

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
ASSETS			
Non-current assets			
Property, plant and equipment	4	21.52	27.36
Other Intangible assets	5	0.37	0.56
Financial assets			
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	-
Total non-current assets		9,028.99	9,008.81
Current assets			
Financial assets			
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
Total current assets		16,959.92	19,620.93
TOTAL ASSETS		25,988.91	28,629.74
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	5.00	5.00
Other equity	18	11,255.08	11,838.99
Total equity		11,260.08	11,843.99
Non-current liabilities			
Provisions	19	11.20	6.30
Deferred tax liabilities (net)	20	-	0.17
Total non-current liabilities		11.20	6.47
Current liabilities			
Financial liabilities			
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
Total current liabilities		14,717.63	16,779.28
Total liabilities		14,728.83	16,785.75
TOTAL EQUITY AND LIABILITIES		25,988.91	28,629.74

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

MRN:000711C

(Pankaj Jain)

Partner

MRN:097279



(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

Place: New Delhi

Date: 12-06-2020

(CIN: U40101DL2007GO115/558)

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
Revenue			
Revenue from operations	25	6,643.29	2,869.53
Other income	26	1,273.16	1,175.64
Total income		7,916.45	4,045.17
Expenses			
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
Total expenses		861.73	823.94
Profit before tax		7,054.72	3,221.22
Tax expense	33		
Current tax		1,693.00	762.43
Deferred tax expense/(Income)		(82.14)	(1.20)
		1,610.86	761.23
Net profit for the year		5,443.86	2,459.99
Other comprehensive Income/(loss)			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		-	-
Income tax relating to these items		-	-
Other comprehensive Income/(loss) for the year		-	-
Total comprehensive income for the year		5,443.86	2,459.99
Earnings per equity share			
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

A. CASH FLOW FROM OPERATING ACTIVITIES

	For the year ended 31 March 2020	For the year ended 31 March 2019
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
Operating Profit Before Working Capital Changes	6,125.43	2,064.64
Changes in working capital:		
<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
Movement in Operating assets and liabilities	(1,597.67)	(1,425.57)
Cash generated from operations	4,527.76	639.08
Less: Income Tax Paid	(1,749.65)	(959.62)
Net cash flow used in operating activities	2,778.11	(320.54)

B. CASH FLOWS FROM INVESTING ACTIVITIES

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
Net cash flow from investing activities	2,612.67	7,618.00

C. CASH FLOWS FROM FINANCING ACTIVITIES

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)
Net cash used in financing activities	(5,534.02)	(8,233.43)

Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)

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
Reconciliation of cash and cash equivalents as per the cash flow statement*	(143.24)	(935.97)

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

PAN:000711C

(Pan Singh 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

(Sh. Rameshwar Prasad Vaishnav)

Director

DIN No.: 01868883

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 & 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 Vaishnaw)

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, financials 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
Gross carrying value						
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	-	-	-	-	-	-
As at 31 March 2019	6.47	8.76	2.84	3.86	44.92	66.85
Additions	0.27	2.30	-	0.28	4.63	7.48
Disposals	-	-	-	-	-	-
As at 31 March 2020	6.74	11.06	2.84	4.14	49.55	74.33
Accumulated depreciation						
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	-	-	-	-	-	-
As at 31 March 2019	2.03	3.60	1.90	3.86	28.10	39.49
Charge for the year	0.61	1.81	0.44	0.28	10.18	13.32
Adjustment for disposals	-	-	-	-	-	-
As at 31 March 2020	2.64	5.41	2.34	4.14	38.28	52.81
Net block as at 31 March 2019	4.44	5.16	0.94	-	16.82	27.36
Net block as at 31 March 2020	4.10	5.65	0.50	-	11.27	21.52



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



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
6 Investments (Non Current)		
Investments in Government/Trust Securities		
(a) Investment in tax free bonds-Quoted (at amortised cost)		
Rural Electrification Corporation Ltd. (Holding Company)		
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) Investment in tax free bonds-Quoted (at amortise cost) (in others)		
(i) Housing and Urban Development Corporation Ltd. (HUDCO)		
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
(ii) National Highway Authority of India Ltd. (NHAI)		
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
(iii) Indian Renewable Energy Development Agency (IREDA)		
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
(iv) Indian Railway Finance Corporation (IRFC)		
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
(v) National Bank for Agriculture and Rural Development (NABARD)		
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
Total	7,526.57	8,857.50
Aggregate market value of quoted investment	8,542.13	9,633.27



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*

As at 31 March 2020	As at 31 March 2019
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

Less: Allowance for expected credit loss

As at 31 March 2020	As at 31 March 2019
1,684.13	-
(322.61)	-
1,361.52	
-	-
-	-
-	-
-	-
-	-
1,361.52	0.00

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

392.20	2,290.29
(0.00)	-
392.20	2,290.29
-	-
-	-
-	-
-	-
-	-
392.20	2,290.29

10 Cash and cash equivalents

Balances with banks:

- with scheduled banks in current accounts

- with Government Fund accounts**

Cheque in hand

1,198.28	110.80
13,116.57	14,800.08
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
	91.51	33.64

* 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	-
	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	As at
31 March 2020	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
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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		
	20.00	50.00

** 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
	933.47	905.49

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	-
Total	68.22	7.89

* 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
Authorised equity share capital		
50,000 (31 March 2019: 50,000) Equity shares of Rs 10 each	5.00	5.00
	5.00	5.00
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
	5.00	5.00

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	-	-	-	-
Balance at the end of the year	50,000	5.00	50,000	5.00

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
	11,255.08	11,838.99

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
19 Provisions (Non Current)		
Provision for Employee Benefits (refer note 38)		
Provision for Loyalty Bonus	6.04	3.27
Provision for compensated absences	5.16	3.03
	11.20	6.30
20 Deferred tax Assets/Liabilities (net)		
Tax effect of items constituting deferred tax liability		
Property, plant and equipment: Impact of difference between depreciation as per income tax act and depreciation charged in the books	-	(0.29)
Total deferred tax liability	-	(0.29)
Tax effect of items constituting deferred tax assets:		
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
Total deferred tax assets	81.97	0.12
Deferred tax assets /liabilities (net)	81.97	(0.17)
Net Deffered Tax Charge for the Year		
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.		
21 Borrowings (Current)		
Cash credit loan from HDFC Bank(Unsecured)	500.00	-
	500.00	-
Notes: HDFC Bank has sanctioned Credit Facility Name Working Capital Demand Loan (WC DL) with limit of Rs. 1000 Lakhs. Rate of interest is (1 market credit lending rate + 15 bps). The credit facility is unsecured.		
22 Other financial liabilities (Current)		
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
	14,021.57	15,414.38



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
	127.50	1,356.82

*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
	0.34	0.19

*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
25 Revenue from operations		
Sale of services *		
Consultancy & Execution of Transmission Projects	533.98	946.43
Professional Charges	6,092.36	1,827.01
Agency Fees	16.95	16.95
Other Operating Revenue		
Documentation fees	-	79.14
	6,643.29	2,869.53
*Refer note 36 for details revenue.		
26 Other income		
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
	1,273.16	1,175.64
27 Cost of services rendered		
Survey Charges	36.58	70.75
Consultancy Charges	60.30	49.36
Advertisement Expenses	-	13.16
Meeting & Conference Expenses	3.66	0.67
	100.54	133.93
28 Employee benefits expense		
Salaries and Wages	105.60	169.67
Contribution to Provident and other funds	2.15	-
	107.75	169.67
Refer note 38 Employee benefit obligations details.		
29 Finance costs		
(a) Interest Expenses		
Working capital loan from bank	6.25	0.71
Income tax	2.99	23.97
Others*	5.77	5.36
	15.01	30.04
(b) Bank Charges	0.13	1.57
	15.14	31.61
* Includes interest paid to REC amounting to Rs 4.02.(Nil)		
30 Depreciation and amortisation expense		
Depreciation (also refer note 4)	13.32	14.21
Amortisation (also refer note 5)	0.19	0.19
	13.51	14.40



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
31 Impairment of assets		
Diminution in value of investment	-	5.00
Impairment on trade receivables	322.61	-
Impairment on other assets	-	107.43
	322.61	112.43
32 Other expenses		
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
	302.18	334.26
*Auditors' Remuneration		
Audit Fee	3.00	1.70
Tax Audit Fee	1.25	0.60
Other Services/Certification fee	1.50	-
	5.75	2.30



	For the year ended 31 March 2020	For the year ended 31 March 2019
33 Tax expense		
(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)
	1,610.86	761.23

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)	-
	1,610.86	761.23
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)	10,887.71	4,919.97

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
Total revenue from contracts with customers	6,643.29	2,869.53
Revenue by time		
Revenue recognised at point in time	6,084.57	2,169.90
Revenue recognised over time	558.72	699.63
Total revenue from contracts with customers	6,643.29	2,869.53



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	-	-
Revenue from contracts with customers	6,643.29	2,869.53

*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	-
Closing	191.23	-

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
Closing	89.09	71.46

G Reconciliations of advance from customer

Opening	-	-
Amount billed for the year	-	-
Additions during the year	0.56	-
Closing	0.56	-

H Remaining performance obligations

Amount of remaining performance obligations (unsatisfied or partially unsatisfied)	9,364.00	9,357.00
--	-----------------	-----------------

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
Assets		
Trade receivables	1,753.72	2,290.29
Contract assets		
Cost of fulfillment carried forward*	191.23	-
Contract liability		
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.



Notes forming part of 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 PFC Consulting Limited
Associate Companies	Dinchar 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 Pirozabad 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) Bhind 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)**** 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 Dinchar 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
(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	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	-	-
(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			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	-

c) Outstanding balances w.r.t. associates are as under

Receivable from associates/(Payable to associates)

	31 March 2020	31 March 2019
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
Bhindguma 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.



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
Lakadia Banaskantha Transco Ltd	-	5.00
UDUPI Kasargode Transmission Ltd	-	5.00



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 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
	Total PBO at the End of year	5.49	3.23

(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	Included in profit or loss:	-	-	-	-	-	-
(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	Remeasurement loss (gain):	-	-	-	-	-	-
	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	-	-	-	-	-	-
	Total amount recognised in profit or loss (B+C)	4.64	1.30	-	-	4.64	1.30
D	Other	-	-	-	-	-	-
E	Benefits paid	(2.38)	(0.38)	-	-	(2.38)	(0.38)
	Closing balance (A+B+C+D+E)	5.49	3.23	-	-	5.49	3.23

(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 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 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
	Total PBO at the End of year	6.05	3.27

(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	Included in profit or loss:						
(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	Remeasurement loss (gain):						
	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	-	-	-	-	-	-
	Total amount recognised in profit or loss (B+C)	4.02	1.06	-	-	4.02	1.06
D	Other	-	-	-	-	-	-
E	Benefits paid	-1.24	-	-	-	-1.24	-
	Closing balance (A+B+C+D+E)	6.05	3.27	-	-	6.05	3.27

(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
Financial assets		
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
Total	24,379.78	27,104.06
Financial liabilities		
Borrowings	500.00	-
Other financial liabilities	14,021.57	15,414.38
Total	14,521.57	15,414.38

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
Total fair value of investments	8,542.13	9,633.27

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 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
JKPDD-UDAY	498.14	97.46	400.68
JKPDD-PMA	477.92	91.77	386.15
JKPDD-PIA	708.08	133.39	574.69
	1,684.13	322.61	1,361.52

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
Dinchang 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 Dinchang 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 Dinchang Transmission Limited was given No Objection by MoP for 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 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 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 RI-Q 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. Ajcet Kumar Agarwal	Director	27 December 2008	upto 05 March 2019
3	Sh. Ajcet Kumar Agarwal	Chairman & Director	from 06 March 2019	
4	Sh. Sanjeev Kumar Gupta	Director	26 October 2015	
	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).



- 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 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 (L.OI) 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:

	As at 31 March 2020	As at 31 March 2019
I. Contingent Liabilities not provided for		
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	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 Limb 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.



- 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 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

MRN:000741C

(Rajiv 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

(Sh. Rameshwar Prasad Vaishnav)

Director

DIN No.: 01868883

Form AOC-1

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

Statement containing salient features of the financial 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	Dinchang 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 XXI (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, 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

FRN: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 Vaishnav)

Director

DIN No.: 01868883

Place: New Delhi

Date: 18-06-2020