<b>2,869.53</b>



**D Reconciliation of revenue recognised with contract price**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contract price*	6,643.29	2,869.53
Adjustments for:		
Rebates and discounts	-	-
<b>Revenue from contracts with customers</b>	<b>6,643.29</b>	<b>2,869.53</b>

\*REC/TPL's revenue mostly comes from execution of transmission projects, professional charges, agency fees and documentation fees

**E Reconciliations of cost of fulfillment carried forward**

Opening	-	-
Additions during the year	191.23	-
<b>Closing</b>	<b>191.23</b>	<b>-</b>

**F Reconciliations of Deferred income**

Opening of deferred income	71.46	-
Revenue recognised during the year	-	-
Addition received during the year	17.62	71.46
<b>Closing</b>	<b>89.09</b>	<b>71.46</b>

**G Reconciliations of advance from customer**

Opening	-	-
Amount billed for the year	-	-
Additions during the year	0.56	-
<b>Closing</b>	<b>0.56</b>	<b>-</b>

**H Remaining performance obligations**

Amount of remaining performance obligations (unsatisfied or partially unsatisfied)	9,364.00	9,357.00
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The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized. The entity expects to satisfy the above performance obligations within the contracted terms (which is expected to be closed in one year).

**I Balances with customers or contract balances**

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Assets</b>		
Trade receivables	1,753.72	2,290.29
<b>Contract assets</b>		
Cost of fulfillment carried forward*	191.23	-
<b>Contract liability</b>		
Deferred income**	89.09	71.46
Advance from customer***	0.56	-

\*Cost of fulfilment relates to contract assets recognised equivalent to the recoverable costs incurred in fulfilling a contract (contract related) with a customer, which generates or enhances the resources of the entity that will be used in satisfying the future performance obligations.

\*\*Deferred income are contract liabilities, performance obligations are not yet satisfied.

\*\*\* Advance from customers are contract liabilities, where money has been received and performance obligations are not yet satisfied.

- J Parent Company has not incurred any cost for obtaining contracts except administrative cost required for preparation of offers and the same is charged to statement of profit and loss.





Notes forming part of Consolidated Financial Statements for the year ending 31 March 2020  
(All amount in ₹ Lakhs unless otherwise stated)

### 37 Related Party transactions

In accordance with the requirements of Indian Accounting Standard – 24 the names of the related parties where control/ability to exercise significant influence exists, along with the aggregate amount of transactions and year end balances with them as identified and certified by the management are given below:

#### a) Details of related parties:

Description of relationship	Names of related parties
Ultimate holding Company	Power Finance Corporation Ltd. (w.e.f. 28th March 2019)
Holding Company	REC Limited
Subsidiary of holding/ultimate holding Company	REC Power Distribution Company Limited REC Consulting Limited
Associate Companies	Dinching Transmission Limited (denotified by MoP on 25 March 2019)*  Ghatampur Transmission Limited (w.e.f. 02 December 2016 and sold on 19 June 2018)** Jawaharpur Firozabad Transmission Limited (w.e.f. 20 August 2018 and sold on 21 December 2018)** Dumka Transmission Limited (w.e.f. 25 March 2018) Chandil Transmission Limited (w.e.f. 14 March 2018) Mandar Transmission Limited (w.e.f. 26 March 2018) Koderma Transmission Limited (w.e.f. 19 March 2018)  Blind Guna Transmission Limited (w.e.f. 18 September 2018 and sold on 11 September 2019)*** Udupi Kasargode Transmission Limited (29 November 2018 - 12 September 2019)*** Jam Khambalya Transco Limited (11 March 2019 - 13 November 2019)*** Lakadia Banaskantha Transco Limited (19 March 2019 - 13 November 2019)*** Khetri Transco Limited (12 March 2019 - 29 August 2019)*** Ajmer Phagi Transco Limited (19 March 2019 - 03 October 2019)*** WRSS XXI (A) Transco Limited (26 March 2019 - 14 October 2019)*** Rampur Sambhal Transco Limited (w.e.f. 02 May 2019 and sold on 12 December 2019)***  Osmanabad Maharashtra Line (In process of Incorporation)**** Bilar Karnataka Line (In process of Incorporation)**** Gadag Karnataka Part A Line (In process of Incorporation)**** Solar Energy Rajasthan Part A Line (In process of Incorporation)**** Solar Energy Rajasthan Part B Line (In process of Incorporation)**** Solar Energy Rajasthan Part C Line (In process of Incorporation)**** Rajgarh Madhya Pradesh Line (In process of Incorporation)****
Post employment benefit plan trust	REC Retired Employees Medical Trust REC Provident Fund Trust

\*No objection from Ministry of Power for striking off the name of Dinching Transmission Limited has been received on 31 March 2020, the Group is planning for the same.

\*\* indicates associates sold / transferred in FY 2018-19

\*\*\* indicates associates sold / transferred in FY 2019-20

\*\*\*\* indicates associates which are in process of incorporation

#### Key management personnel (KMP)

Mr. P.V. Ramesh	: Chairman and Director	01 April 2018: to 05 March 2019
Mr. Ajeet Kumar Agarwal	: Chairman and Director	Chairman w.e.f. 06 March 2019
Mr. Sanjeev Kumar Gupta	: Director	w.e.f. 26 October 2015
Mr. V.K. Singh	: Director	w.e.f. 18 March 2019

#### b) Transactions with Holding Company and KMP are as under:

	REC Limited		Key Management Personnel	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
(i) Transactions during the year				
Dividend paid to Holding Company	5,000.00	6,829.00	-	-
Advance received for government schemes	-	1,135.00	-	-
Apportionment of Employee Benefits & Other Expenses By REC (including Service Tax/GST as applicable)	580.91	438.56	-	-
Interest Income from Investment in Bonds	558.17	469.80	-	-
Income from Other Service Contract	38.69	73.00	-	-
(ii) Outstanding Balances at Year End				
	REC Limited			
	31 March 2020	31 March 2019		
	Investment in Bonds	4,700.00	6,000.00	
	Apportionment of Employee Benefits & Other Expenses	126.35	35.53	
	Interest Accrued but not due from Investment in Bonds	125.97	155.74	
Advance received for government schemes	-	1,135.00		

Cost of employees on secondment basis are reimbursed to REC Limited, Group owes nothing to employees on secondment basis.

#### c) Transactions with REC Provident Fund Trust:

	Transactions during the year	
	31 March 2020	31 March 2019
Sale of Bonds	312.56	-





Notes forming part of Consolidated Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

REC Transmission Projects Company Limited

Notes forming part of Consolidated Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

## d) Transactions with Associates are as under:

	Transactions during the year	
	31 March 2020	31 March 2019
(i) Dinchang Transmission Limited (denotified by MoP on 25.03.2019)		
Interest Expenses	-	-
Reimbursement/ Expenses Reimbursement	-	1.85
Amount Writtenoff	-	107.61
(ii) Ghatampur Transmission Limited (sold on 19 June 2018):		
Interest Expenses	-	10.55
Reimbursement/ Expenses Reimbursement	-	50.51
Sale of Investments	-	5.00
(iii) Dumka Transmission Limited (w.e.f. 25 March 2018):		
Interest Expenses	26.69	15.78
Reimbursement/ Expenses Reimbursement	25.57	129.51
Advance Received From Parties	-	34.80
Investment made	-	5.00
(iv) Chandil Transmission Limited (w.e.f. 14 March 2018):		
Interest Expenses	27.38	16.12
Reimbursement/ Expenses Reimbursement	25.98	127.84
Advance Received From Parties	-	29.80
Investment made	-	5.00
(v) Mandar Transmission Limited (w.e.f. 26 March 2018):		
Interest Expenses	23.75	13.65
Reimbursement/ Expenses Reimbursement	25.09	119.11
Advance Received From Parties	-	44.80
Investment made	-	5.00
(vi) Koderma Transmission Limited (w.e.f. 19 March 2018):		
Interest Expenses	24.37	13.94
Reimbursement/ Expenses Reimbursement	25.66	118.33
Advance Received From Parties	-	39.80
Investment made	-	5.00
(vii) Bhind Guna Transmission Limited		
Interest Expenses	4.86	3.12
Consultancy Fee	379.49	-
Reimbursement/ Expenses Reimbursement	55.89	89.77
Advance Received From Parties	41.30	4.80
Sale of Investments	5.00	-
Investment made	-	5.00
(viii) Udupi Kasargode Transmission Limited		
Interest Expenses	3.37	0.78
Consultancy Fee	743.34	-
Reimbursement/ Expenses Reimbursement	62.77	76.39
Advance Received From Parties	-	51.95
Sale of Investments	5.00	-
Investment made	-	5.00
(x) Jam Khambaliya Transco Limited		
Interest Expenses	2.12	0.09
Consultancy Fee	457.29	-
Reimbursement/ Expenses Reimbursement	86.65	33.80
Advance Received From Parties	17.70	34.30
Sale of Investments	5.00	-
Investment made	-	5.00
(xi) Lakadia Banaskantha Transco Limited		
Interest Expenses	2.73	0.05
Consultancy Fee	1,166.67	-
Reimbursement/ Expenses Reimbursement	80.80	35.44
Advance Received From Parties	-	40.20
Sale of Investments	5.00	-
Investment made	-	5.00
(xii) Khetri Transco Limited		
Interest Expenses	0.86	0.06
Consultancy Fee	1,601.40	-
Reimbursement/ Expenses Reimbursement	57.98	35.92
Advance Received From Parties	5.90	40.20
Sale of Investments	5.00	-
Investment made	-	5.00
(xiii) Ajmer Phagi Transco Limited		
Interest Expenses	1.19	0.29
Consultancy Fee	963.39	-
Reimbursement/ Expenses Reimbursement	54.88	34.49
Advance Received From Parties	23.60	16.60
Sale of Investments	5.00	-
Investment made	-	5.00



Notes forming part of Consolidated Financial Statements for the year ending 31 March 2020

(All amount in ₹ Lakhs unless otherwise stated)

## (xiv) WRSS XXI (A) Transco Limited

Interest Expenses	1.73	0.46
Consultancy Fee	1,229.81	-
Reimbursement/ Expenses Reimbursement	65.35	34.54
Advance Received From Parties	46.10	-
Sale of Investments	5.00	-
Investment made	5.00	-

## (xv) Rampur Sambhal Transco Limited

Interest Expenses	6.76	0.27
Consultancy Fee	548.70	-
Reimbursement/ Expenses Reimbursement	130.36	26.33
Advance Received From Parties	28.40	-
Sale of Investments	5.00	-
Investment made	5.00	-

## (xvi) Osmanabad Maharashtra Line (In process of Incorporation)

Interest Expenses	-	-
Reimbursement/ Expenses Reimbursement	9.62	-
Advance Received From Parties	11.80	-

## (xvii) Bidar Karnataka Line (In process of Incorporation)

Interest Expenses	-	-
Reimbursement/ Expenses Reimbursement	9.69	-
Advance Received From Parties	23.60	-

## (xviii) Gadag Karnataka Part A Line (In process of Incorporation)

Interest Expenses	-	-
Reimbursement/ Expenses Reimbursement	9.59	-
Advance Received From Parties	23.60	-

## (xix) Solar Energy Rajasthan Part A Line (In process of Incorporation)

Interest Expenses	-	-
Reimbursement/ Expenses Reimbursement	9.54	-
Advance Received From Parties	23.60	-

## (xx) Solar Energy Rajasthan Part B Line (In process of Incorporation)

Interest Expenses	-	-
Reimbursement/ Expenses Reimbursement	9.31	-
Advance Received From Parties	17.70	-

## (xxi) Solar Energy Rajasthan Part C Line (In process of Incorporation)

Interest Expenses	-	-
Reimbursement/ Expenses Reimbursement	9.52	-
Advance Received From Parties	29.50	-

## (xxii) Rajgarh Madhya Pradesh Line (In process of Incorporation)

Interest Expenses	-	-
Reimbursement/ Expenses Reimbursement	9.51	-
Advance Received From Parties	29.50	-

## c) Outstanding balances w.r.t. associates are as under

## Receivable from associates/(Payable to associates)

	31 March 2020	31 March 2019
Chandl Transmission Limited	249.26	198.64
Dumka Transmission Limited	243.16	193.57
Mandar Transmission Limited	217.71	171.25
Koderma Transmission Limited	225.33	175.74
Ajmer Plains Transco Ltd	-	18.14
Blundiguma Transmission Limited	-	88.05
Jam Khambaliya Transco Ltd	-	(0.31)
Khetri Transco Limited (advance)	-	(3.57)
Lakadia Banaskantha Transco Ltd	-	(3.98)
UDLPI Kasargode Transmission Ltd	-	25.14
Rampur Sambhal Transco Ltd	-	26.57
Bidar Karnataka Line*	(10.31)	-
Gadag Karnataka Part A Line*	(10.41)	-
Solar Energy Rajasthan Part A Line*	(10.46)	-
Solar Energy Rajasthan Part B Line*	(5.69)	-
Solar Energy Rajasthan Part C Line*	(15.48)	-
Rajgarh Madhya Pradesh Line*	(15.49)	-
Osmanabad Maharashtra Line*	(0.38)	-

\* 7 new SPVs are in process of Incorporation. However RFP was issued in March 2020 therefore as per allocation policy, expense have been allocated.



Notes forming part of Consolidated Financial Statements for the year ending 31 March 2020  
(All amount in ₹ Lakhs unless otherwise stated)

#### Investments in SPVs

	31 March 2020	31 March 2019
Chandil Transmission Ltd.	5.00	5.00
Dumka Transmission Ltd.	5.00	5.00
Mandar Transmission Ltd.	5.00	5.00
Koderma Transmission Ltd.	5.00	5.00
Dinching Transmission Limited (denotified by MoP on 25 March 2019)	-	-
Ajmer Phags Transco Ltd	-	5.00
Blundgana Transmission Limited	-	5.00
Jam Khambaliya Transco Ltd	-	5.00
Kherri Transco Limited (advance)	-	5.00
Lakadia Banaskantha Transco Ltd	-	5.00
UDUPI Kasargode Transmission Ltd	-	5.00





Notes forming part of Consolidated Financial Statements for the year ending 31 March 2020  
(All amount in ₹ Lakhs unless otherwise stated)

### 38 Employee Benefits disclosure

#### (i) Defined contribution plans:

##### Provident fund:

The Group has provided provident fund contribution to FTS employees. The contribution is deposited with EPFO. The contribution deposited during the year is Rs. 2.51 Lacs (Previous year Nil).

#### (ii) Defined benefit plans:

##### A. Leave

The Group provides Earned Leave (EL) benefit to the employees of the Group which accrue annually at 30 days. The maximum ceiling for encashment of leave at time of superannuation/cessation from service other than on disciplinary ground shall be limited to 138 days (EL). 50% of EL, subject to a maximum 138 days is en-cashable on resignation. EL is en-cashable while in service leaving a minimum balance of 15 days twice a year. The scheme is unfunded and liability for the same is recognised on the basis of Actuarial Valuation.

##### Earned Leave

S.No.	Net defined benefit (asset)/liability :	31 March 2020	31 March 2019
1	Current	0.33	0.19
2	Non-current	5.16	3.03
	<b>Total PBO at the End of year</b>	<b>5.49</b>	<b>3.23</b>

#### (ii) Movement in net defined benefit (asset)/liability

S.No.	Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
A	Opening balance	3.23	2.30	-	-	3.23	2.30
B	<b>Included in profit or loss:</b>						
(i)	Current service cost	3.16	2.00	-	-	3.16	2.00
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	0.23	0.18	-	-	0.23	0.18
C	<b>Remeasurement loss (gain):</b>						
	Actuarial loss (gain) arising from :	1.23	(0.87)	-	-	1.23	(0.87)
(i)	Financial assumptions	-	-	-	-	-	-
(ii)	Experience adjustment	-	-	-	-	-	-
(iii)	Return on plan assets excluding interest income	-	-	-	-	-	-
	<b>Total amount recognised in profit or loss (B+C)</b>	<b>4.64</b>	<b>1.30</b>	<b>-</b>	<b>-</b>	<b>4.64</b>	<b>1.30</b>
D	Other	-	-	-	-	-	-
E	Benefits paid	(2.38)	(0.38)	-	-	(2.38)	(0.38)
	<b>Closing balance (A+B+C+D+E)</b>	<b>5.49</b>	<b>3.23</b>	<b>-</b>	<b>-</b>	<b>5.49</b>	<b>3.23</b>

#### (ii) Actuarial Assumptions

The following were the principal actuarial assumptions at the reporting date

S.No.	Particulars	31 March 2020	31 March 2019
1	Discount Rate	6.80%	7.66%
2	Future Salary Increase	5.00%	5.00%

- The discount rate is based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that of the liability.
- Salary Growth rate is Group's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting period.

#### (iii) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

S.No.	Assumption	Change in Assumption	As at	As at
			31 March 2020	31 March 2019
			<b>Earned Leave</b>	
1	Discount rate	0.50%	(0.37)	(0.22)
		-0.50%	0.40	0.24
2	Salary growth rate	0.30%	0.41	0.24
		-0.50%	(0.38)	(0.22)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these have not been calculated by actuary. Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable

#### (iv) Maturity Profile of Defined Benefit Obligations

S.No.	Year of payment	As at	As at
		31 March 2020	31 March 2019
		<b>Earned Leave</b>	
1	Less than 1 year	0.33	0.19
2	Between 1-2 years	0.10	0.04
3	Between 2-3 years	0.10	0.05
4	Between 3-4 years	0.10	0.05
5	Over 4 years	4.86	2.90



38 Employee Benefits disclosure(continued)

**B. Loyalty Bonus**

The benefits towards Loyalty Bonus 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 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. 6.04 lakhs (previous year Rs. 3.27 lakhs) has been recognised as liability as per the details hereunder:

**Loyalty Bonus**

S.No.	Net defined benefit (asset)/liability :	31 March 2020	31 March 2019
1	Current	0.01	0.00
2	Non-current	6.04	3.27
	<b>Total PBO at the End of year</b>	<b>6.05</b>	<b>3.27</b>

**(i) Movement in net defined benefit (asset)/liability**

S.No.	Particulars	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (asset) liability	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
A	Opening balance	3.27	2.21	-	-	3.27	2.21
B	<b>Included in profit or loss:</b>						
(i)	Current service cost	3.12	2.18	-	-	3.12	2.18
(ii)	Past service cost	-	-	-	-	-	-
(iii)	Interest cost (income)	0.25	0.17	-	-	0.25	0.17
C	<b>Remeasurement loss (gain):</b>						
	Actuarial loss (gain) arising from :	0.65	(1.30)	-	-	0.65	(1.30)
(i)	Financial assumptions	-	-	-	-	-	-
(ii)	Experience adjustment	-	-	-	-	-	-
(iii)	Return on plan assets excluding interest income	-	-	-	-	-	-
	<b>Total amount recognised in profit or loss (B+C)</b>	<b>4.02</b>	<b>1.06</b>	-	-	<b>4.02</b>	<b>1.06</b>
D	Other	-	-	-	-	-	-
E	Benefits paid	-1.24	-	-	-	-1.24	-
	<b>Closing balance (A+B+C+D+E)</b>	<b>6.05</b>	<b>3.27</b>	-	-	<b>6.05</b>	<b>3.27</b>

**(ii) Actuarial Assumptions**

The following were the principal actuarial assumptions at the reporting date:

S.No.	Particulars	31 March 2020	31 March 2019
1	Discount Rate	6.80%	7.66%

The discount rate is based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that of the liability.

**(iii) Maturity Profile of Defined Benefit Obligations**

S.No.	Year of payment	As at 31 March 2020	As at 31 March 2019
		Loyalty Bonus	
1	Less than 1 year	0.01	0.01
2	Between 1-2 years	3.25	0.01
3	Between 2-3 years	2.79	3.25

**(iii) Sensitivity Analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

S.No.	Assumption	Change in Assumption	As at 31 March 2020	As at 31 March 2019
			Loyalty Bonus	
1	Discount rate	0.50% (0.50%)	(0.09) 0.09	(0.05) 0.05



(All amount in ₹ Lakhs unless otherwise stated)

### 39 Financial instruments

#### i) Financial instruments by category measured at amortised cost:

	As at 31 March 2020	As at 31 March 2019
<b>Financial assets</b>		
Investments	7,526.57	8,857.50
Loans	41.11	37.01
Trade receivables	1,753.72	2,290.29
Cash and cash equivalents	14,803.87	14,947.11
Other bank balances	91.51	33.64
Other financial assets	163.00	938.51
<b>Total</b>	<b>24,379.78</b>	<b>27,104.06</b>
<b>Financial liabilities</b>		
Borrowings	500.00	-
Other financial liabilities	14,021.57	15,414.38
<b>Total</b>	<b>14,521.57</b>	<b>15,414.38</b>

The carrying amounts of financial assets and liabilities are considered a reasonable approximation of their fair values, except for the below:

Investment in tax free bonds (Quoted market value)	8,542.13	9,633.27
<b>Total fair value of investments</b>	<b>8,542.13</b>	<b>9,633.27</b>

#### ii) Fair values hierarchy

The Group does not have any financial assets or financial liabilities carried at fair value.

### 40 Financial risk management

#### i) Risk management

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 39.

The main types of risks are credit risk, liquidity risk and market risk.

The Group's risk management is coordinated in close co-operation with the Board of Directors, and focuses on securing the Group's short to medium term cash flows. The Group does not engage in trading of financial assets for speculative purposes.

#### A) Credit risk

##### Credit risk rating

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

The group provides for expected credit loss based on the following:

Asset entity	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, investments and other financial assets	12 month expected credit loss
	Contract asset and trade receivable	Lifetime expected credit loss under simplified approach

Based on business environment in which the group operates, there have been no defaults on financial assets of the group by the counterparty. Loss rates reflecting defaults are determined based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as the litigation of debtor is finally decided against the group. The group continues to engage with parties whose balances are written off and attempts to enforce repayment.

#### b) Provision for expected credit losses

31 March 2020

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	7,526.57	-	7,526.57
Cash and cash equivalents	14,803.87	-	14,803.87
Other bank balances	91.51	-	91.51
Loans	41.11	-	41.11
Trade receivables	2,076.33	(322.61)	1,753.72
Other financial assets	163.00	-	163.00





(All amount in ₹ Lakhs unless otherwise stated)

**31 March 2019**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	8,857.50	-	8,857.50
Cash and cash equivalents	14,947.11	-	14,947.11
Other bank balances	33.64	-	33.64
Loans	37.01	-	37.01
Trade receivables	2,290.29	-	2,290.29
Other financial assets	938.51	-	938.51

**Reconciliation of loss provision – Trade receivables**

Reconciliation of loss allowance	Total
Loss allowance on 01 April 2018	-
Provision created during the period	-
Loss allowance on 31 March 2019	-
Provisions utilised during the period	-
Provision written back during the period	-
Provision created during the period	322.61
Loss allowance on 31 March 2020	322.61

Further, the Group does not have any history of losses and expected losses, hence the Group has not prepared any general provisions in the current year, the impairment provisions as at 31 March 2020 represents impairment provision on trade receivables created over specific assets rather than a general approach, due to some delay expected from recoveries of certain projects from a debtor JKPD. The same delay is not originated from the date of recognition, but developed during the due course of operations.

	Gross Exposure	Provision amount	Net Debtor
JKPD-UDAY	498.14	97.46	400.68
JKPD-PMA	477.92	91.77	386.15
JKPD-PIA	708.08	133.39	574.69
	<b>1,684.13</b>	<b>322.61</b>	<b>1,361.52</b>

**B) Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate reserves, back-up facilities such as deposits and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows.

**Maturities of financial liabilities**

All the financial liabilities of the Group are current in nature and are maturing within 12 months period from the end of reporting period.

**C) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises of currency risk, interest rate risk and price risk.

**Currency risk:**

The Group does not have any foreign currency transactions, hence, it is not exposed to currency risk.

**Interest rate risk**

The Group has taken a credit limit facility during the year and the applicable interest rate on the same is variable. The table below represents the impact on P&L (Gain / (Loss) for 50 basis points increase or decrease in interest rate on Group's floating rate assets and liabilities:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Floating rate borrowings (-0.5% Change in interest rate)	0.40	-
Floating rate borrowings (+0.5% Change in interest rate)	(0.40)	-

**Price risk:**

The Group does not have any financial instrument which exposes it to price risk.

**Capital management policies and procedures**

The Group's capital includes issued share capital and all other distributable reserves. The primary objective of the Group's capital management is to maximise shareholder value and to maintain an optimal capital structure to reduce the cost of capital. The Group does not have any long-term borrowings and all its capital needs are met by capital or shareholders only. Although Group has some current borrowings.

The debt equity ratio of the Group is as follows :

	As at 31 March 2020
Total debt	500.00
Net worth	11,260.08
Debt-equity ratio	0.04



(All amount in Rs. Lakhs unless otherwise stated)

**41. Additional disclosure explaining interests in other entities**

Name of associates	% of holding As at 31 March 2020	% of holding As at 31 March 2019	Place of incorporation/ Principle place of business
Dinching Transmission Limited	100.00%	100.00%	India
Ajmer Phagi Transco Limited	-	100.00%	India
Blindguna Transmission Limited	-	100.00%	India
Chandil Transmission Ltd.	100.00%	100.00%	India
Dumka Transmission Ltd.	100.00%	100.00%	India
Jam Khambaliya Transco Limited	-	100.00%	India
Khetri Transco Limited	-	100.00%	India
Koderma Transmission Ltd.	100.00%	100.00%	India
Lakadia Banaskantha Transco Limited	-	100.00%	India
Mandar Transmission Ltd.	100.00%	100.00%	India
Udupi Kasargode Trans. Ltd.	-	100.00%	India
WRSS XXI (A) Transco Limited**	-	**	India
Rampur Sambhal Transco Limited**	-	**	India
Osmanabad Maharashtra Line*	*	-	India
Bidar Karnataka Line*	*	-	India
Gadag Karnataka Part A Line*	*	-	India
Solar Energy Rajasthan Part A Line*	*	-	India
Solar Energy Rajasthan Part B Line*	*	-	India
Solar Energy Rajasthan Part C Line*	*	-	India
Rajgarh Madhya Pradesh Line*	*	-	India

\* 7 new SPVs are in process of Incorporation. However request for proposal was issued on 16th March 2020 therefore, as per allocation policy expense have been allocated.

\*\* In the previous year these entities were under incorporation status.

**Notes:**

- (i) Management incorporates these entities and invest in them with a view to sell them off as per the guidelines of Ministry of power, through the bid process prescribed by ministry of power. There is no possibility that management will have benefits from these entities other than selling them off, hence all these investment (along with the related assets and liabilities) has been classified as held for sale.
- (ii) The above investments are managed as per the mandate from Government of India (GoI) and the Holding Company does not have the practical ability to direct the relevant activities of these Companies unilaterally.

The Holding Company therefore, considers its investment in respective Companies as associates having significant influence despite the RECTPCL holding 100% of their paid-up equity share capital.

**42. Other notes**

- I. There were twelve opening associate companies (SPVs), incorporated in the previous years, namely Dinching Transmission Limited, Blind Guna Transmission Limited, Udupi Kasargode Transmission Limited, Koderma Transmission Limited, Chandil Transmission Limited, Dumka Transmission Limited, Mandar Transmission Limited, Jamkhambaliya Transco Limited, Khetri Transco Limited, Ajmer Phagi Transco Limited, Lakadia Banaskantha Transco Limited and WRSS XXI (A) Transco Limited. One associates (SPVs) was incorporated during the Financial Year 2019-20 namely Rampur Sambhal Transco Limited, thus there were total Thirteen associates during the year. Out of the thirteen associates, eight associates namely Khetri Transco Limited, Blind Guna Transmission Limited, Udupi Kasargode Transmission Limited, Ajmer Phagi Transco Limited, WRSS XXI Transco (A) Limited, Jamkhambaliya Transco Limited, Lakadia Banaskantha Transco Limited and Rampur Sambhal Transco Limited were transferred during the FY 2019-20. At the year end, there are Five associates (SPVs) in hand, out of which one associate namely Dinching Transmission Limited was given No Objection by MoP for for striking off the name of Dinching Transmission Limited (a Wholly Owned Subsidiary of RECTPCL) under Section 248 of Companies Act, 2013 from the Register of Companies vide its notification No. 44/24/2017-RE dated 31.03.2020, for which the fair value has been taken as zero.
- II. Jamkhambaliya Transco Limited, Khetri Transco Limited, Ajmer Phagi Transco Limited, Lakadia Banaskantha Transco Limited and WRSS XXI Transco Limited have been incorporated in the month of March 2019. 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 31 March 2020.
- III. 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.
- IV. The RECTPCL is a wholly owned subsidiary of REC Ltd., a Govt. of India Enterprise. The Key Managerial Personnel of the RECTPCL are employees of the Holding Parent Company (REC Ltd) deployed on part time basis. No managerial remuneration is paid to such personnel by the Parent Company. The details of such Key Managerial Personnel are as follows:-

S. No.	Name	Designation	Date of Appointment	Date of Separation
1	Sh. P.V. Ramesh	Chairman & Director	27 December 2008	upto 05 March 2019
2	Sh. Ajeet Kumar Agarwal	Director	27 December 2008	upto 05 March 2019
3	Sh. Ajeet Kumar Agarwal	Chairman & Director	from 06 March 2019	
4	Sh. Sanjeev Kumar Gupta	Director	26 October 2015	
4	Sh. V.K. Singh	Director	18 March 2019	

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

- V. Wherever, any expenditure is incurred or payment made by the Holding Company (REC Ltd.) on behalf of the RECTPCL, 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).





(All amount in Rs. Lakhs unless otherwise stated)

- VI. 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 Group for the associate Companies (SPVs) is charged on the basis of general market interest rate of T&D schemes of the ultimate holding Group (REC Ltd) for ungraded organisations, presently @ 13 % p.a as on the beginning of the Financial Year.

#### 42 Other notes (Continued)

- VII. Since the RECTPCL is incurring expenses mainly for its project specific associates (called SPVs), the expenses have been allocated at the year end to these SPVs. Direct expenses have been booked to the respective SPV for which the expenditure has been incurred. All Indirect/Common Expenses have been allocated to SPVs & projects (except Government Schemes) in proportion of salary of H.O. Staff deployed on the SPV from the month of issue of RFQ/ RFP (If RFQ stage is not adopted in the Bidding Process) 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 RECTPCL 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 or at the time of transfer of SPV, whichever is earlier.

Annual and periodical allocation of expenditure by the RECTPCL to associates till the completion of service is accumulated and debited to associates account (invoice inclusive of GST is raised) and the same is treated as advance to associates 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.

- VIII. As per the information available with the Group, there are no dues to Micro, Small and Medium Enterprises.

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

S.No.	Particulars		31 March 2020	31 March 2019
1	Expenditure		Nil	Nil
2	Earnings		Nil	Nil
	<b>Total</b>		-	-

- X. Balances in parties accounts, advances, trade receivables and sundry payables are subject to confirmation/reconciliation and consequential adjustment that may arise on reconciliation if any.
- XI. RECTPCL has got an assignment under UDAY(Ujjwal DISCOM Assurance Yojana) Scheme from J&K Power Development Department 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. on mutual consent basis, the commencement of contract has been recognised from the date of signing of agreement.
- XII. Contingent Liabilities and Commitments:

	As at 31 March 2020	As at 31 March 2019
<b>I. Contingent Liabilities not provided for</b>		
Claims against the Group not acknowledged as debts	Nil.	Nil.
Others	29.86	114.18
(A) An appeal has been filed before CIT (Appeals) on 03 January 2020 against the Notice and Order dated 08 December 2019 pertaining to AY 2017-18. The total amount of demand raised is Rs 29.86 Lakh and 20% of demand deposited in FY 19-20 for Rs. 5.97 Lakh		
(B) PGCIL has claimed for recovery of charges from the RECTPCL on account of non requirement of the Vemagiri transmission line, which the RECTPCL has disputed on the ground that the said event has arisen after the transfer of SPV to PGCIL, the said cases pending before the Hon'ble Appellate Tribunal, Delhi as of the current status in the opinion of management no amount is payable to PGCIL.		
<b>II. Commitments not provided for</b>		
CSR Commitments	201.57	115.63
Capital Commitments	0.00	10.00

#### XIII. Disclosure for Corporate Social Responsibility as per Section 135 of Companies Act, 2013

- a) Gross amount required to be spent by the Group during the financial year: Rs. 85.94 lakh (Previous year Rs. 92.99 lakh) excluding brought forward amount.
- b) Amount spent during the year:

	For the year ended 31 March 2020			For the year ended 31 March 2019		
	In cash	Yet to be paid	Total	In cash	Yet to be paid	Total
Construction/acquisition of the any asset	-	-	-	-	-	-
Other than (i) above: spend through						
Eureka Forbs Institute of Environment	-	-	-	10.06	-	10.06
Artificial Lamb Manufacturing Corporation of India (ALIMCO)	-	-	-	17.59	-	17.59
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27.65</b>	<b>-</b>	<b>27.65</b>

- c) Unspent CSR fund for FY 2017-18 of Rs.22.63, 2018-19 of Rs. 92.99, 2019-2020 of Rs. 85.94.





(All amount in ₹ Lakhs unless otherwise stated)

- XIV The Group is operating in a single segment i.e. providing consultancy services and therefore disclosure requirements of Ind AS 108 is not applicable.
- XV In the opinion of the management the value of the current assets and loans and advances on realisation in ordinary course of business will not be less than value at which these are stated in the financial statements.
- XVI 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 REC Ltd i.e. REC Power Distribution Company Limited (REC PDCL) and REC Transmission Projects Company Limited (RECTPCL), have initiated the process of amalgamation under which RECTPCL (Transferor Company) along with its wholly owned subsidiaries/associates, will merge into RECPDCL (Transferee Company), subject to requisite approvals/sanctions of shareholders/creditors of the transferor and transferee companies and any other Competent Authority (ies), as may be required. Approval for amalgamation is obtained via MOP letter dated 11th November, 2019. Further, the company in its 95th Board meeting dated 27 Jan 2020 have approved the merger.
- XVII Adjustment of advance from party against advance to Urja Mitra

Particulars	For the Year ended	
	31-Mar-20	31-Mar-19
Amount spent on Urja Mitra Scheme	1,088.55	795.45
Advance from REC (Holding Company)	1,059.67	1059.67
Amount spent on Urja Mitra Scheme (Balance)	28.88	-
Advance from REC (Holding Company Balance)	-	264.22

- XVIII The novel coronavirus (COVID-19) pandemic is spreading around the globe rapidly. The virus has taken its toll on not just human life, but businesses and financial markets too, the extent of which is currently indeterminate. The Government of India has also announced a compulsory lockdown of on 22 March 2020. The Group is carefully considering the accounting implications of this situation. However as of now the management has been able to cope with the situation very well. Due to the lockdown the operations at the different sites of the Group has been partially affected, as the Group has adopted the offline work policy for most of the works.

Further, the above does not impact the revenue recognition of the Group where "Over the period" services were being rendered. However in case of "Point of sale" revenue, the revenues may get delay due to project delays, therefore the Group has not recognised any revenue after the lockdown/suspension of operations in such cases. Further, the direct expenses relating to these projects has also got delayed/suspended. The Indirect expenses or expenses which are in the permanent nature (Employee salary etc.) are being expensed by the Group, and the same has been recognised in the period/year to which these expenses pertain.

Also as the Group deals with the Government departments or Companies, it seems non probable to the management that any of the Customers of the Group will default any payments. However there has been a few cases of delays in the collection, but the management estimates that these are receivable very soon, once the situations get normalised.

Also, basis upon the above fact, the management does not accept any additional impairment in the trade receivables or investments in the associates.

Management is still considering the impact of the situations on the periods subsequent to the current reporting period and will use the appropriate estimates at the respective reporting dates.

For P.Jain & Company  
Chartered Accountants  
Firm No. 000701/C

(P. Anshu Jain)  
Partner  
MIRN/097279

Place: New Delhi

Date: 12-06-2020



(Sh. Vijay Kumar Singh)  
Director  
DIN No. 02727233

For and on behalf of Board of Directors of  
REC Transmission Projects Company Limited

(Sh. Rameshwar Prasad Vaishnaw)  
Director  
DIN No. 01868883

## Form AOC-1

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

**Statement containing salient features of the financial statements of Subsidiaries/ Associate Companies/ Joint Ventures for the Year 2019-20****Part A: Subsidiaries**Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Subsidiary Companies is **not Applicable****Part B: Associates and Joint Ventures**

Name of Associates/Joint Ventures	Dinching Transmission Limited*	Chandil Transmission Limited *	Koderma Transmission Limited *	Dumka Transmission Limited *	Mandar Transmission Limited *
1 Latest audited Balance Sheet Date	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
2 Shares of Associate/Joint Ventures held by the company on the year end					
Number	50,000	50,000	50,000	50,000	50,000
Amount of Investment in Associates/Joint Venture (' in Lakh)	5.00	5.00	5.00	5.00	5.00
Extend of Holding (%)	100.00%	100.00%	100.00%	100.00%	100.00%
3 Description of how there is significant influence	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1
4 Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA
5 Networth attributable to Shareholding as per latest audited Balance Sheet (' in Lakh)*	0.00	-213.67	-190.96	-208.22	-186.14
6 Profit / Loss for the year (' in Lakh)	0.00	-43.60	-40.82	-42.72	-39.84
i. Considered in Consolidation **	0.00	0.00	0.00	0.00	0.00
ii. Not Considered in Consolidation :	0.00	-43.60	-40.82	-42.72	-39.84

**\* The latest audited Balance Sheet available for associates have been prepared on the basis of IND-AS.****\*\* Associates classified under held for sale and valued at cost or fair market value (less cost to sales) whichever is less, hence profit not considered.****\*\* Eight associates namely Khetri Transco Limited, Bhind Guna Transmission Limited, Udipi Kasargode Transmission Limited, Ajmer Phagi Transco Limited, WRSS XII (A) Transco Limited, Jam khambaliya Transco Limited, Lakadia Banaskantha Transco Limited and Rampur Sambhal Transco Limited were transferred on 29.08.2019, 11.09.2019, 12.09.2019, 03.10.2019, 14.10.2019, 13.11.2019, 13.11.2019 and 12.12.2019 respectively.****Note : 1.** The company is holding 100% of shares but these investments are managed as per the mandate from Government of India and company does not have the practical ability to direct the relevant activities of these companies unilaterally, hence treated as associate company.**For P.Jain & Company**

Chartered Accountants

FIRN:000711C

(Parul Jain)

Partner

MIRN:097279

Place: New Delhi

Date: 18-06-2020

For and on behalf of Board of Directors of  
REC Transmission Projects Company Limited

(Sh. Vijay Kumar Singh)

Director

DIN No.: 02772733

Place: New Delhi

Date: 18-06-2020

(Sh. Rameshwar Pasad Vashnav)

Director

DIN No.: 01868883

Place: New Delhi

Date: 18-06-2020



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF REC TRANSMISSION PROJECTS COMPANY LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of REC Transmission Projects Company Limited ("the Company") and its associates (the Company and its associates together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for year ended on that date, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the Companies Act, 2013 ('the Act') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit and consolidated total comprehensive income for the year ended on that date, consolidated changes in equity and the consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by the ICAI together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the other matters paragraph below are sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Emphasis of Matter**

We draw attention to the following matters in the Notes to Consolidated Ind AS Financial Statements:

Reference is invited to note no. 40(X) regarding non receipt of confirmation of balances from parties other than banks and related parties, and consequential adjustment that may arise on reconciliation. In this it is explained by the management that necessary letter for obtaining the balance confirmation has been sent to the parties and with respect to major amount, which is due towards Government funds received, the concerned authority have confirmed total disbursement to the company.

Reference is invited to Note No. 16(1) regarding denotification of one of the associate company (i.e Dinchang Transmission Ltd) and accordingly the management is in process of dissolving the said company.

Reference is invited to Note no 42(XVIII) regarding impact of Covid-19 on financial statements.

Reference is invited to Note no 42(XVI) regarding amalgamation of the company with REC Power Distribution Company Limited as per approval of Board dt 27<sup>th</sup> January, 2020 and administrative Ministry approval dt 11<sup>th</sup> November, 2019.

Our opinion is not modified in respect of these matters.

**Key Audit Matters**

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

Audit Report received for Dumka Transmission Limited, Chandil Transmission Limited, Mandar Transmission Limited and Koderma Transmission Limited.

we have determined that there are no key audit matters to communicate in our report.





### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

### **Management Responsibility for the Consolidated Financial Statements**

Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the requirements of the Companies Act, 2013 and other accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records for safeguarding the assets of the Group 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 which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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



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- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entity included in the consolidated financial statements of which we are independent auditor. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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



Contd.....



### Other Matters

The consolidated financial statements also include the Group's share of net profit/loss of Rs. Nil and investments at carrying amount of Rs. 20 lakh for the year ended 31<sup>st</sup> March, 2020, as considered in the consolidated financial statements, in respect of five associate companies, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based and on consideration of audit reports of associates as referred in "Other Matter" paragraph, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the IND AS Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) Vide notification no. G.S.R.463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government Companies have been exempted from applicability of provision of section 164(2) of the Companies Act, 2013.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure-A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. As per the information and explanation given to us, the Company has disclosed pending litigations which may impact its financial position in note 40(X11)..
  - ii. The Group does have any such long-term contracts including derivative contracts for which there are any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate companies incorporated in India.

For **P. Jain & Company**  
Chartered Accountants  
(Firm's Registration No. 000711C)



(PANKAJ JAIN)  
Partner

(Membership No. 097279)

Place : New Delhi

Date : 12-06-2020



## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED ACCOUNTS**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report on consolidated accounts to the Members of REC Transmission Projects Company Limited of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2020, we have audited the internal financial controls over financial reporting of REC Transmission Projects Company Limited (hereinafter referred to as "the Company") and its associate companies (the Company and its associate companies collectively referred as "Group"), which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Company and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 internal financial controls over financial reporting of the Group 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") issued by the ICAI 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 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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 Group'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 Group 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 Group;



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- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Group ; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group 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 Group has, in all material aspects, an adequate internal financial controls system improvement in the system of allocation of common expenses to associates (SPVs) and adequately defining the Internal Audit scope, over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March 2020, based on the internal control over financial reporting criteria established by the Group 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.

We have considered the areas of improvement identified which needs further strengthening as reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March 2020 of Consolidated financial statements of the Group. However, these areas of improvement do not affect our opinion on the operating effectiveness of the Internal Financial Control over financial reporting of the Group .

#### **Other Matters**

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating Effectiveness of the internal financial controls over financial reporting insofar as it relates to five associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Further, we have considered the disclosure reported above in determining the nature, timing and extent of audit tests applied in our report of the financial statements of the Group , and the above disclosure does not affect our opinion on the operating effectiveness of the Internal Financial Control over financial reporting of the Group .

Place : New Delhi

Date : 12-06-2020



For **P. Jain & Company**  
Chartered Accountants  
(Firm's Registration No. 000711C)

*(Signature)*  
**PANKAJ JAIN**  
Partner

(Membership No. 097279)



INDIAN AUDIT & ACCOUNTS DEPARTMENT  
OFFICE OF THE  
DIRECTOR GENERAL OF AUDIT (ENERGY)  
DELHI

दिनांक/Dated:06.08.2020

सेवा में,  
अध्यक्ष  
आरईसी ट्रांसमिशन प्रोजेक्ट्स कम्पनी लिमिटेड  
नई दिल्ली

महोदय,

विषय:-31 मार्च 2020 को समाप्त वर्ष के लिए आरईसी ट्रांसमिशन प्रोजेक्ट्स कम्पनी लिमिटेड, नई दिल्ली के समेकित वित्तीय विवरण (Consolidated Financial Statements) पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

मैं, आरईसी ट्रांसमिशन प्रोजेक्ट्स कम्पनी लिमिटेड, नई दिल्ली के 31 मार्च 2020 को समाप्त वर्ष के समेकित वित्तीय विवरण (Consolidated Financial Statements) पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अंग्रेषित कर रहा हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्नक:- यथोपरि।

*(Handwritten signature)*

(डी. के. शेखर)  
महानिदेशक



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) READ WITH SECTION 129 (4) OF THE COMPANIES  
ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF REC  
TRANSMISSION PROJECTS COMPANY LIMITED FOR THE YEAR ENDED 31  
MARCH 2020**

The preparation of consolidated financial statements of REC Transmission Projects Company Limited for the year ended 31 March 2020 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) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) 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 12 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of REC Transmission Projects Company Limited for the year ended 31 March 2020 under Section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of REC Transmission Projects Company Limited, but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities listed in Annexure I. 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

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



**(D.K. Sekar)**

**Director General of Audit (Energy),  
Delhi**

**Place: New Delhi  
Dated: 06 August 2020**

**List of subsidiaries, associate companies and jointly controlled entities whose financial statements were not audited by the Comptroller and Auditor General of India**

**Associate Companies**

1. Dinchang Transmission Limited
2. Chandil Transmission Limited
3. Dumka Transmission Limited
4. Koderma Transmission Limited
5. Mandar Transmission Limited

## KEY OFFICIALS



**(Shri Kuldeep Rai)**  
(Additional CEO)



**(Shri Bhupender Gupta)**  
(Additional CEO)



**(Shri S. Muralidharan)**  
(Chief Financial officer)



**(Shri Pankaj Verma)**  
(GM Finance)



**(Smt. Ritu Madan Arora)**  
(Authorized Signatory)



### **REC TRANSMISSION PROJECTS COMPANY LIMITED**

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

**CIN: U40101DL2007GOI157558 Website: www.rectpcl.in**

#### **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 13<sup>th</sup> Annual General Meeting of the Company, to be held on **Tuesday, September 22, 2020 at 5:30 P.M.** at Core 4, SCOPE Complex, 7, Lodhi Road, New Delhi – 110003 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, 2020 along with the Reports of the Board of Directors and Auditors thereon.
2.	To confirm the payment of Interim Dividend for the financial year 2019-20
3.	To fix the remuneration of Statutory Auditors for the financial year 2020-21.
<b>Special Business</b>	
4.	To appoint Shri Ajoy Choudhury (DIN: 06629871), as Director of the Company.
5.	To appoint Shri Govind Singh Bhati (DIN:08038296), as Director of the Company.
6.	To appoint Shri Rameshwar Prasad Vaishnaw (DIN: 01868883), as Director of the Company.

Signed this..... day of..... 2020

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

Affix  
Revenue  
Stamp of  
Rs. 1/-

**REC TRANSMISSION PROJECTS COMPANY LIMITED**

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

**CIN: U40101DL2007GOI157558 Website: www.rectpcl.in**

**ATTENDANCE SLIP**

**13<sup>TH</sup> ANNUAL GENERAL MEETING TO BE HELD ON TUESDAY, SEPTEMBER 22, 2020 AT 5:30 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 13<sup>th</sup> Annual General Meeting of the Company held on **Tuesday, September 22, 2020 at 5:30 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.