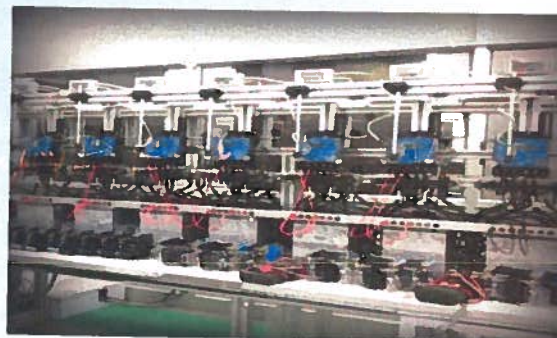


REC Power Distribution Company Limited

(A Wholly Owned Subsidiary of REC)

**11th Annual Report
2017-18**



OBJECTIVES AND FINANCIAL HIGHLIGHTS

ABOUT US:

REC Power Distribution Company Limited (RECPDCL) is a wholly owned subsidiary of Rural Electrification Corporation Limited (REC), a 'Navratna' CPSE under the Ministry of Power, was incorporated with specific focus on developing and investing in electricity distribution and its related activities.

OBJECTIVES:

- To Promote, develop, construct, own, operate, distribute and maintain 66 KV and below voltage class electrification/distribution electric supply lines/Distribution System.
- To Promote, Develop, Construct, Own and Manage Decentralized Distributed Generation (DDG) and Associated Distribution System.
- Consultancy/Execution of works in the above areas for other agencies/government bodies in India and abroad.

Date of Commencement of Business: July 31, 2007

FINANCIAL HIGHLIGHTS -

(₹ in lakh except EPS)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Shareholders' Fund (at the end of the year)									
Equity Share Capital	5	5	5	5	5	5	5	5	5
Reserves & Surplus	18002	15,779	11745	9435	6018	2747	1608	790	412
Net Worth	18007	15,784	11750	9440	6023	2752	1613	795	417
Financial Results									
Total Revenue from operations	20703	19,158	15154	8776	7516	3061	2328	2045	1002
Profit Before Tax	5764	6,067	5544	5252	5018	1598	1286	617	157
Profit After Tax	3680	4,033	3617	3477	3301	1081	867	404	103
Earnings Per Share (In ₹)	7360	8,066	7233	6955	6601	2162	1734	808	207

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CORPORATE INFORMATION

BOARD DIRECTORS	OF	Dr. P.V. Ramesh, Non-Executive Director & Chairman
		Shri Ajeet Kumar Agarwal Non-Executive Director
		Shri Sanjeev Kumar Gupta, Non-Executive Director
		Shri Sanjiv Garg, Non-Executive Director
CHIEF EXECUTIVE OFFICER		Ms. Debjani Chakrabarti IAS, Chief Executive Officer (CEO)
KEY OFFICIALS		Shri T.S.C. Bosh, Joint Chief Executive Officer (Jt. CEO)
		Shri R.P. Vaishnaw, Chief Financial Officer (CFO)
		Shri Bhupender Gupta, Additional CEO
		Shri Ajay Kumar Gupta, Chief Technical Officer (CTO)
		Shri M.L. Kumawat, Company Secretary (CS)
		Shri Ajay Kumar Gupta, Chief Technical Officer (CTO)
		Shri L.B. Nautiyal, Deputy General Manager (DGM Tech.)
REGISTERED OFFICE		Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003.
		Tel. No.: 011-24369690
		Fax No.: 011-24365815
		E-mail: co.delhi@recpdcl.in
		Website : www.recpdcl.in
CORPORATE OFFICE		4 th Floor, KRIBHCO Bhawan Sector-1, Noida, Gautam Budha Nagar-201301 (UP) 201301.
		Tel. No.: 120-4383783
		Fax No.: 120-4383768
		E-mail: co.delhi@recpdcl.in
		Website: www.recpdcl.in
CORPORATE IDENTIFICATION NUMBER (CIN)		U40101DL2007GOI165779
HOLDING COMPANY		Rural Electrification Corporation Limited (CIN : L40101DL1969GOI005095)
STATUTORY AUDITORS		M/s ASAP & Associates, Chartered Accountants, (Firm Registration No. 005713N) 1, Temple Complex, Shiv Mandir, Tilak Bridge New Delhi-110001
INTERNAL AUDITORS		M/s UCC & Associate & Co., Chartered Accountants, (Firm Registration No. 010585N/N500017) 1315, Ansal Tower, 38, Nehru Place New Delhi-110019
BANKERS		State Bank of India
		Vijaya Bank
		The Jammu & Kashmir Bank
		Indusind Bank
		HDFC Bank
		ICICI Bank
		IDFC Bank

BOARD OF DIRECTORS

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



(Shri Ajeet Kumar Agarwal)
Non-Executive Director



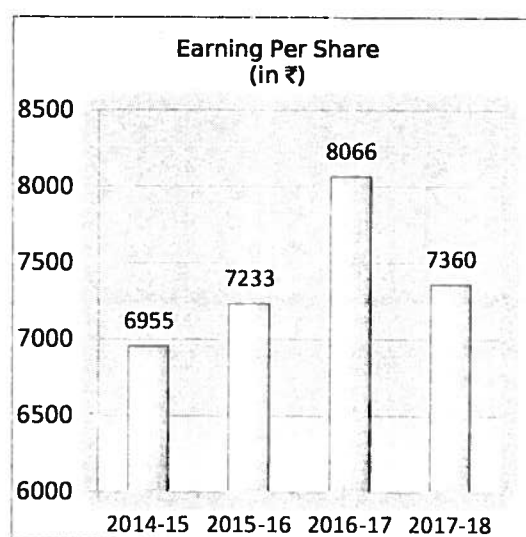
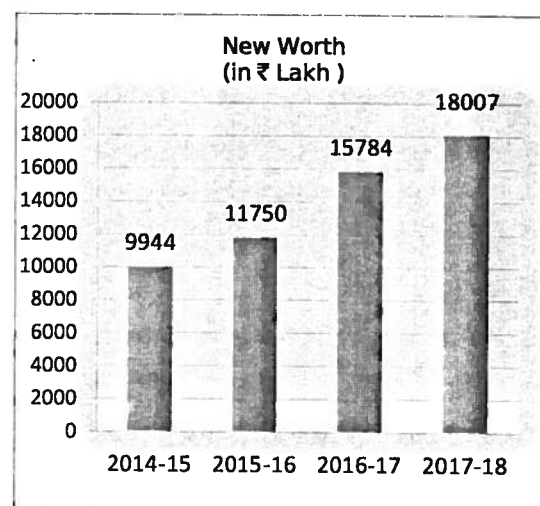
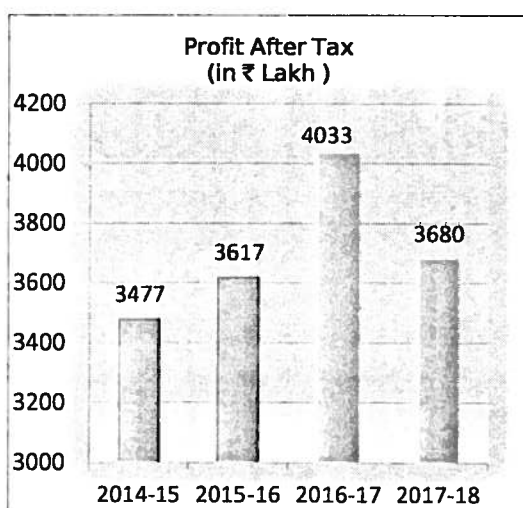
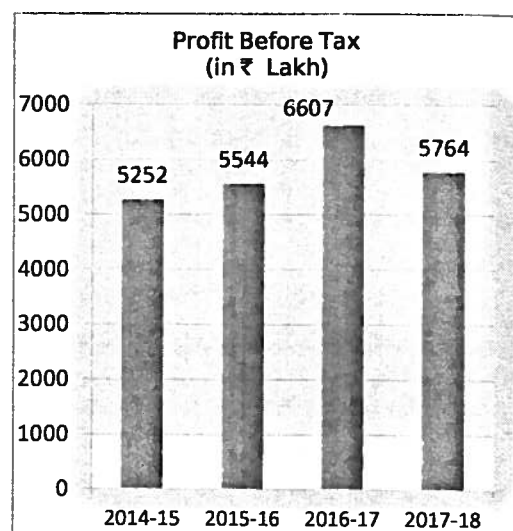
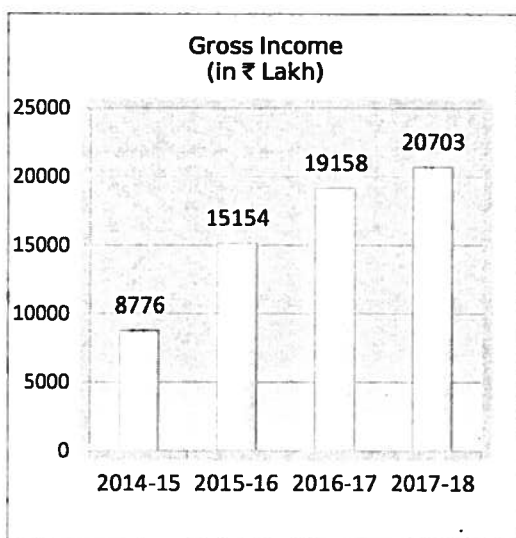
(Shri Sanjeev Kumar Gupta)
Non-Executive Director



(Shri Sanjiv Garg)
Non-Executive Director



(Ms. Debjani Chakrabarti)
Chief Executive Officer



CHAIRMAN'S LETTER TO SHAREHOLDERS

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

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

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

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

Financial Performance

During the financial year 2017-18, your Company has achieved a total revenue of ₹207.03 crore against previous year revenue of ₹191.57 crore and the Profit After Tax of ₹36.80 crore against the previous year Profit After Tax of ₹40.33 crore.

As on March 31, 2018, the Net Worth of the Company has increased by 14.08% to ₹180.07 crore as compared to ₹157.84 in the previous year. Earnings per Share (EPS) for the financial year ended March 31, 2018 is ₹7,360.49 of ₹10/- each as against ₹8,066.36 in the previous year.

The Board of Directors of RECPDCL has recommended a dividend of ₹2,210/- (Rupees Two thousand two hundred and ten) per equity share (on the face value of ₹10/-each) representing 30% of the Paid up Share Capital of the Company for the financial year 2017-18, subject to the approval of Shareholders of the company in the 11th Annual General Meeting, as against ₹2421/- (Rupees Two thousand four hundred and twenty one) per share for the financial year 2016-17. The dividend pay-out for the financial year 2017-18 will amount to ₹1105 Lakh (excluding dividend distribution tax).

Corporate Governance

As a good corporate entity, your Company is managing the business in an ethical and responsible manner. Your company is in compliance with Companies Act, 2013 and DPE Guidelines on Corporate Governance, 2010 to the extent possible. Accordingly, your Company complied with the provisions of Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, which are applicable to the Company, issued by Department of Public Enterprises. Your Company has been submitting "Report on Corporate Governance" as required by guidelines on Corporate Governance for CPSEs, 2010 issued by DPE, on quarterly and annual basis. Further, as per Clause 8.2 of Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by DPE, the Certificate for compliance of conditions of Corporate Governance for the financial year ended March 31, 2018, obtained from Pranav Kumar & Associates, Practicing Company Secretaries, is annexed to this Report.

The Company is not required to appoint Independent Directors nor constitute Audit Committee as it is exempted vide Notification dated July 5, 2018 read with July 13, 2018 however the Company has voluntarily constituted the Audit Committee as a responsible Corporate Entity.

Corporate Social Responsibility

As a socially responsible corporate entity, RECPDCL has endeavored to serve the Society at large with the intention to make contribution to inclusive growth and integrated development in society through education, capacity building measures, empowerment of the marginalized and underprivileged sections/communities.

During the financial year 2017-18, CSR financial assistance amounting to Rs. 1,09,02,250/- was sanctioned against four projects relating to Water and Sanitation facilities, health to the communities, promoting sports, support to "War widows and their dependents" against CSR expenditure budget of ₹1,25,09,087/- (including an unspent amount of ₹12,09,087/-). The

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total amount disbursed towards CSR activities was Rs. 58,61,250/-, as per details appearing in the "Annual Report on CSR Activities" forming part of this Annual Report.

MoU Rating, Awards & Accolades

The performance of your Company in terms of MoU signed with the holding company i.e. Rural Electrification Corporation Limited for the financial year 2016-17 has been rated as "Excellent" for the 7th consecutive year by the Department of Public Enterprises (DPE), Government of India. For the financial year 2017-18 also the performance of the Company is poised to receive "Excellent" rating.

During the year under review, your Company was accorded "International Leadership Innovation Excellence Award" and 'SKOCH BSE Award 2017'. Further, during the year, officials of your Company have also been recognized for their outstanding contribution and conferred with various awards at different platforms.

The Path Ahead

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

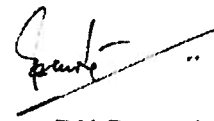
The Government has undertaken a slew of reforms such as emphasis on village and household electrification, promotion of renewable sources of energy, specific measures for grid stability and scheduling, establishment of green corridors, operational and financial turnaround of DISCOMs through UDAY, specific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

ACKNOWLEDGEMENTS

I take this opportunity to express my sincere gratitude to the Hon'ble Minister of State (Independent Charge) for Power and New & Renewable Energy and Officials of the Ministry of Power, for their support and guidance to the Company. I am also grateful to the State Governments, Power Utilities, Vendors, Customers and Business Associates, for reposing their trust in the Company. Further, I record my deep appreciation for the cooperation extended by the holding company REC, the C&AG of India, the Auditors, Bankers and other professionals associated with the Company.

Last but not the least, I would like to thank my colleagues on the Board and all staff members, for their unstinting support. With the continued support and goodwill of all stakeholders, I am confident that RECPDCL will grow from strength to strength and scale new height in the times ahead.

With warm wishes,



Date: September 17, 2018

**(P V Ramesh)
Chairman**

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REC Power Distribution Company Limited
Regd. Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003
CIN: U40101DL2007GOI165779
Tel.: +91 11 43091506 Fax: +91 11 24365815
Email: co.delhi@recpdcl.in Website: www.recpdcl.in

NOTICE

Notice is hereby given that the Eleventh (11th) Annual General Meeting (AGM) of REC Power Distribution Company Limited ("RECPDCL" or "the Company") (CIN:U40101DL2007GOI165779) will be held on Monday, 17th September, 2018 at 2:30 P.M at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India to transact the following businesses:-

ORDINARY BUSINESS

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

**By order of the Board of Directors
For REC Power Distribution Company Limited**



**(M.L. Kumawat)
Company Secretary
ACS-011673**

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

Date : September 17, 2018

NOTES:-

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll, if any, instead of himself/herself and such proxy need not be a Member of the Company. The proxy form duly completed and signed must be received at the Registered Office of the Company, not less than forty eight (48) hours before the commencement of the AGM. Blank proxy form and route map of the venue of the Meeting is attached and also available on the Company's website i.e. www.recpdcl.in
2. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of Special Business, as set out above is annexed hereto.
4. The Dividend @ of ₹2,210/- per equity share, as recommended by the Board of Directors in its Meeting held on May 16, 2018, subject to the provisions of Section 123 of the Companies Act, 2013, if approved by the Members at this Annual General Meeting, will be paid to the Member i.e. Rural Electrification Corporation Limited as per the provisions of the Companies Act, 2013.
5. Corporate Members are requested to send/attach a duly certified copy of the Board Resolution/Authority Letter authorizing their representative to attend and vote on their behalf at the Annual General Meeting, along with the Proxy Form/Attendance Slip.
6. Pursuant to Section 139(5) of the Companies Act, 2013, the Auditors of a Government Company are appointed/re-appointed by the Comptroller and Auditor General (C&AG) of India and in terms of Section 142 of the Companies Act, 2013, their remuneration shall be fixed by the company in a General Meeting or in such manner as the company in a General Meeting may determine.
7. In the 10th Annual General Meeting (AGM) of the Company held on September 19, 2017, the Board of Directors were authorized by the Shareholders in pursuance of Section 142 read with Section 139(5) of the Companies Act, 2013 to fix and approve the remuneration of Statutory Auditors of the Company for the financial year 2017-18. Accordingly, the Board of Directors in its Meeting held on November 16, 2017 approved the payment of remuneration of ₹1,50,000/- (Rupees One Lakh Fifty Thousand only) plus service tax as applicable inclusive of local travel expenses and other incidental out of pocket expenses to the Statutory Auditors, M/s ASAP & Associates, Chartered Accountants, for the financial year 2017-18.
8. Further, pursuant to Section 139(5) of the Companies Act, 2013, M/s AKG & Associates, Chartered Accountants, New Delhi has been appointed as Statutory Auditors of the Company for the financial year 2018-19 by the C&AG of India. Therefore, it is proposed to obtain approval of the Members of the Company in Annual General Meeting to fix the remuneration of Auditors for the financial year 2018-19, on similar lines as done for the last financial year. Accordingly, the Members

are requested to authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company, as it deems fit, for the financial year 2018-19.

9. Members desirous of getting any information on any item(s) of business of this meeting are requested to address their queries to the Company Secretary at the Registered Office of the Company at least five days prior to the date of the Annual General Meeting, so that the information required can be made available at the time of the meeting.

10. The Register of Directors and Key Managerial Personnel (KMP) and their Shareholding maintained under Section 170 of the Companies Act, 2013, Register of contracts and arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection by the Members at the Registered Office of the Company on all working days during business hours and at the time of AGM of the Company at the venue of the Meeting.

11. The entire Annual Report is also available on the Company's website i.e. www.recpdcl.in

BRIEF RESUME OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE 11TH ANNUAL GENERAL MEETING.

Name	Ajeet Kumar Agarwal (DIN 02231613)
Date of Birth	May 30, 1960 (Age: 58 years)
Date of Appointment	August 14, 2017
Qualifications	B.Com (Hons.) and Chartered Accountant
Expertise in specific Functional area	Shri Ajeet Kumar Agarwal is Director (Finance) on the Board of REC since August 1, 2012. He has done B.Com (Hons.) from Shri Ram College of Commerce, University of Delhi. He is also a Fellow Member of the Institute of Chartered Accountants of India. Shri Agarwal has 35 years experience in Public Sector Undertakings. He is responsible for formulating financial strategies and plans to enable REC in achieving its vision. He provides directions with respect to Financial Management and Operations of the organization encompassing organizational and financial planning, formulation of financial policy, financial accounting, management control systems, cash and funds management, tax planning, mobilization and management of resources, liaison with financial institutions and capital market players. He also supervises treasury functions, lending operations and advises on corporate risk management matters. He is Nominee Director on the Board of both wholly owned subsidiary companies of REC i.e.

	REC Transmission Projects Company Limited & REC Power Distribution Company Limited and since August 22, 2012, he is also Nominee Director on the Board of Indian Energy Exchange Limited (IEX), a listed company.
Directorship held in other Companies	<ul style="list-style-type: none"> • Rural Electrification Corporation Limited. • REC Transmission Company Limited. • Indian Energy Exchange Limited
Number of Meetings attended by him during the year	During the Financial Year 2017-18, he has attended all Meetings of Board held during his tenure.
Number of equity shares held in the Company	One Equity Share as Nominee REC
Remuneration paid	Being Non-Executive Director on the Board of the Company, nominated by the holding company; therefore, he is not entitled to any remuneration from the Company.
Relationship with other Directors and Other Key Managerial Personnel	He has no inter-se relationship with any other Director, Manager and other Key Managerial Personnel of the Company.

BOARD'S REPORT 2017-18

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To
The Shareholders,

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

1. PERFORMANCE HIGHLIGHTS

1.1 The summary of audited financial results of the Company for the financial year ended March 31, 2017 is as under with comparative position of previous year's performance:

(₹ in crore)		
Financial Parameters	FY 2017-18	FY 2016-17
Revenue from Operations	201.94	182.68
Other Income	5.09	8.89
Total Revenue	207.03	191.57
Total Expenses	149.39	130.90
Profit before Tax	57.64	60.67
Provisions for Taxation	20.83	20.34
Profit after Tax	36.80	40.33
Reserve & Surplus	180.02	157.79
Net Worth	180.07	157.84

1.2. Financial Performance

During the financial year 2017-18, your Company has achieved a total revenue of ₹207.03 crore against previous year revenue of ₹191.57 crore and the Profit After Tax of ₹36.80 crore against the previous year Profit After Tax of ₹40.33 crore.

As on March 31, 2018, the Net Worth of your Company has increased by 14.08% to ₹180.07 crore as compared to ₹157.84 crore in the previous year. Earnings per Share (EPS) for the financial year ended March 31, 2018 is ₹7,360.49 of ₹10/- each as against ₹ 8,066.36 in the previous year.

1.3. Share Capital:

The Authorized Share Capital of ₹2,000 Lakh divided into 2,00,00,000 equity shares of ₹10/- each and the Paid up Share Capital of the Company as on March 31, 2018 of ₹5 Lakh divided into 50,000 equity shares of ₹10/- each, is held by holding Company Rural Electrification Corporation Limited (REC) a Government of India Enterprise and its nominees.

1.4. Dividend

The Board of Directors of RECPDCL have recommended a dividend of ₹2,210/- (Rupees Two thousand two hundred and ten) per equity share (on the face value of ₹10/- each) representing 30% of the Paid up Share Capital of the Company for the financial year 2017-18, subject to the approval of Shareholders of the company in the 11th Annual General Meeting. The dividend pay-out for the financial year 2017-18 will amount to ₹ 1105 Lakh (excluding dividend distribution tax).

2. REVIEW OF OPERATIONS

During the financial year 2017-18, the performance of RECPDCL has been consistent in its core business viz. Preparation of Detailed Project Reports (DPR), Third Party Inspection (TPI), Material Inspection & Project Management Consultancy (PMC) and Project Management Agency/Project Management Consultant under DDUGJY and IPDS. At the end of the financial year 2017-18, RECPDCL has been working on about 80 on-going projects with project cost of ₹83,237 crore and expected consultancy fee of ₹1,032 crore, pertaining to DISCOMs/RE Cooperative Societies and other agencies/ Government bodies, spread in 27 States and 4 Union Territories. The major assignments/on-going projects undertaken by RECPDCL during the financial year 2017-18 includes:-

(i) Project Management Agency/Project Management Consultant under DDUGJY and IPDS.

Your Company is engaged for Project Management Agency (PMA)/Project Management Consultant (PMC) under the scheme DDUGJY and IPDS for the 25 DISCOMs, 5 Co-Operative Societies, in 16 States.

(ii) Electrification of off grid villages in Arunachal Pradesh.

Your Company has achieved the target of electrification of Off-grid villages in Arunachal Pradesh as set by the Ministry of Power, Govt. of India under its flagship programme DDUGJY by installing 2046 Nos. of 300Wp Solar Home Power Packs in 498 villages. Further, Intensive electrification of these villages is under progress.

(iii) PMC & AMC work of EESL LED street light project in Chandigarh, Chhattisgarh Punjab and Jharkhand and AMC work of EESL LED street light project in Rajasthan & Tripura.

Your Company has been working as PMC (Project Management Consultancy) & AMC (Annual Maintenance Contract) Service provider for M/s Energy Efficiency Services Limited Light Emitting Diode (EESL-LED) Street Light Project in Six (6) States, namely, Rajasthan, Chhattisgarh, Jharkhand, Punjab, Chandigarh & Tripura. PMC/AMC services are at Chhattisgarh, Jharkhand, Punjab, Chandigarh and AMC Services are at Rajasthan, Tripura. Weekly/Fortnightly reports are being submitted to EESL for PMC/AMC Services.

(iv) Preparation of DPRs under 24x7 Power for All (PFA) in Four (4) DISCOMs of Uttar Pradesh.

Your Company was awarded the work of Survey and Preparation of DPR under "24X7 Power for All scheme" in 4 DISCOMs (DVVNL, PuVVNL, PVVNL & MVVNL) of Uttar Pradesh covering all 75 districts. Your Company has successfully completed the survey work with the help of empanelled agencies and through agencies engaged through open tendering and submitted the DPRs of all 75 districts to respective DISCOMs.

(v) Project Management Agency for Power Management Software, Haryana.

Your Company was awarded the work of designing of Power Management Software tools in financial year 2016-17 for Haryana Power Purchase Center and to provide Operation Support for a period of next 3 years after Go-Live of software. During the financial year

2017-18, all the modules of the Power Management Software has been commissioned and has been declared Go-live and the operational support period has commenced from April' 2018. The software is being used by Haryana Power Purchase center for Load forecasting.

(vi) PIA & PMA works in Jammu & Kashmir State under PMDP, DDUGJY and IPDS/R-APDRP.

Your Company was assigned various works under Government of India schemes viz. Prime Minister Development Package (PMDP) for J&K State, Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme (IPDS)/R-APDRP as Project Implementing Agency (PIA) and Project Management Agency (PMA) by the Government of Jammu and Kashmir .

Your Company has already been floated tenders for PIA works and are under advance stages of evaluation. Further, team has been deployed for monitoring of the works for implementation of various projects wherein RECPDCL has been appointed as PMA in Jammu & Srinagar.

(vii) Project Implementing Agency for Smart Grid Pilot Project in Chandigarh

Your Company has successfully completed the bid management for award of contract for Turnkey Execution of Advanced Metering Infrastructure (AMI) and Supervisory Control and Data Acquisition System (SCADA) for Chandigarh Electricity Department (CED). The approval of CED is awaited to issue Letter of award to the respective shortlisted agencies.

(viii) PMA works for turnkey execution of deposit work 66kV line for Chandigarh Electricity Department.

Your Company was awarded the work of Turnkey Execution of providing 66kV Transmission line with underground cable in RCC Cable trench/direct in ground at Chandigarh by Chandigarh Electricity Department (CED). Accordingly, an agency has already been selected in respect of work relating to cable laying, 66 kV Bay erection, HDPE pipe-laying.

(ix) Management & Technical Consultancy Services for all 5 Discoms of Uttar Pradesh – SARTHI.

Your Company has been awarded the work of providing Management & Technical Consultancy Services under the project name SARTHI for all 5 DISCOMs of Uttar Pradesh by UPPCL for a period of 2 years with total project cost of ₹ 31 crore. Further, your Company is responsible for conducting Energy Audit of all feeders of UPPCL on monthly basis for identifying High loss areas, Feeder Wise Analysis for Key Commercial Parameters on monthly basis, Management of IT Infrastructure & development of Customized IT Application for UPPCL and its Discoms, Identify areas of Application of IT for increasing Consumer Centric Services and Capacity Building of officials of UPPCL.

(x) Preparation of Cost Data Book and Asset verification of Capex of 2 DISCOMs (BRPL & BYPL) for Delhi Electricity Regulatory Commission.

Your Company has been awarded the work for preparation of Cost Data Book for DERC for 3 consecutive financial years starting from the financial year 2017-18, which is successfully completed and submitted to DERC.

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Further, your Company has been appointed as Consultant for Review of Capitalization of assets for DISCOMs (BRPL and BYPL) in NCT of Delhi for the financial years from 2004-05 to 2015-16 and after completion of verification work of the financial year 2004-05 & 2005-06, reports has been submitted to DERC.

(xi) Solar Projects under implementation.

Your Company has been working as PMA/PMC for the following Solar Power Projects:

- Electrification of 54 Un-Electrified Off Grid villages through installation of 10,054 Nos. of 200 Wp Solar Standalone Home lighting systems and 145 Nos. of Solar Street lights in 5 districts (Kishtwar, Kupwara, Bandipore, Leh, Kargil) in the State of Jammu & Kashmir.
- Roof Top Solar PV Power Plant had been Installed & commissioned and handed over to Rashtrapati Bhavan in 2016-17. You Company is responsible for maintenance of this project till January 1, 2022.
- Setting up of Rooftop Solar PV Plant with battery backup at 16 Residential Schools owned by ST & SC Development Department of Govt. of Odisha in 9 backward districts of Odisha under REC's 'Sustainable Development (SD) initiatives'. Further, Rooftop Solar PV Plant in these district had been installed & commissioned and handover to respective school authorities in 2016-17. You Company is responsible for maintenance of this project till September 22, 2021.

2.2 New Initiatives & Assignments ahead

During the financial year, your Company has also undertaken new assignments as mentioned below:-

- (i) Survey and Detailed Project Report (DPR) preparation of Power for All 24X7 Scheme under four DISCOMs (i.e. MVVNL, DVVNL, PuVVNL and PVVNL) of Uttar Pradesh;
- (ii) Project Management Consultancy (PMC) to provide services for implementation of Jharkhand Sampurna Bijli Achchadan Yojna (JSBAY) for Package -1 & Package-3;
- (iii) Appointment of Project Management Agency (PMA) services for electrification of 42 nos. of UE villages on Solar Standalone System under DDG Scheme in Meghalaya through Project Implementing Agency MNREDA;
- (iv) Appointment of consultant for Review of Capitalization of Assets for DISCOMs in NCT of Delhi for DERC;
- (v) Project Implementation Agency for System Strengthening under PMDP Scheme in Jammu and Kashmir; and
- (vi) Appointment of Bid Processing Consultant (BPC) & Third Party Engineers (TPE) to assist KSEBL in implementing the 9 packages for transmission project named "TransGrid 2.0" in the state of Kerala.

Your Company is also venturing into International Market to tap the huge potential available in the International Power Sector Business. Further, your Company is already

working on a proposal for providing Services of Project Management Consultant (PMC) for Rehabilitation and Extension of Electricity to the four regional capitals in Guinea" called by EXIM Bank.

Your Company is also committed towards strengthening its portfolio of Project Implementing Agency through exploring new business opportunities for turnkey execution of Advanced Metering Infrastructure (AMI) Solution and Solar Roof Top Projects. Your company is approaching various state owned stakeholders, in this regard.

Your Company has also participated in a tender called by EESL for PIA for Installation (Retrofit), Dismantling, Testing, Commissioning, Repair and Maintenance of LED Street Lights/LED Flood Lights for a period of 7 years in 141 ULBs of Bihar and has also sent proposal for Project Management Consultancy (PMC) services and Annual Maintenance services for implementation of EESL LED Street Light Project in Uttar Pradesh.

2.3 Monitoring of Electrification work of Un-Electrified Villages.

REC, Nodal Agency to monitor the progress of electrification work of UE villages, has awarded the work relating to day to day monitoring, website maintenance & updation, to develop RE mobile application (GARV App), control room-setup, call center and quality surveillance checks during electrification of UE villages, etc. to your Company.

2.4 Information Technology Initiative.

As an Information Technology initiatives an ERP Application: HR, Finance & Material Inspection Management System (Web & Mobile) has been developed and commissioned successfully. In order to streamline the process of project management and for real time monitoring of projects across PAN India, a web application viz., Project Management Portal has been successfully commissioned. Further, considering the vulnerability of IT systems from cyber threats, we have also installed and configured Unified Threat Management system (UTM) along with high speed, secured Ethernet & corporate Wi-Fi Network Services. A network attached storage (NAS), a centralized repository has also been installed to prevent any loss of critical data and to promote information collaboration viz., Knowledge transfer. Further, as a technology upgradation, Interactive boards & panels along with central controlled equipment (CPU) has also been successfully installed & commissioned in training room to facilitate the training programmes related to the projects.

3. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

3.1 Board of Directors

Your Company is headed by Chairman and Managing Director (CMD) of Rural Electrification Corporation Limited (holding Company of RECPDCL) as ex-officio Part-time Chairman and does not have any Executive Director on its Board. As on March 31, 2018, your Company has four (4) Directors on its Board, as detailed below:

Sl. No.	Name	Designation	DIN
1.	Dr. P V Ramesh	Non-Executive Director & Chairman	02836069
2.	Shri Ajeet Kumar Agarwal	Non-Executive Director	02231613
3.	Shri Sanjeev Kumar Gupta	Non-Executive Director	03464342
4.	Shri Sanjiv Garg	Non-Executive Director	00891755

All the Non-Executive Directors on the Board of your Company are nominated by the holding company and they are not entitled to any remuneration from the Company.

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

Further, as per the provisions of the Companies Act, 2013, Shri Ajeet Kumar Agarwal (DIN: 02231613), shall retire by rotation at the 11th Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment as Director, his brief resume is annexed to the Notice of the Annual General Meeting.

3.2 Numbers of Meetings of Board, Directors' attendance at Board Meetings and last Annual General Meeting (AGM).

The Meetings of the Board are generally held at the Registered Office of the Company and are scheduled well in advance. During the financial year 2017-18, Six (6) Meetings of Board of Directors of the Company were held on (i) April 11, 2017; (ii) May 19, 2017; (iii) August 14, 2017; (iv) September 26, 2017 (v) November 16, 2017; and (vi) February 2, 2018.

Annual General Meeting:- The last Annual General Meeting of the Company was held on September 19, 2017.

For the financial year 2017-18, the details of Directors' attendance at Board Meetings, last Annual General Meeting (AGM) and number of other Directorships held by Directors are tabled below:-

Sl. No.	Name of Director	Board Meetings			Attendance at Last AGM (held on September 19, 2017)	No. of other Directorships as on March 31, 2018
		Held during the tenure	Attended	Percentage of Attendance		
1.	Dr. P V Ramesh	6	6	100	Present	2
2.	Shri Ajeet Kumar Agarwal**	4	4	100	Present	3
3.	Shri Sanjeev Kumar Gupta	6	6	100	Present	2
4.	Shri Sanjiv Garg	6	6	100	Present	3
5.	Shri T.S.C Bosh *	3	3	100	NA	NA
6.	Shri Rajiv Sood*	3	2	100	NA	NA

** Shri. Ajeet Kumar Agarwal was appointed as Director on the Board of Company w.e.f. August 14, 2017.

* Shri T.S.C. Bosh and Shri Rajiv Sood ceased to be Directors on the Board of the Company w.e.f. August 15, 2017.

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

Report for Quarter/Annual ended	Date of submission of report
June 30, 2017	July 12, 2017
September 30, 2017	October 12, 2017
December 31, 2017	January 10, 2018
March 31, 2018	April 11, 2018
Annual Report for Financial Year 2017-18	May 01, 2018

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

3.3 Key Managerial Personnel

The provisions of the Section 203(1) of Companies Act 2013 read with the Companies Rules, 2014 relating to appointment of Key Managerial Personnel are not applicable to your Company and hence, your Company is not required to appoint any Key Managerial Personnel.

However, for operational convenience and managing day to day affairs, holding company of your Company has deployed the following officials on part-time/full-time basis, as on date:

Sl. No.	Name	Designation
1.	Ms. Debjani Chakrabarti, IAS	Chief Executive Officer (CEO)
2.	Shri T.S.C. Bosh	Joint Chief Executive Officer (CEO)
3.	Shri Bhupender Gupta	Additional CEO
4.	Shri R.P. Vaishnaw	Chief Financial Officer (CFO)
5.	Shri M.L. Kumawat	Company Secretary
6.	Shri Ajay Kumar Gupta	Chief Technical Officer (CTO)
7.	Shri L.B. Nautiyal	Deputy General Manager (DGM Tech.)

4. GENERAL BODY MEETINGS

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

Meeting No.	Financial Year	Date	Time	Venue	Whether any Special Resolution passed
8 th	2014-15	September 10, 2015	4.00 P.M	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003	Yes
9 th	2015-16	September 19, 2016	3.00 P.M		No
10 th	2016-17	September 19, 2017	5.00 P.M		No

During the Financial year 2017-18, one Extraordinary General Meeting was held on February 16, 2018. Further, no resolution was passed by Postal Ballot during the year.

General Shareholder Information

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

Day and Date	Time	Venue
Monday, September 17, 2018	2:30 P.M	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003

5. HUMAN RESOURCES, TRAINING & DEVELOPMENT

RECPDCL is not having any manpower on its own roll except some experienced professionals on fixed tenure basis to render value added consultancy services in power sector across the country with the highest quality standards to its valued clients. Further, the Company has also engaged Engineering Graduates and other professionals on contract basis through manpower agencies for implementation of various projects across the country, as detailed below:

Sl. No.	Particulars	No. of Employees	
		FY 2017-18	FY 2016-17
1	Regular Employees deployed by REC on secondment basis	23	23
2	Employee on Fixed Tenure & Contract basis	44	31
3	Outsourced staff on Contract basis through Manpower Agencies	1037	1027
	Total	1104	1081

Further, for operational convenience and managing day to day affairs, holding company of your Company has also deployed various officials on part-time/full time basis, who are having rich and varied experience in the respective fields.

In order to enhance the innovation quotient among the workforce of the Company and gain knowledge to ensure compliances and awareness, your Company has conducted in-house training programme on regular basis for newly recruited, own and contract employees. Further, the Company also sponsored its workforce for attending various professional training programs/workshop.

6. MoU RATING, AWARDS & ACCOLADES

The performance of your Company in terms of MoU signed with the holding company i.e. Rural Electrification Corporation Limited for the financial year 2016-17 has been rated as "Excellent" for the 7th consecutive year by the Department of Public Enterprises (DPE), Government of India. For the financial year 2017-18 also the performance of the Company is poised to receive "Excellent" rating.

During the year under review, your Company was accorded "International Leadership Innovation Excellence Award" and 'SKOCH BSE Award 2017'. Further, during the year, officials of your Company have also been recognized for their outstanding contribution and conferred with various awards at different platforms.

7. DIRECTORS' RESPONSIBILITY STATEMENT U/S 134(5).

With reference to Section 134(5) of the Companies Act, 2013, it is confirmed that:

- in the preparation of the annual accounts for the period ended March 31, 2018, the applicable Accounting Standards have been followed and no material departures have been made from the same;

- b) such accounting policies have been selected and applied consistently (except for changes in Accounting Policies as disclosed in the Notes to Accounts to the Financial Statements) and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit and loss of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

8. RIGHT TO INFORMATION ACT, 2005.

During the financial year 2017-18, 4 (four) applications had been received under "Right to Information Act, 2005 (RTI)", wanting the information in respect of following:

- (i) for full & final settlement payment of flexi staff and
- (ii) related to recruitment scheme, which has been duly provided.

9. REPORTING UNDER PUBLIC PROCUREMENT POLICY FOR MICRO & SMALL ENTERPRISES (MSES) ORDER, 2012.

Being a wholly owned subsidiary Company of REC, your Company is following the procurement guidelines of the holding company. The procurement guidelines are also available on REC's website at the link: http://recindia.nic.in/images/pdf-files/Public_Procurement_Policy.pdf. The details of transactions under Micro, Small and Medium Enterprises Development Act, 2006 is given in Note No. 28.2 of Notes to Accounts.

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

During the financial year 2017-18, there was no complaint received of sexual harassment in the Company with the provisions of 'Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013'. The Committee is headed by a senior woman official of the company and includes a representative from an NGO as one of its members. During the Financial Year 2017-18, no complaints were received by the Committee.

11. EXTRACT OF ANNUAL RETURN

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

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES.

The particulars of contract(s) or arrangement(s) entered into by the Company with related parties as per the provisions of the Companies Act, 2013 are disclosed in Form AOC-2, annexed to this Report.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

There are no significant particulars relating to conservation of energy, technology absorption under the Companies (Accounts) Rules, 2014, as the Company does not own any manufacturing facility. However, for saving electricity consumption, the company has installed LED lights in its corporate office premises. No earnings or outgo in foreign exchange was made during the financial year 2017-18.

14. COMMITTEE OF BOARD OF DIRECTORS.

The Board functions either as full Board or through various Committees constituted to oversee specific operational areas. Each Committee of the Board is guided by its terms of reference, which defines the composition, scope and powers of the Committee. The Committees meet at regular intervals and focus on specific areas and make informed decisions within the authority delegated to them. As on March 31, 2018, the Board had the following committees;

- (i) Audit Committee;
- (ii) Corporate Social Responsibility Committee;

(i) Audit Committee

As on March 31, 2018, Audit Committee of Directors of the Company comprises of following Directors as its members:

1. Shri Ajeet Kumar Agarwal, Director and Chairman of the Committee;
2. Shri Sanjeev Kumar Gupta, Director and Member of the Committee; and
3. Shri Sanjiv Garg, Director and Member of the Committee.

During the Financial Year under review the Audit Committee met three times i.e. on May 18, 2017, November 16, 2017 and February 1, 2018.

Details of directors' attendance in meetings of the Audit Committee as on March 31, 2018 are given below:

Name of the Directors*	Position in the Committee	No. of Meeting held during the tenure	No. of Meetings attended
Shri Ajeet Kumar Agarwal	Chairman (w.e.f August 14, 2017)	2	2
Shri Sanjeev Kumar Gupta	Member (w.e.f August 14, 2017)	2	2
Shri Sanjiv Garg,	Member (Chairman upto August 14, 2017 and member w.e.f August 14, 2017)	3	3
Shri T.S.C Bosh	Member	1	1

(upto August 14, 2017)	(upto August 14, 2017)		
Shri Rajiv Sood (upto August 14, 2017)	Member (upto August 14, 2017)	1	1

consequent to change in composition of the Board of Directors of the Company on account of cessation of directorship of Shri T. S. C Bosh & Shri Rajiv Sood and appointment of Shri Ajeet Kumar Agarwal as Director, the "Audit Committee" is re-constituted w.e.f. August 14, 2017 to comprise Shri Ajeet Kumar Agarwal as Chairman and Shri S.K. Gupta and Shri Sanjiv Garg as members.

MCA vide Notification dated July 13, 2017 has amended the Companies (Meetings of Board and its Powers) Rules, 2014 and inter-alia your Company being a Wholly Owned Subsidiary Company is exempted from the requirement of Audit Committee. However, as a responsible corporate entity, the Company has voluntarily constituted the Audit Committee.

(ii) Corporate Social Responsibility (CSR) Committee

As per the provisions of the Companies Act, 2013 & Rules made thereunder and DPE Guidelines on Corporate Social Responsibility and Sustainability, your company has a Corporate Social Responsibility Committee as on March 31, 2018, comprising of the following Board Members:

1. Shri Ajeet Kumar Agarwal, Chairman of the Committee;
2. Shri Sanjeev Kumar Gupta, Member of the Committee; and
3. Shri Sanjiv Garg, Member of the Committee.

During the financial Year under review the CSR Committee met three times i.e. May 19, 2017, August 14, 2017 and February 1, 2018.

Details of Directors' attendance in meetings of the CSR Committee as on March 31, 2018 are given below:

Name of the Directors	Position in the Committee	No. of Meeting held during the tenure	No. of Meetings attended
Dr. P V Ramesh	Chairman (upto August 14, 2017)	2	2
Shri Ajeet Kumar Agarwal	Chairman (w.e.f August 14, 2017)	1	1
Shri Sanjeev Kumar Gupta	Member (w.e.f August 14, 2017)	1	1
Shri Sanjiv Garg	Member (w.e.f August 14, 2017)	1	1
Shri T.S.C Bosh	Member (upto August 14, 2017)	2	2
Shri Rajiv Sood	Member (upto August 14, 2017)	2	2

* consequent to change in composition of the Board of Directors of the Company on account of cessation of directorship of Shri T. S. C Bosh & Shri Rajiv Sood and appointment of Shri Ajeet Kumar Agarwal as Director, the '**Corporate Social Responsibility (CSR) Committee**' is re-constituted w.e.f. August 14, 2017 to comprise Shri Ajeet Kumar Agarwal as Chairman and Shri S.K. Gupta and Shri Sanjiv Garg as members.

As a socially responsible corporate entity, RECPDCL has endeavored to serve the Society at large with the intention to make contribution to inclusive growth and integrated development in society through education, capacity building measures, empowerment of the marginalized and underprivileged sections/communities.

During the financial year 2017-18, CSR financial assistance amounting to Rs. 1,09,02,250/- was sanctioned against four projects relating to Water and Sanitation facilities, health to the communities, promoting sports, support to "War widows and their dependents" against CSR expenditure budget of ₹1,25,09,087/- (including an unspent amount of ₹12,09,087/-). The total amount disbursed towards CSR activities was Rs. 58,61,250/-, as per details appearing in the "Annual Report on CSR Activities" forming part of this Annual Report.

Guidelines on Corporate Social Responsibility is available at the webpage of the company as under <http://www.recpdcl.in/RECPDCL-CSR-Sustainability-Policy.pdf>.

15. AUDITORS

M/s ASAP & Associates, Chartered Accountants (Firm Regn. No. 005713N), New Delhi was appointed as Statutory Auditors of the Company for the financial year 2017-18 by the Comptroller & Auditor General of India. The Statutory Auditors have audited the Financial Statements of the Company for the Financial Year ended March 31, 2018.

16. COMMENTS OF C&AG OF INDIA

The Comptroller and Auditor General (C&AG) of India, vide letter dated June 28, 2018 has given 'Nil' Comments on the Audited Financial Statements of the Company for the year ended March 31, 2018 under Section 143 (6) (a) of the Companies Act, 2013. The Comments of C&AG for the financial year 2017-18, have been placed along with the report of Statutory Auditors of the Company elsewhere in this Annual Report.

17. STATUTORY DISCLOSURES

- a) There was no change in the nature of the business of the Company during the financial year 2017-18;
- b) The Company has not accepted any public deposits during the financial year 2017-18;
- c) No material change occurred, affecting the financial position of the Company which has occurred between the end of the financial year i.e. March, 31, 2018 and the date of this report;
- d) There were no significant and material orders, penalties or strictures imposed on the Company by any statutory authority during the last three years impacting the going concern status and Company operation in future;
- e) The Statutory Auditors have issued Report on the financial statements of the Company as on March 31, 2018 without any adverse remark/observations/qualification;

- f) In pursuance to DPE Guidelines on Corporate Governance for CPSEs, 2010, Compliance Reports were submitted to MoP/DPE within the prescribed time period from the end of quarter(s)/year;
- g) The Company ensures proper compliances of all statutory laws applicable to the Company and all returns/reports were filed within stipulated time with the concerned authorities;
- h) The Company does not have any subsidiary/Joint Venture/Associate Companies;
- i) The Company has not entered into any material, financial or commercial transaction with the Directors or the Management or their relatives or the companies and firms etc. in which they are either directly or through their relatives interested as Directors and/or Partners. However, your Company is executing the assignment received from its holding company, where Directors of your Company are working as Directors/Senior Officials;
- j) The Directors/Senior Officials of your Company, being the employees of the holding Company i.e. REC, have made the required disclosures to the Board of holding Company relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large (e.g. dealing in Company shares, commercial dealings with bodies which have shareholding of management and their relatives etc.)
- k) The Board and Senior Management of your Company monitors various risks likely to arise and reviews the various risks and initiate action for mitigation of any risk arising in the operation and other related matters of the Company;
- l) Adequate internal financial controls are exercised in the Company, keeping in view the size of operations of the Company. The Company has appointed a firm of Practicing Chartered Accountants as Internal Auditor for conducting the Internal Audit;
- m) The Company has provided loan, guarantee or investments and under Section 186 of the Companies Act, 2013. The details of investments and loans are given in Notes to Accounts to financial statements.
- n) Since the provisions of Section 197 of the Companies Act, 2013 and Rules made thereunder are not applicable to Government Companies, therefore no disclosure are being made;
- o) The Company has not issued any stock options to the Directors or any employee of the Company;
- p) The Board of the Company in its 41st Meeting held on April 7, 2014 has approved that being a wholly owned subsidiary Company of REC, the policies adopted by REC shall be applicable mutatis-mutandis on RECPDCL also. The same is adhered to by the Company;
- q) There is no expenditure debited in Books of accounts, which is not for the purpose of the business. There are no expenses incurred, which are personal in nature or incurred for the Board of Directors or Top Management; and
- r) The Company is a Wholly Owned Subsidiary of Rural Electrification Corporation Limited and accordingly Presidential Directives issued by the Central Government, if any, applicable to holding company shall apply to the Company, to the extent applicable.

- J
- 25
- s) There are no audit objections and information relating to RTI matters, etc. is duly incorporated in this report, as required vide OM dated January 24, 2018 of the Ministry of Parliament Affairs, Government of India. Further, there are no vigilance cases pertaining to RECPDCL as on March 31, 2018.
- t) In order to have better operational efficiency it was proposed to merge your Company with RECTPCL, both being Wholly Unlisted Subsidiaries of REC into one single entity. Accordingly, as per the provisions of Companies Act, 2013 and rules made thereunder and after approval of the Board of Directors, shareholders, creditors of respective companies and approval of holding company i.e. REC, an application was filed with Ministry of Corporate Affairs (MCA) on March 27, 2018 by both the subsidiary companies for sanction of scheme of arrangement for amalgamation of RECTPCL (Transferor Company) with RECPDCL (Transferee Company) and the approval of the same is awaited.

18. STATUTORY AND OTHER INFORMATION REQUIREMENTS

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

Particulars	Annexure
Extract of Annual Return	I
Particulars of Contracts or Arrangements with Related Parties	II
Annual Report on CSR Activities	III
Management Discussion and Analysis Report	IV
Certificate on Corporate Governance	V

19. ACKNOWLEDGEMENTS

The Directors are grateful to the Ministry of Power, Government of India, Ministry of Human Resource Development, State Governments, State Electricity Boards, State Power Utilities and other clients for their continued support and trust in the Company. The Directors thank Rural Electrification Corporation Limited (holding Company), M/s ASAP & Associates, Chartered Accountants, Statutory Auditors, Pranav Kumar & Associates, Company Secretaries in Practice and the Comptroller & Auditor General (C&AG) of India for their valuable contribution and dedicated efforts in steering the Company.

For and on behalf of the Board of Directors



P V Ramesh
Chairman

DIN: 02836069

Place: New Delhi

Date : September 17, 2018

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS:

(i) CIN: U40101DL2007GOI165779

(ii) Registration Date: July 12, 2007

(iii) Name of the Company

REC Power Distribution Company Limited

(iv) Category/Sub-Category of the Company

Company limited by Shares/ Wholly owned subsidiary of Rural Electrification Corporation Limited, A Government of India Enterprise

(v) Address of the Registered Office and Contact Details

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

Phone No.- 011 24369690 Fax No.- 011 243365815 E-mail: co.delhi@recpdcl.in

(vi) Whether Listed Company Yes/ No

No

(vii) Name, Address and Contact Details of Registrar and Transfer Agent, if any-

Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Management Consultancy Activities- to facilitate the power utilities in the areas of their operation specifically relating to the Power Distribution Sector.	70200	100%

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

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
	Core-4, Rural Electrification Corporation Limited SCOPE Complex, 7, Lodhi Road, New Delhi-110003	L40101DL1969GOI005095	Holding	100%	Section 2(87) of Companies Act, 2013

REC Power Distribution Company Limited

SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)											
IV		(i) Category-wise Share Holding		NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2018			% CHANGE DURING THE YEAR
Sl. No.	CATEGORY OF SHAREHOLDERS	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES		
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	
(A)	PROMOTERS										
(1)	INDIAN										
(a)	Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00	
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00	
(c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00	
(C)	Bodies Corporate	0	50000	50000	100.00	0	50000	50000	100.00	0.00	
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00	
(e)	Any other	0	0	0	0.00	0	0	0	0.00	0.00	
	Sub-Total (A) (1) :	0	50000	50000	100.00	0	50000	50000	100.00	0.00	
(2)	FOREIGN										
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00	
(b)	Other- Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00	
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00	
(e)	Any other	0	0	0	0.00	0	0	0	0.00	0.00	
	Sub-Total A(2) :	0	50000	50000	100	0	50000	50000	100	0.00	
	Total shareholding of promoter (A)=A(1)+A(2)										
(B)	PUBLIC SHAREHOLDING										
(1)	INSTITUTIONS										
(a)	Mutual Funds	0	0	0	0	0	0	0	0	0	
(b)	Financial Institutions /Banks	0	0	0	0	0	0	0	0	0	
(c)	Central Government	0	0	0	0	0	0	0	0	0	
(d)	State Government(s)	0	0	0	0	0	0	0	0	0	
(e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0	
(f)	Insurance Companies	0	0	0	0	0	0	0	0	0	
(g)	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0	
(h)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0	
(i)	Any other	0	0	0	0	0	0	0	0	0	
	Sub-Total B(1) :	0	0	0	0	0	0	0	0	0	
(2)	NON-INSTITUTIONS										
(a)	Bodies Corporate	0	0	0	0	0	0	0	0	0	
	i) Individuals	0	0	0	0	0	0	0	0	0	
	ii) Overseas Individuals	0	0	0	0	0	0	0	0	0	
(b)	(i) Individual Shareholders holding nominal share capital upto Rs.1 lakh	0	0	0	0	0	0	0	0	0	
	(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	0	
(c)	Others										
	Sub-Total B(2) :	0	0	0	0	0	0	0	0	0	
	Total Public Shareholding (B)=B(1)+B(2) :	0	0	0	0.00	0	0	0	0.00	0.00	
(C)	Shares held by custodians for GDRs & ADRs	0	0	0	0	0	0	0	0	0	
	Sub-Total C :	0	0	0	0.00	0	0	0	0.00	0.00	
	GRAND TOTAL (A+B+C) :	0	50000	50000	100.00	50000	50000	100000	100.00	0.00	

Note: 100% of the Paid-up Share Capital of the Company is held by Rural Electrification Corporation Limited (REC) and its Nominees, REC is a Government of India Enterprise under the administrative control of Ministry of Power, Government of India.

Shareholding of Promoters

Sl. No.	Shareholding of Promoters Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2017)				Shareholding at the end of the year (as on 31st March 2018)				% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	
1	Rural Electrification Corporation Limited	49994	99.988	0	49994	99.988	0	0	0	0
2	Shri Ajeet Kumar Agarwal	0	0	0	1	0.002	0	0	0	0
3	Shri Ashok Awasthi*	0	0	0	1	0.002	0	0	0	0
4	Shri Sanjiv Garg*	1	0.002	0	1	0.002	0	0	0	0
5	Shri Thangarajan Subhash Chandira Bosh*	1	0.002	0	1	0.002	0	0	0	0
6	Dr. Dinesh Arora**	1	0.002	0	0	0	0	0	0	0
7	Shri G. S. Bhati*	1	0.002	0	1	0.002	0	0	0	0
8	Shri C.P. Bhatia*	1	0.002	0	1	0.002	0	0	0	0
9	Shri Sunil Kumar*	1	0.002	0	0	0	0	0	0	0
	Total	50000	100	0.00	50000	100.000	0.00	50000	100.000	0.00

* 1 share each held as nominee of Rural Electrification Corporation Limited-Holding Company.

Note: 1) During the financial year 2017-18, 1 equity share held by Dr. Dinesh Arora was transferred to Shri Ajeet Kumar Agarwal and 1 equity share held by Shri Sunil Kumar was transferred to Shri Ashok Awasthi.

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

Sl. No.	Particulars	Shareholding at the beginning of the year (as on 1st April 2017)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the
1	At the beginning of the year (Held by Promoter and its Nominees)	50000	100	50000	100
1	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	No Change			
2	At the end of the year (or on the date of separation, if separated during the year)	50000	100	50000	100

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):				
(iv) Sl. No.	For each of the top ten Shareholders	Shareholding at the beginning of the year (as on 1st April 2017)		Cumulative shareholding during the year
		No. of Shares	% of total shares of the Company	No. of Shares % of total shares of the Company
1	At the beginning of the year (Held by Promoter and its nominees)	The entire Issued and Paid-up Share Capital of ₹ 5,00,000 divided into 50,000 equity shares of ₹ 10 each of your Company is held by the holding company Rural Electrification Corporation Limited (REC), a Government of India Enterprise and its 6 nominees.		
1	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)			
2	At the end of the year (or on the date of separation, if separated during the year)			

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year (as on 1st April 2017)		Cumulative shareholding during the year (as on 31st March 2018)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Shri Panumaka Venkata Ramesh, Chairman				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	0	0	0	0
	At the end of the year	0	0	0	0
2	Shri Ajeet Kumar Agarwal (w.e.f. August 14, 2017)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	0	0	0	0
	At the end of the year	1 Equity Share of ₹ 10/- each as Nominee of REC	0	1 Equity Share of ₹ 10/- each as Nominee of REC	0
3	Shri Sanjeev Kumar Gupta				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	0	0	0	0
	At the end of the year	0	0	0	0
4	Shri Sanjiv Garg, Director				
	At the beginning of the year	1 Equity Share of ₹ 10/- each as Nominee of REC	0	1 Equity Share of ₹ 10/- each as Nominee of REC	0
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	0	0	0	0
	At the end of the year	1 Equity Share of ₹ 10/- each as Nominee of REC	0	1 Equity Share of ₹ 10/- each as Nominee of REC	0
5	Shri T.S.C.Bosh, Director (upto August 15, 2017)				
	At the beginning of the year	1 Equity Share of ₹ 10/- each as Nominee of REC	0	1 Equity Share of ₹ 10/- each as Nominee of REC	0
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	0	0	0	0
	At the end of the year	1 Equity Share of ₹ 10/- each as Nominee of REC	0	1 Equity Share of ₹ 10/- each as Nominee of REC	0
6	Shri Rajiv Sood (Director) (upto August 15, 2017)				
	At the beginning of the year	0	0	0	0
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	0	0	0	0
	At the end of the year	0	0	0	0

Notes: Shri T.S.C. Bosh and Shri Rajiv Sood ceased to be Directors on the Board of the Company w.e.f. August 15, 2017.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year	0	0	0	0
(i) Principal Amount	0	0	0	0
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in indebtedness during the financial year	0	0	0	0
• Addition	0	0	0	0
• Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year	0	0	0	0
(i) Principal Amount	0	0	0	0
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

Note: Company has tied-up with Banks for non-fund based BG limit of Rs. 100 crore & 10 crore for fund based BG limit and as on March 31, 2018, Company has availed BGs of Rs. 35.57 crore and four charges have been created (ID 10573864, 10381249, 100105301 & 100134514) on current assets of the Company.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Whole-time Director		Name of MD/MTD/Manager					Total Amount	
Sl. No.	Particulars of Remuneration	Shri P.V. Ramesh (Chairman & Director)	Shri Ajeet Kumar Agarwal (Director) (w.e.f. August 14, 2017)	Shri Sanjeev Kumar Gupta (Director)	Shri Sanjiv Garg (Director)	Shri T.S.C. Bosh (Director) (upto August 15, 2017)	Shri Rajeev Sood (Director) (upto August 15, 2017)	Total Amount
1	Gross Salary	0	0	0	0	0	0	0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0	0	0
	(c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961	0	0	0	0	0	0	0
2	Stock Option	0	0	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0	0	0
4	Commission	0	0	0	0	0	0	0
	- as % of profit	0	0	0	0	0	0	0
	Other specify	0	0	0	0	0	0	0
5	Others, please specify	0	0	0	0	0	0	0
	Total (A)	0	0	0	0	0	0	0
B. Ceiling as per the Act								
Remuneration to other Directors:								
Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount	
3	Independent Directors							
	• Fee for attending Board Committee Meetings	0	0	0	0	0	0	0
	• Commission	0	0	0	0	0	0	0
	• Others, please specify	0	0	0	0	0	0	0
	Total (1)	0	0	0	0	0	0	0
4	Other Non-Executive Directors							
	• Fee for attending Board Committee Meetings	0	0	0	0	0	0	0
	• Commission	0	0	0	0	0	0	0
	• Others, please specify	0	0	0	0	0	0	0
	Total (1)	0	0	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0	0	0
	Total Managerial Remuneration	0	0	0	0	0	0	0
Overall Ceiling as per the Act								
C. Remuneration to Key Managerial Personnel Other than MD/Manager/ WTD:		Key Managerial Personnel					Total Amount	
Sl. No.	Particulars of Remuneration							
1	Gross Salary	0	0	0	0	0	0	0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0	0	0
	(c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961	0	0	0	0	0	0	0
2	Stock Option	0	0	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0	0	0
4	Commission	0	0	0	0	0	0	0
	- as % of profit	0	0	0	0	0	0	0
	Others, specify	0	0	0	0	0	0	0
5	Others, please specify	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0

Note: All directors (including Chairman) of the Company are appointed/nominated by the holding company as non executive directors to perform additional duty in RECPDCL and they are not entitled for any remuneration from the Company.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Sl.No	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A.	COMPANY					
	Penalty	0				
	Punishment	0				
	Compounding	0				
B.	DIRECTORS					
	Penalty	0				
	Punishment	0				
	Compounding	0				
C.	OTHER OFFICERS IN DEFAULT					
	Penalty	0				
	Punishment	0				
	Compounding	0				

Note: There were no significant and material orders, penalties or strictures imposed on the Company by any statutory authority during the last three years impacting the going concern status and Company operation in future. However, during the financial year 2014-15, upon an information filed by an informant (name not disclosed) against RECPDCL, a wholly-owned subsidiary of REC, the Competition Commission of India (CCI) had ordered an investigation against the Company. CCI disposed off the case in favor of the Company, while observing that no contravention of the provisions of Section 4 of the Competition Act, 2002 has been made out against RECPDCL & others and the matter was ordered to be closed.



P V Ramesh
Chairman
DIN: 02836069

Place: New Delhi
Date: September 17, 2018

Form No. AOC-2

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

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188.
Rural Electrification Corporation Limited(Holding Company of RECPDCL)	Day to day monitoring of UE villages.	-----	Day to day monitoring, website maintenance & updation, RE application, control room-setting, call center and quality surveillance checks during electrification of 18,452 UE villages .	Due to urgency, national importance of the assignment and excellent performance of RECPDCL in monitoring of Swachh Vidyalaya Abhiyan, the contract was awarded by REC to RECPDCL on nomination basis, since the same approach is to be used in monitoring of UE villages.	-----	NIL	N.A
Rural Electrification Corporation Limited(Holding Company of RECPDCL)	Strengthening of monitoring system for 100% household electrification access.	-----	Work relating to strengthening of monitoring system for 100% household electrification access by GVA's.	Due to urgency, national importance of the assignment and excellent performance of RECPDCL in monitoring of UE Villages, the contract was awarded by REC to RECPDCL on nomination basis, since the same approach is to be used in monitoring of electrification of household.	-----	NIL	N.A

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

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements including the transactions value, if any*	Justification for entering into such contracts or arrangements transactions	Date(s) of approval by the Board, if any	Amount paid as advance, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188.
Rural Electrification Corporation Limited (Holding Company of RECPDCL)	Apportionment of Employee Cost and administration expenses incurred on behalf of the subsidiary.	On-going transaction	Payment of employee cost and administration expenses on actual basis of Rs.5,85,10,630/- (including GST) for the Year ended March 31, 2018.	In reference to provide support to the Subsidiary Company for managing the affair of the Company.	Nil	Nil	Nil
	Office Rent Expense for these project offices: Kolkata, Mumbai, Bangalore, Hyderabad, Ranchi, Patna and Jaipur.	For the year ended as on March 31, 2018.	Office Rent of Rs. 44,82,822/- (including GST) for the year ended as on March 31, 2018.		Nil	Nil	Nil
	Income from rendering of Service	For the Year ended as on March 31, 2018	Consultancy Services of Rs.4,22,621/- (including GST) for the Year ended as on March 31, 2018.	Contract has been awarded through open tendering basis.	Nil	Nil	Nil

For and on behalf of the Board of Directors



P V Ramesh
Director
DIN:02836069

Place: New Delhi
Date: September 17, 2018

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Annexure – III for Annual Report**ANNUAL REPORT ON CSR ACTIVITIES DURING FINANCIAL YEAR 2017-18**

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

CSR & Sustainability Policy of RECPDCL has been prepared in terms of requirement of Companies Act, 2013 and Guidelines on Corporate Social Responsibility and is available at the webpage of the company at <http://www.recpdcl.in/Revised RECPDCL-CSR-Sustainability-Policy.pdf>

- 2. The Composition of the CSR Committee.**

As per the provisions of the Companies Act, 2013 & Rules made there under and DPE Guidelines on Corporate Social Responsibility and Sustainability, your company has a Corporate Social Responsibility Committee, comprising of following Directors as Members:

1. Shri Ajeet Kumar Agarwal, Director & Chairman of the Committee
2. Shri Sanjeev Kumar Gupta, Director & Member of the Committee
3. Shri Sanjiv Garg, Director & Member of the Committee

- 3. The Composition of the Sub-Committee on CSR of RECPDCL.**

The Board has constituted the sub-committee on CSR consisting of officials of the company to evaluate and appraise the CSR proposals before it is put up for recommendation/approval of CSR Committee of Directors/Board of Directors, your company has a Corporate Social Responsibility Sub-Committee, reconstituted w.e.f. February 02, 2018 comprising following Members as on March 31, 2018:

1. Shri R. P. Vaishnav, CFO
2. Shri Salil Kumar, Addl. CEO
3. Shri L.B. Nautiyal, DGM (CSR)

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

In line with Section 135 of the Companies Act, 2013, at least 2% of the average net profit of the Company during the three immediately preceding financial years shall be spent on Corporate Social Responsibility. Net Profit means profit of the Company as per its financial statement prepared and adjusted in accordance with applicable provisions of the Act. The Average net profit of the Company for the last three financial years is as under:

Financial Year	Amount in ₹
Financial Year 2014-15	55,47,49,961
Financial Year 2015-16	59,79,08,695
Financial Year 2016-17	54,18,72,444
Total	169,45,31,100
Average net profit	56,48,43,700

- 5. Prescribed CSR Expenditure (Two percentage of the amount as in item 4 above):**

2% of average net profit of the RECPDCL, for last three FY, as per Company Acts 2013 was Rs.1,12,96,874/-, which was rounded off to Rs.1,13,00,000/-.

6. Details of CSR Expenditure spent during the financial year 2017-18

a	CSR budget sanctioned for the FY 2017-18 as per Companies Act, 2013	Rs. 1,13,00,000
	Balance unsanctioned CSR fund available from FY 2016-17	Rs. 12,09,087
	Total amount of CSR budget approved by the Board to be spent for the FY 2017-18	Rs. 1,25,09,087
b	Amount sanctioned for 4 projects by the Board for FY 2017-18	Rs.1,09,02,250
b (i)	Total amount of CSR fund disbursed during FY 2017-18	Rs.58,61,250
b (ii)	Undisbursed Amount for the FY 2017-18 likely to be released during financial year 2018-19	Rs.50,41,000
c	Balance budgeted unsanctioned CSR fund available and proposed to be sanctioned along with the budget of CSR for financial year 2018-19	Rs.16,06,837

Manner in which the amount spent during the financial year is given in the **Annexure-A**


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

During the financial year 2017-18, the Company has sanctioned 4 CSR projects aggregated amount of Rs.1,09,02,250/- and disbursed CSR assistance amounting to Rs.58,61,250/- till March 31, 2018, which are linked with achievement of predefined milestones as per sanction terms & conditions and are required to be completed in the time span of 3 months to 5 years. Since implementing agencies could not achieve physical progress prescribed for this financial year, the disbursement could not be effected. The undisbursed amount commensurate with physical progress of Rs.50,41,000/- shall be achieved in subsequent years as per milestones.

8. Responsibility statement of the CSR Committee:

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


(Sanjiv Garg)
Director


(Ajeet Kumar Agarwal)
Chairman CSR Committee

Annexure-A

(1) Sl. No.	(2) CSR Project or Activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs		(7) Cumulative expenditure up to the reporting period (6A + 6B)	(8) Amount spent: Direct or through implementing agency
					Direct expenditure on projects or Programs (A)	Over heads (B)		
1	CSR assistance for setting up 3 Nos. of Solar Powered Community Water Centre for bringing safe drinking water for the villages of Bhadhohi and Allahabad districts, Uttar Pradesh.	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Kaulaour & Kaide Bhadhohi Uttar Pradesh Chhattona, Allahabad, Uttar Pradesh	49,16,000	-	-	-	Through implementing agency
2	CSR assistance for Conducting 10 Nos. of Multi Speciality Health Check up, Testing & Free Medicine Distribution Camp in 10 different villages of Uttar Pradesh		Hathras and Firozabad district of Uttar Pradesh	12,86,250	12,86,250	-	12,86,250	Through implementing agency
3	CSR assistance to Financial support to the selected families of Martyrs, who have sacrificed their lives on duty/ in-line of service, particularly in recent past in Sukma District of Chhattisgarh State, in guidance of CRPF Welfare Department	Measures for benefit of armed forces veterans, war widows and their dependents.	Sukma District of Chhattisgarh	22,00,000	22,00,000	-	22,00,000	Direct
4	CSR assistance to 'Meghalaya Energy Corporation Limited Sports and Games Association' (MSGGA), selected as an implementing agency by MeECL for construction/ execution of Indoor	training to promote rural sports, nationally recognised sports, paraolympic and Olympic sports	LumJingshai, Shilong, Meghalaya	25,00,000	23,75,000	-	23,75,000	Through implementing agency
			Total (A)	1,09,02,250	58,61,250	-	58,61,250	

Management Discussion and Analysis Report (FY 2017-18)

The management of company is pleased to present its report on industry scenario including company's performance.

1. Business Environment

The Indian power sector has passed through mainly four stages:

- Introductory Stage (Before 1956)- It involves establishment of SEBs i.e. Semiautonomous State Electricity Boards under "Electricity Supply Act (1948)"
- Nationalization Stage (1956-1991)- It involves generation & distribution of power under state ownership under "Industrial Policy Resolution (1956)"
- Liberalization Era (1991-2003)- It constitutes "Legislative & Policy Initiatives (1991)" with private sector participation in generation. Also there is "Electricity Regulatory Commissions Act (1998) for establishing central & state Electricity Regulatory Commissions & nationalizations of tariffs.
- Growth Era (2003 Onwards) - It involves "Electricity Act (2003)", "National Tariff Policy (2006)", Implementation of various schemes like DDUGJY, IPDS, RAPDRP, PMDP, UDAY etc.

Electricity sector in India is growing at rapid pace. Distribution is the most important link in the entire power sector value chain. During the Financial Year 2017-18, the Peak Demand was 164.066 GW and the Installed Capacity was 344 GW with generation mix of Thermal (65%), Hydro (13%), Renewable (20%) and Nuclear (2%) as on 31.03.2018. During the FY 2017-18, 23,119 circuit kilometres (ckms) of transmission lines have been commissioned. Similarly, 86,193 MVA of transformation capacity of substations has been added during the FY 2017-18.

India is third largest producer & fourth largest consumer of electricity globally. There is robust growth in renewables with favourable policy environment.

India ranked 4th in the Asia Pacific region out of 25 nations on an index that measures their overall power.

The electricity sector in India has one National Grid with an installed capacity of 344.0 GW as on 31st March 2018. Renewable power plants including Hydro power constituted 33.21% of total installed capacity. (Source- CEA).

Renewable Energy expansion plan involves achieving 175GW till 2022 which is great opportunity for growth. The National Solar Mission has set the ambitious target of deploying 100 GW of grid connected solar power by 2022 is aimed at reducing the cost of solar power generation in the country through (i) long term policy; (ii) large scale deployment goals; (iii) aggressive R&D; and (iv) domestic production of critical raw materials, components and products, as a result to achieve grid tariff parity by 2022. The target comprises of 40 GW Rooftop and 60 GW through Large & Medium Scale Grid Connected Solar Power Projects.

The power sector in India is mainly governed by the Ministry of Power. There are three major pillars of power sector these are Generation, Transmission, and Distribution. The Ministry of Power is the apex body responsible for the development of electrical energy in India.

The Energy Sector in India is experiencing a tremendous growth in Transmission and Distribution sector is growing at 5.5% over the past few years. The 12th five-year plan emphasizes on developing all major components of Power Supply Value Chain through Integrated Power Development Program.

2. Industry Structure and Development

Distribution is the weakest link in the power sector value chain i.e. the revenue generating link in the Generation-Transmission-Distribution chain, and is the threat to derail the entire process of power sector reforms. Distribution provides the crucial last mile connectivity to consumers belonging to varied economic spectrum. Distribution is still largely under control of Government utilities.

3. Threats, Risks & Challenges

The power sector industry has become increasingly competitive and broad based with entry of new & small players giving tough challenge to the company. Various threats which RECPDCL is facing are as follows:

- a) Delay in project closures
- b) Shortage of permanent and expertise manpower for different areas of work
- c) Majority of employees are on Contract basis hired from outsourced agencies
- d) Long realization period of dues
- e) Non adherence of Utility to Contract Agreement terms & conditions.

- f) Unavailability of suitable tie up with strategic partners.

Therefore, mobilization of resources at a low cost, ensuring deployment of these funds in avenues offering best returns and having permanent expert staff for different areas of operation, Strategic tie ups with suitable partners, International business exploration etc. would be the key factors for the company's sustainable growth and profitability.

4. Opportunities

There is strong growth opportunity in power sector led by exponential growth in economy, which would lead to power distribution increasing propensity for electricity consumption and urbanization. RECPDCL is looking forward to get more diversified business opportunities in the distribution sector in future. Some of these opportunities are as follows:

- Distribution Franchisee for expansion of business.
- International Assignments in Asian and African countries. RECPDCL has empaneled with EXIM bank.
- Implementation of Smart Metering systems will change scenario of distribution sector.
- Implementation of Solar Rooftop Projects and large scale solar projects. Government of India is offering a number of incentives to renewable energy developers to accelerate investments in renewable energy space. The National Solar Mission has planned a capacity addition of 100,000 MW by 2022.
- Various power projects implementation in smart cities, IT enabled Third Party Monitoring work of Departmental schemes of DISCOMs, Business Process Outsourcing (Billing, EA, Power Management, GIS maintenance), Rural Feeder Monitoring works, Project Implementation Agency (PIA) for Implementation of Smart Grid projects.
- Third Party Inspection (TPI) services under various GoI schemes and state/departmental schemes of DISCOMs, REC Quality Monitoring and National Quality Monitoring Service for quality inspection of RE component of DDUGJY Scheme etc.

5. Product-wise & Segment-wise Performance

During the financial year 2017-18, the performance of RECPDCL has been consistent in its core business viz Preparation of Detailed Project Report (DPR), Third Party Inspection (TPI), Material Inspection & Project Management Consultancy (PMC) Services, and also marked its footprint in very new business arena viz Project Implementation (PIA) under R-APDRP Part A scheme and off-grid solar system in various states. RECPDCL has gained rich experience and expertise by TPI works of RGGVY/HVDS schemes for more than 29000 villages and 2000

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nos. of 11 KV Feeders. RECPDCL is also involved in DERC audit of discom of 'Capitalization of Assets'.

At the end of the financial year 2017-18, RECPDCL has been working in about 80 on-going projects with project cost of Rs. 83,237 crores and Consultancy Fee of Rs.1032 crores, spread in 27 States and 4 Union Territories for 43 nos. of discoms/RE Cooperative Societies and other agencies/Government bodies including PIA work for strengthening of distribution network under urban schemes (IPDS, PMDP and R-APDRP Part-B) in the state of Jammu & Kashmir.

6. Strengths of RECPDCL

- Pan India Presence
- Expertise in capturing reliable primary data and In-house analysis
- Completion of task within stipulated timeframe
- Demographic Dividend: 90% of workforce is in the age-group of 22-24 yrs
- Wholly owned subsidiary of REC Ltd. (A 'Navaratna' PSU under Ministry of Power , Govt. Of India)

7. Memorandum of Understanding (MoU) rating and Awards

The performance of your Company in terms of MoU signed with the holding company i.e. Rural Electrification Corporation Limited (REC) for the financial year 2016-17 has been rated as "Excellent" by the Department of Public Enterprises (DPE), Government of India.

During the year under review, your Company was accorded "International Leadership Innovation Excellence Award" and 'SKOCH BSE Award 2017'. Further, during the year, officials of your Company have also been recognized for their outstanding contribution and conferred with various awards at different platforms.

8. Internal Control System and their Adequacy

The Company maintains an adequate system of Internal Control including suitable monitoring Policies & Procedures to ensure the orderly and efficient conduct of its business, safeguarding its assets, the prevention and detection of frauds and errors, accurate and timely completion of the Accounting records and preparation of reliable Financial Information. Suitable delegation of power, adequate checks and balances and guidelines for accounting has been issued to ensure that internal control systems are in order and regular & exhaustive Internal Audit of business operations are conducted by external professional audit firms. The Internal Audit covers all the major areas of operations including

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identified such as Statutory Compliances, IT Security Guidelines and Internal Financial Control covering all the major areas of operations.

9. Financial Performance

During the Financial Year 2017-18, RECPDCL has achieved a total **revenue** of Rs.207.03 crore against previous year revenue of Rs.191.57 crore and the **Profit After Tax** of Rs. 36.80 crore against Profit After Tax of Rs. 40.33 crore in the previous year.

As on March 31, 2018, the **Net Worth** of the Company has increased by 14.08% to Rs.180.07 crore as compared to Rs.157.84 in the previous year.

10. Human Resources and Industrial Relations

RECPDCL is not having any manpower on its own roll except some experienced professionals on fixed tenure contract basis to render value added consultancy services in power sector across the country with the highest quality standards to its valued clients. At the end of FY 2017-18, the total manpower of the Company stood at 1104 which comprises of (i) 23 Regular Employees deployed by REC on secondment basis, (ii) 44 Employee on Fixed Tenure Contract basis and (iii) 1037 Outsourced staff on Contract basis through Manpower Agencies.

However, for operational convenience and managing day to day affairs, REC Ltd. (Parent Company) has deployed various officials on part-time/full time basis, who are having rich and varied experience in the respective fields. Further, the Company has also engaged Engineering Graduates and other professionals on Contract basis through manpower agencies for implementation of various projects across the country. In order to enhance the innovation quotient among the workforce of the Company and gain knowledge to ensure compliances and awareness, the Company conducted in-house training program on regular basis for newly recruited, own and contract employees, to enhance the innovation quotient among the workforce of the Company.

11. Corporate Social Responsibility and Sustainable Development

As a socially responsible corporate entity, RECPDCL has endeavored to serve the Society at large. During FY 2017-18, CSR initiatives were pursued actively and the Company has extended financial assistance for the projects to provide water and sanitation facilities, health to the communities, promoting sports, support to war widows and their dependents with the intention to make contribution for inclusive growth and integrated development in society through education, capacity building measures, empowerment of the marginalized and underprivileged sections/communities.

RECPDCL has been pursuing various initiatives on the front of Corporate Social Responsibility. For the financial year 2017-18, 2% of average net profit for the last three financial years (2014-15, 2015-16 & 2016-17) as per Companies Act, 2013 works out to Rs. 1,12,96,874/- (Rounded off to Rs 1,13,00,000/-). Out of sanctioned CSR expenditure budget of Rs. 1,25,09,087/-, CSR financial assistance amounting to Rs. 1,09,02,250/- were sanctioned by the Board for four projects. The major project areas included were health, sports and benefits to armed forces veterans, war widows and their dependents. The total amount disbursed towards CSR activities was Rs. 58,61,250/-, as per details appearing in the "Annual Report on CSR Activities" forming part of this Annual Report.

Cautionary Note

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



PRANAV KUMAR & ASSOCIATES

COMPANY SECRETARIES

Mobile : 9145810291004 • Ph : 91 120-4126504
E-mail : service@pranavkumar.com • www.pka.co.in

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
REC Power Distribution Company Limited,
New Delhi

This is to certify that during the financial year 2017-18, REC Power Distribution Company Limited(CIN- U40101DL2007GOI165779) hereinafter referred to as "the Company" has complied with the provisions of Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010, issued by Department of Public Enterprises (DPE) vide O.M.No. 18(8)/ 2005- GM dated 14th May, 2010 (including any amendments or modification from time to time), to the extent applicable.

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

For Pranav Kumar & Associates,
Company Secretaries



Date: July 17, 2018
Place: New Delhi

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

HEAD OFFICE : 3F CS 70, Third Floor, Ansal Plaza, Sector-1, Vaishali, Ghaziabad - 201010(U.P.)
PATNA : Kunti Sadan, Mahatma Buddh Path, Road No.14, Veer Kunwar Singh, Chowk, Patna (Bihar)

REC Power Distribution Company Limited
Balance Sheet As at March 31, 2018

		(Rs. in Lakhs)		
Particulars		Note No.	As at March 31, 2018	As at March 31, 2017
A	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
	(a) Share Capital	3	5.00	5.00
	(b) Reserves and Surplus	4	18,001.92	15,778.61
2	Non-Current Liabilities			
	(a) Other Long-Term Liabilities	5	66.46	85.32
	(b) Long-Term Provisions	6	32.61	20.72
3	Current Liabilities			
	(a) Trade Payables	7	6,412.82	4,384.04
	(b) Other Current Liabilities	8	25,623.09	2,799.30
	(c) Short-Term Provisions	9	0.86	5.51
	TOTAL		50,142.77	23,078.51
B	ASSETS			
1	Non-Current Assets			
	(a) Fixed Assets	10		
	(i) Tangible Assets		304.05	325.61
	(ii) Intangible Assets		0.49	1.29
	(b) Non-Current Investments	11	1,543.51	1,543.51
	(c) Deferred Tax Assets	12	36.16	90.49
	(d) Long-Term Loans and Advances	13	1,162.09	1,140.53
	(e) Other Non-Current Assets	14	-	205.02
2	Current Assets			
	(a) Inventories	15	-	4.48
	(b) Trade Receivables	16	15,646.98	16,464.93
	(c) Cash and Bank balances	17	25,299.45	1,401.10
	(d) Short-Term Loans and Advances	18	996.44	1,116.93
	(e) Other Current Assets	19	5,153.60	784.62
	TOTAL		50,142.77	23,078.51

In terms of our report attached.

For ASAP & Associates

Chartered Accountants

Firm Registration No. 005713N

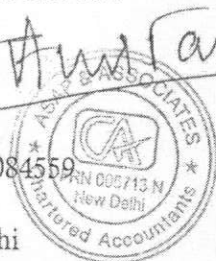
CA Anil Jain

Partner

Membership No. 084559

Place : New Delhi

Date : May 17, 2018



Sanjiv Garg

Director

DIN - 00891755

For and on behalf of the Board of Directors
REC Power Distribution Company Limited

P.V Ramesh

Chairman

DIN - 02836069

REC Power Distribution Company Limited
Statement of Profit & Loss for the year ended March 31, 2018

(Rs. in Lakhs)

Sr No.	Particulars	Note No.	For the Year ended March 31, 2018	For the Year ended March 31, 2017
1	Revenue			
	(a) Revenue from Operations	20	20,193.46	18,268.37
	(b) Other Income	21	509.14	888.70
	Total Revenue		20,702.60	19,157.07
2	Expenses			
	(a) Cost of Services Consumed	22.a	12,474.94	8,840.21
	(b) Cost of Goods Consumed	22.b	794.38	1,312.57
	(c) Changes in Inventories / Work-in-Progress	22.c	4.48	1,706.64
	(d) Employee Benefits Expense	23	348.66	257.90
	(e) Finance Costs	24	1.85	-
	(f) Depreciation and Amortisation Expense	10	113.86	66.34
	(g) Corporate Social Responsibility Expense	29.10	95.22	50.33
	(h) Other Expenses	25	1,034.89	757.64
	(i) Provisions and Contingencies	26	27.92	83.87
	Total Expenses		14,896.21	13,075.50
3	Profit before Prior Period Adjustments		5,806.39	6,081.57
4	Prior Period Items (Net)	27	42.64	14.49
5	Profit Before Tax		5,763.74	6,067.08
	(a) Current tax		1,963.00	1,837.00
	(b) Deferred tax		54.33	196.90
	(c) Earlier Years/ (Refunds)		66.16	-
6	Profit for the Year		3,680.25	4,033.18
7	Earnings Per Share (Basic & Diluted - in Rs.)	29.5		
	(a) Basic		7,360.49	8,066.36
	(b) Diluted		7,360.49	8,066.36
	Significant Accounting Policies	2		
	See accompanying notes forming part of the financial statements	3 to 29		

In terms of our report attached.

For ASAP & Associates

Chartered Accountants

Firm Registration No. 005713N

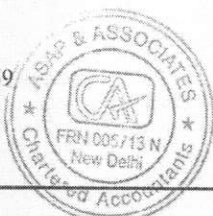
CA Anil Jain

Partner

Membership No. 084559

Place : New Delhi

Date : May 17, 2018



For and on behalf of the Board of Directors

REC Power Distribution Company Limited

Sanjiv Garg

Director

DIN - 00891755

P.V Ramesh

Chairman

DIN - 02836069

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REC Power Distribution Company Limited
(A wholly owned subsidiary of Rural Electrification Corporation Limited)

Notes forming part of the Financial Statements

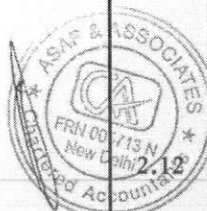
Note	Particulars
1	Corporate Information
	REC Power Distribution Company Limited ("the Company") was incorporated in the year 2007, with its main object to engage in the Engineering Consultancy Services, Execution of work in the area of Decentralized Distributed Generation (DDG), Transmission & Distribution or other related activities for Govt. and other agencies in Power Sector. During the year, it was engaged:
	(i) in carrying out the Third Party Inspection (TPI), quality monitoring & supervision under RGGVY/DDUGJY Schemes.
	(ii) in preparation of Detailed Project Report (DPR), Project Management Consultancy (PMC) & Project Management Agency (PMA) under the DDUGJY & IPDS Schemes.
	(iii) In execution of works of IT implementation & installation of IT Infrastructure under R-APDRP Part A Schemes, Project Implementation Agency for implementation of various Govt. of India Projects viz. PMPD.
	(iv) Project Management Agency (PMA) for turnkey execution of Smart Grid Project under NSGM of Govt. of India, execution of solar standalone / roof top power plants at various locations across the country.
	(v) as a lead member in the consortium of Rural Electrification Corporation Limited, Energy Efficiency Services Limited & REC Power Distribution Company Limited appointed by Bureau of Energy Efficiency as Implementing Agency to manage Partial Risk Guarantee Fund for Energy Efficiency (PRGFEE). PRGFEE is risk sharing mechanism to provide Participating Financial Institutions (Banks/NBFCs/PFIs) with a partial coverage of risk involved in extending loans for Energy Efficiency Projects being developed by Energy Services Companies (ESCOs).
2	Significant Accounting Policies
2.1	Basis of accounting and preparation of financial statements
	These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.
2.2	Use of estimates
	The preparation of financial statements require estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates & assumptions and such differences are recognized in the period in which the results are crystallized.
2.3	Inventories
	Inventories are valued at lower of cost arrived on First in First Out (FIFO) basis and net realizable value. Cost of Inventory includes Purchase Cost, Duties & Taxes (except leviable Duties & Taxes) and other incidental cost. Work-in-Progress includes material procured for supply, installation & commissioning as per the terms of contract.
2.4	Cash and Cash Equivalents
	Cash & Cash Equivalents in the Balance Sheet comprises Cash at Bank and in hand and Short Term Investments with an original maturity of three months or less.
2.5	Cash Flow Statement
	Cash flows are reported using the indirect method prescribed under AS 3, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



REC Power Distribution Company Limited
(A wholly owned subsidiary of Rural Electrification Corporation Limited)

Notes forming part of the Financial Statements

Note	Particulars												
2.6	<p>Depreciation and Amortisation</p> <p>Pursuant to the Companies Act, 2013 being effective from April 1, 2014 the Company has continued the same policy as adopted in the previous year except some changes in policies. The depreciation charged to the Profit & Loss Statement during the year on straight line method as per Useful life adopted differently, based on Technical assessment in Compliance with provision of Part C of Schedule II of the Companies Act, 2013 and considering residual value to be 5% is hereunder:</p> <table><thead><tr><th>Class of Assets</th><th>Useful Life as per Schedule-II</th><th>Useful life adopted by the Company</th></tr></thead><tbody><tr><td>Tangible Assets :</td><td></td><td></td></tr><tr><td>Mobile/Tablet/Cameras/GPS/Other hand held Wireless Devices etc.</td><td>5 Years</td><td>2 Years</td></tr><tr><td>Furniture & Fixtures etc.</td><td>10 Years</td><td>5 Years</td></tr></tbody></table> <p>Note:</p> <p>a. Fixed assets individually costing Rs. 5,000 or less are capitalized and fully depreciated in the same financial year.</p> <p>b. The capitalization of Lease Hold Improvment cost, relating to Leased office space by the company is fully amortised over the lease period.</p>	Class of Assets	Useful Life as per Schedule-II	Useful life adopted by the Company	Tangible Assets :			Mobile/Tablet/Cameras/GPS/Other hand held Wireless Devices etc.	5 Years	2 Years	Furniture & Fixtures etc.	10 Years	5 Years
Class of Assets	Useful Life as per Schedule-II	Useful life adopted by the Company											
Tangible Assets :													
Mobile/Tablet/Cameras/GPS/Other hand held Wireless Devices etc.	5 Years	2 Years											
Furniture & Fixtures etc.	10 Years	5 Years											
2.7	<p>Revenue Recognition</p> <p>a. Revenue is recognized based on proportionate completion method as per clause 7.1(i) of AS-9.</p> <p>b. Revenue from Contracts is recognised to the extent it is probable that the economic benefits will flow to the Company and revenue can be reliably measured. Depending on the nature of the contract, revenue is recognised as follows:</p> <p>(i) In Cost Plus Contracts - revenue is recognised by including eligible contractual items of expenditures plus proportionate margin as per contract;</p> <p>(ii) In Fixed Price Contracts - revenue recognised on the basis of contractual price break-up of deliverables and in absence of same, at the cost of work performed on the contract plus proportionate margin using the percentage of completion method;</p> <p>c. Revenue does not include Sales Tax/VAT/WCT/Service Tax etc.</p>												
2.8	<p>Other Income</p> <p>Interest income is accounted for on a time proportion basis taking into account the amount outstanding and the rate applicable. Further, other income also include Reimbursement income, Liquidated Damages, Provisions Written Back etc.</p>												
2.9	<p>Borrowing Costs</p> <p>Borrowing cost related to acquisition or construction of the qualifying fixed assets for the period up to the completion of their acquisition or construction are included in the book value of the respective assets and other borrowing costs are charged to Statement of Profit and Loss.</p>												
2.10	<p>Fixed Assets</p> <p>Tangible Assets</p> <p>Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes other incidental expenses incurred in relation thereto.</p> <p>Intangible Assets</p> <p>Intangible assets represents computer software and website and are stated at their cost of acquisition/ development, inclusive of incidental expenses incurred in relation thereto. Their costs are amortized in 3 Years using straight line method. The useful life of the asset is reviewed by the Management at each balance sheet date.</p>												
2.11	<p>Investments</p> <p>Investments that are readily realizable and intended to be held not for more than year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments.</p>												
2.12	<p>Operating Lease</p> <p>Lease payments in respect of assets taken on an operating lease are recognized as an expense in the Statement of Profit and Loss on Straight line basis over the Lease term.</p>												

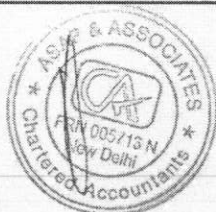


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REC Power Distribution Company Limited
(A wholly owned subsidiary of Rural Electrification Corporation Limited)

Notes forming part of the Financial Statements

Note	Particulars
2.13	<p>Employee Benefits Employee benefits include Provident Fund, Leave Encashment & Loyalty Bonus.</p> <p>a) Fixed Tenure Employees The Company recruits Fixed Tenure Employees for a period 3 years, which is further extendable for maximum up to 1 years and 8 months depending upon the requirement and performance. The Company deduct and deposit employees benefit liabilities for Provident Fund from January, 2015 onwards, and all other employee benefit statutory liabilities e.g. Pension, ESI, and Gratuity etc are not applicable to the Company. However, the Company provides for leave encashment and loyalty bonus for which liabilities are assessed as per the actuarial valuation and disclosed in other notes to accounts.</p> <p>b) Seconded Employees The Company is managed by the employees deployed by REC Ltd (holding company) on seconded basis and pays their charges as service fee for deemed service of 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 Post retirement benefit etc. With paying above charges Company owes nothing to its holding company for any future liabilities whatsoever of such seconded employees.</p>
2.14	<p>Earnings Per Share The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. In computing diluted EPS, the net profit or loss for the year and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.</p>
2.15	<p>Taxes on Income Income Tax expenses comprises current Income Tax (Amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) is determined in accordance with Accounting Standard- 22 of the Institute of Chartered Accountants of India. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially established by the Balance Sheet date. Deferred Tax Assets are recognized and carry forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.</p>
2.16	<p>Impairment of Assets The carrying values of assets at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is an indication that an impairment loss recognised for an asset in earlier accounting period no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.</p>
2.17	<p>Provisions and Contingencies A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.</p> <p>A contingent liability is a potential obligation that may be incurred depending on the outcome of a future event. A contingent liability is one where the outcome of an existing situation is uncertain, and this uncertainty will be resolved by a future event. Contingent liabilities are disclosed in the Notes.</p>



REC Power Distribution Company Limited
(A wholly owned subsidiary of Rural Electrification Corporation Limited)

Notes forming part of the Financial Statements

Note	Particulars
2.18	<p>Segment Reporting Policies</p> <p>Accounting Policies The accounting policies adopted for segment reporting are in line with the accounting policies used in the preparation of the financial statements.</p> <p>Identification of Segments The Company's businesses are organized and managed separately according to the nature of products/services provided, with each segment representing a strategic business unit that offers products/services.</p> <p>Segment Revenue and Expenses These include amounts which are directly attributable to the segment or are allocated on a reasonable basis.</p> <p>Segment Assets and Liabilities Segment assets include all operating assets used by the segment. Segment liabilities include all liabilities referable to the segment.</p> <p>Unallocated Items Includes corporate expenses, assets and liabilities which are not allocable to any business segment.</p>



Note 3 Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Amount	Number of Shares	Amount
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	2,00,00,000	2,000.00	2,00,00,000	2,000.00
(b) Issued				
Equity shares of ₹ 10 each with voting rights	50,000	5.00	50,000	5.00
(c) Subscribed and fully paid up				
Equity shares of ₹ 10 each with voting rights	50,000	5.00	50,000	5.00
Total	50,000	5.00	50,000	5.00

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balances	Closing Balances
<u>Equity Shares with voting rights</u>		
Year Ended March 31, 2018		
Number of Shares	50,000	50,000
Amount(₹)	5,00,000	5,00,000
Year Ended March, 2017		
Number of Shares	50,000	50,000
Amount(₹)	5,00,000	5,00,000

The rights, powers & preferences attached to Equity Shares

The holders of the equity shares of the Company are entitled to receive dividends as and when declared by the Company and enjoy proportionate voting rights in case any resolution is put to vote.

Shareholders holding more than 5% of fully paid-up Equity Shares

Name of Shareholders	No of Shares	As at March 31, 2018	As at March 31, 2017
49,994 Equity Shares held by Rural Electrification Corporation Ltd (Holding Company) and balance 6 Equity Shares through other nominee of REC Ltd. Rs. 10 each fully paid. (Previous Year 50,000 Equity Shares)	50,000	100%	100%



Note 4 Reserves and Surplus

Particulars	As at March 31, 2018	As at March 31, 2017
General Reserve		
Opening Balance	3,988.55	3,988.55
Add : Transfer from Surplus	-	-
Closing Balance	3,988.55	3,988.55
Surplus in Statement of Profit and Loss:		
Opening Balance	11,790.06	7,756.88
Add: Profit for the year	3,680.25	4,033.18
Surplus available for appropriation	15,470.31	11,790.06
Less : Appropriations:		
- Transfer to General Reserve	-	-
- Final Dividend	1,210.50	-
- Tax on dividend	246.43	-
	14,013.37	11,790.06
Closing balance	18,001.92	15,778.61
Total	18,001.92	15,778.61

Note 5 Other Long-term Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Security Deposit - EMD	66.46	85.32
Total	66.46	85.32

Note 6 Long-Term Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for Employee Benefits: (Refer Note No. 29.1)		
(i) Loyalty Bonus	19.04	9.74
(ii) Leave Liability	13.57	10.97
Total	32.61	20.72



Note 7 Trade Payables

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Particulars	As at March 31, 2018	As at March 31, 2017
Trade payables other than acceptances:		
(i) Dues to micro and small enterprises (Refer Note No. 28.2)	182.53	30.28
(ii) Dues to others	6,230.29	4,353.76
Total	6,412.82	4,384.04

Note 8 Other Current Liability

Particulars	As at March 31, 2018	As at March 31, 2017
Security Deposits	120.55	49.13
Statutory Dues (includes PF, Withholding Tax, VAT, CST etc.)	285.24	469.90
Others Liabilities for Expenses	3,077.31	1,447.57
Advances from Customers	527.45	832.69
Subsidy for J&K PMDP work	21,612.53	-
Total	25,623.09	2,799.30

Note 9 Short-Term Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits: (Refer Note No. 29.1)		
(i) Loyalty Bonus	0.02	4.28
(ii) Leave Liability	0.85	1.23
Total	0.86	5.51



REC Power Distribution Company Limited
Notes forming part of the Financial Statements
Note 10 Fixed Assets

SS

(Rs. in Lakhs)

Fixed Assets	Gross Block			Accumulated Depreciation/Amortisation/Impairment				Net Block	
	As at 1st April, 2017	Additions	Deletions	As at March 31, 2018	Adjustment due to Change in Policy	Additions	Deletions	As at March 31, 2018	As at March 31, 2017
Tangible Assets									
Furniture and Fixtures	18.90	0.77	-	19.67	-	3.14	-	12.55	9.49
Office equipment	88.90	38.03	-	126.93	-	10.01	-	83.42	15.49
Lease Hold Improvements	215.41	21.15	-	236.56	-	42.97	-	46.03	212.34
Computers	164.46	31.56	-	196.02	-	56.95	-	133.12	88.29
Total	487.67	91.50	-	579.17	-	113.07	-	275.12	325.61
Previous Year	210.26	277.44	0.04	487.67	4.69	61.02	0.04	162.06	113.88
Intangible Assets									
Computer Software's	7.89	-	-	7.89	-	0.79	-	7.40	1.29
Total	7.89	-	-	7.89	-	0.79	-	7.40	1.29
Previous Year	7.49	0.40	-	7.89	-	0.63	-	6.61	1.51
Grand Total	495.56	91.50	-	587.06	-	113.86	-	282.52	326.90
Previous Year - Total	217.75	277.84	0.04	495.56	4.69	61.65	0.04	168.66	115.39

Note: Intangible assets represents computer software and website and are stated at their cost of acquisition/ development, inclusive of incidental expenses incurred in relation thereto. Their costs are amortized in 3 Years using straight line method. The useful life of the asset is reviewed by the Management at each balance sheet date.



Note 11 Non-Current Investments

56

Particulars	As at March 31, 2018	As at March 31, 2017
Non-Trade investments (Quoted) (valued at cost unless stated otherwise)		
(a) Investment in Tax Free Bonds (in Holding Company)		
(i) <i>Rural Electrification Corporation Limited</i> (15 Years Secured Redeemable Tax Free Bonds @8.46%, 50000 Bonds of face value of Rs. 1000/- each, fully paid)	500.00	500.00
(ii) <i>Rural Electrification Corporation Limited</i> (15 Years Secured Redeemable Tax Free Bonds @8.63%, 20000 Bonds of face value of Rs. 1000/- each, fully paid)	200.00	200.00
(iii) <i>Rural Electrification Corporation Limited</i> (20 Years Secured Redeemable Tax Free Bonds @7.18%, 34351 Bonds of face value of Rs. 1000/- each, fully paid)	343.51	343.51
(b) Investment in Tax Free Bonds in other		
(i) <i>Housing and Urban Development Corporation Ltd</i> (20 Years Secured Redeemable Tax Free Bonds @8.76%, 50000 Bonds of face value of Rs. 1000/- each, fully paid)	500.00	500.00
Total	1,543.51	1,543.51
Aggregate Market Value of Quoted Investments-REC Tax Free Bonds	1,244.04	1,201.06
Aggregate Market Value of Quoted Investments-HUDCO Tax Free Bonds	627.50	633.01

Note 12 Deferred Tax Assets (Net)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance of Deferred Tax Assets	90.49	287.39
Deferred tax assets		
On Doubtful debts	16.01	87.57
On employees' retirement benefits	11.59	9.08
Lower depreciation/amortisation on fixed assets under the Income Tax Act, 1961	8.56	-
Gross Deffered Tax Assets	36.16	96.65
Deferred tax liabilities		
Excess of depreciation on Fixed Assets under the Income Tax Act, 1961	-	6.16
Gross Deffered Tax Liabilities	-	6.16
Net Deffered Tax Assets/(Liabilities)	36.16	90.49
Net Deffered Tax Assets/(Liabilities) for the Year	-54.33	-196.90



Note 13 Long-Term Loans and Advances

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Security Deposits	3.34	5.39
Retention Money - Customer	27.11	80.10
Advances to Supplier	11.18	109.48
Income Tax Payments (Advance Tax & TDS - Net of provisions)	1,120.46	945.57
Total	1,162.09	1,140.53

Note 14 Other Non-Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Deposits on lien with Bank against BG with maturity more than 12 Months	-	205.02
Total	-	205.02

Note 15 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017
Work-in-Progress		
IT- Hardware	-	4.48
Total	-	4.48



Note 16 Trade Receivables

(Rs. in Lakhs)

58

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Outstanding for a period exceeding six months from the date they were due		
- Unsecured, considered good	6,288.55	4,943.21
- Unsecured, considered doubtful (Refer Note No 29.6)	46.27	253.05
Less : Provision for Doubtful Debt	46.27	253.05
	6,288.55	4,943.21
(ii) Others		
- Unsecured, considered good	9,358.43	11,521.72
Total	15,646.98	16,464.93

Note 17 Cash and Bank Balances

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and Cash Equivalents		
<i>Balances with banks*</i>		
(i) In current accounts	2,599.88	261.66
(ii) Deposites with original maturity of less than 3 Months	1,087.05	563.83
Cheques in Hand	-	-
Sub-Total (a)	3,686.93	825.49
Other bank balances		
## Deposit with Bank having original maturity period more than 3 Months but Less than 12 Months	21,612.53	548.69
Deposit with Bank having original maturity period more than 12 Months	-	231.94
Sub-Total (b)	21,612.53	780.63
Total Cash & Cash Balances (a) + (b)	25,299.45	1,606.12
Less : Amount Disclosed under Non-current Assets#	-	205.02
Total	25,299.45	1,401.10
* The earmarked balances with bank on behalf of REC Ltd amounting to Rs. 291.02 Lakhs (Previous Year Rs. 599.10 Lakhs) can be utilised only for the specific purposes.(Note No. 29.12)		
## The earmarked balances with bank against Subsidy for J&K PMDP work amounting to Rs. 21612.53 Lakhs (Previous Year Nil) can be utilised only for the specific purposes.		
# Lien with the banker against Bank Guarantee amounting to Rs. Nil(Previous Year Rs.205.02 Lakhs)		



Note 18 Short-Term Loans and Advances

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Loans and Advances to:		
(ii) Employees	3.08	4.25
(iii) Other Trade/Commercial Advances	43.05	44.48
Security deposits	40.92	47.99
Prepaid expenses	3.02	31.63
Goods & Service Tax/ST Credit Receivable (Net of Liabilities)	693.24	988.57
Total	996.44	1,116.93

Note 19 Other Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Interest Accrued on Tax Free Bonds		
REC Tax- Free Bonds	27.61	29.43
HUDCO Tax- Free Bonds	9.36	9.60
Interest Accrued on Deposits	7.31	6.05
Income Accrued but not due (Unbilled Revenue)	5,109.31	739.54
Total	5,153.60	784.62



Note 20 Revenue from Operations

60

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Execution of IT/Solar Implementation Project	1,607.52	6,729.20
Consultancy Engineering Services	12,380.33	8,055.91
Income from REC - SVA Project	-	49.30
Income from REC - UE Village Project	1,096.30	2,560.07
Supply & Installaion_REC Project	-	134.36
WIP Income (Unbilled Revenue)	5,109.31	739.54
Reimbursement Fee	-	-
Total	20,193.46	18,268.37

Note 21 Other Income

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest Income - Fixed Deposits	174.83	192.23
Interest Income - Tax Free Bonds	126.43	129.38
Reimbursement Income	8.17	200.71
Other Non-Operating Income:		
Liabilities no longer payable written back	70.61	141.85
Miscellaneous Income	73.38	68.96
Liquidate Damage	55.71	10.88
Provisions Written Back	-	144.69
Total	509.14	888.70

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest Income Comprises:		
Interest from Deposits	174.83	177.83
Interest on Income Tax Refund	-	14.40
Total	174.83	192.23



Note 22.a Cost of Services Consumed

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Project Technical Services - PMC/PMA/DPR	4,228.06	2,772.50
Project Technical Services - IT Execution	422.00	1,297.01
Project Outsourced Manpower	4,039.75	3,871.24
REC - SVA Project Expenditure	1.45	3.45
REC - UE Village Project Expenditure	1,096.30	567.34
REC-Solar Expenditure	-	127.96
Reimbursement Expenses	8.17	200.71
REC HHE Saubhagya	-	-
Project Fee Direct-Solar	1,389.73	-
WIP Expenses	1,289.48	-
Total	12,474.94	8,840.21

Note 22.b Purchase of Goods

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Equipment - IT implimentation Services		
IT- Hardware	798.86	2,450.29
IT - Software	-	573.41
IT - Software-Prior Period Expenses	-	9.19
Total	798.86	3,032.89

Note 22.c Changes in Inventories

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<u>Work-in-Progress at the end of the year</u>		
IT- Hardware	-	4.48
	-	4.48
<u>Work-in-Progress at the beginning of the year:</u>		
IT- Hardware	4.48	1,711.13
IT - Software	4.48	1,711.13
Net (increase)	4.48	1,706.64



Note 23 Employee Benefits Expense

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Salaries and Wages	303.80	204.97
Contributions to Provident and Other Funds	21.68	13.40
Staff Welfare Expenses	23.17	39.53
Total	348.66	257.90

Note 24 Finance Costs

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest Expense on:		
(i) Corporate Loan	-	-
(ii) Working Capital Facilities	1.85	-
Total	1.85	-

Note 25 Other Expenses

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Rent		
: Office Premises	180.63	153.00
: Machinery	47.02	49.50
Rates and Taxes	63.89	80.62
Repairs and Maintenance:		
: Buildings	47.88	36.49
: Others	16.51	7.79
Power and Fuel	27.43	18.22
Advertisement and Business Promotion	70.90	64.27
Communication Cost	17.15	16.62
Insurance	0.01	0.26
Printing and Stationary	15.28	16.09
Travelling and Conveyance	205.08	148.20
Legal and Professional Charges	60.29	145.95
Auditor's Remuneration	2.30	2.30
Bank Charges	16.94	8.29
Miscellaneous Expenses	263.57	10.04
Total	1,034.89	757.64

Note No 25 Contd.. (Auditors Remunerations)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Payments to the auditors comprises:		
As auditors - statutory audit	1.50	1.50
For tax audit	0.80	0.80
Total	2.30	2.30



Note 26 Provisions & Contingencies

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Provision for Doubtful Debts	27.92	83.87
Provision for Contingencies of Project Cost Revision	-	-0.00
Total	27.92	83.87

Note 27 Prior Period Adjustment

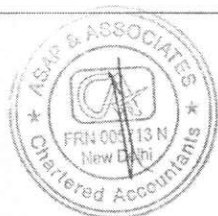
Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Cost of Services Consumed	48.05	5.30
Prior Period Income	(5.41)	(0.00)
Material Consumed-IT Software	-	9.19
Total	42.64	14.49



REC Power Distribution Company Limited
Notes forming part of the Financial Statements

(Rs. in Lakhs)

Note	Particulars		
Note 28 Additional Information to the Financial Statements			
28.1	Contingent Liabilities & Commitments:		
	In compliance of the Accounting Standard - 29 on "Provisions, Contingent Liabilities, and contingent Assets" issued by the Institute of Chartered Accountant of India, Contingent Liabilities and Provisions for the current year, are disclosed as below:		
	Contingent Liabilities	As at March 31, 2018 Amount	As at March 31, 2017 Amount
	(a) Income Tax Demand against Notice U/s 245 of Income Tax Act for AY 2011-12	20.88	20.88
	(b) Income Tax Demand against Notice U/s 245 of Income Tax Act for AY 2012-13	0.18	0.18
	(c) Income Tax Demand against Notice U/s 245 of Income Tax Act for AY 2016-17	249.60	-
	(d) Un-expired Performance Bank Guarantees	3,257.52	3,531.75
	(e) Committed Liability against Corporate Social Responsibility	65.13	100.49
		3,593.31	3,653.31
28.2	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
	The information given hereunder is based on the confirmations obtained from suppliers by the company, who have registered themselves under MSMED Act, 2006:		
	Particulars	As at March 31, 2018 Amount	As at March 31, 2017 Amount
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	182.53	30.28
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	13.89	6.24
	(iii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
	(iv) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
	(v) the amount of interest accrued and remaining unpaid at the end of each accounting year;	13.89	6.24



REC Power Distribution Company Limited
Notes forming part of the Financial Statements

(Rs. in Lakhs)

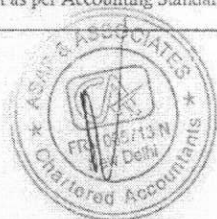
Note	Particulars																																																																																				
Note 29 Disclosures under Accounting Standards																																																																																					
29.1	AS-15 Employee Benefit Plans																																																																																				
	Defined Contribution Plans The Company makes contributions to the Provident Fund for all eligible employees. Under the plan, the Company is required to contribute a specified percentage of payroll costs. Accordingly, the Company has recognised Rs.18.96 Lakhs as expense in the statement of profit and loss during the current year. (Year ended 31 March, 2017 Rs. 13.40 Lakhs).																																																																																				
	Defined Benefit Plans The Company offers the following employee benefit schemes to its employees: i. Loyalty Incentive The Loyalty Benefit to the employees is payable after completion of three years of continuous service only, except in case of separation due to death. The payment of dues to outgoing employee is released at the time of separation. The liability for the same is recognised on the basis of actuarial valuation. ii. Leave Encashment The Employees are entitled for Leave Encashment after completion of one year of service only and amount is paid in full, at the time of separation. The liability for the same is recognised on the basis of actuarial valuation. The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:																																																																																				
	<table><tr><th rowspan="2">Particulars</th><th colspan="2">For the Year ended March 31, 2018</th><th colspan="2">For the Year ended March 31, 2017</th></tr><tr><th>Loyalty Incentive</th><th>Leave Encashment</th><th>Loyalty Incentive</th><th>Leave Encashment</th></tr><tr><td>Components of Employee Expense</td><td></td><td></td><td></td><td></td></tr><tr><td>Current service cost</td><td>9.34</td><td>7.71</td><td>-</td><td>7.38</td></tr><tr><td>Interest cost</td><td>1.06</td><td>0.92</td><td>-</td><td>1.26</td></tr><tr><td>Expected return on plan assets</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Curtailment cost / (credit)</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Settlement cost / (credit)</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Past service cost</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Actuarial losses/(gains)</td><td>(0.24)</td><td>0.99</td><td>-</td><td>(9.84)</td></tr><tr><td>Total Expense Recognised in the Statement of Profit and Loss</td><td>10.15</td><td>9.62</td><td>-</td><td>(1.19)</td></tr><tr><td>Net Asset/(Liability) Recognised in the Balance Sheet</td><td></td><td></td><td></td><td></td></tr><tr><td>Present value of Defined Benefit Obligation</td><td>19.06</td><td>14.41</td><td>14.91</td><td>12.20</td></tr><tr><td>Fair Value of Plan Assets</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Funded Status [Surplus / (Deficit)]</td><td>(19.06)</td><td>(14.41)</td><td>(14.91)</td><td>(12.20)</td></tr><tr><td>Unrecognised past Service Costs</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Net Asset/(Liability) Recognised in the Balance Sheet</td><td>(19.06)</td><td>(14.41)</td><td>(14.91)</td><td>(12.20)</td></tr></table>	Particulars	For the Year ended March 31, 2018		For the Year ended March 31, 2017		Loyalty Incentive	Leave Encashment	Loyalty Incentive	Leave Encashment	Components of Employee Expense					Current service cost	9.34	7.71	-	7.38	Interest cost	1.06	0.92	-	1.26	Expected return on plan assets	-	-	-	-	Curtailment cost / (credit)	-	-	-	-	Settlement cost / (credit)	-	-	-	-	Past service cost	-	-	-	-	Actuarial losses/(gains)	(0.24)	0.99	-	(9.84)	Total Expense Recognised in the Statement of Profit and Loss	10.15	9.62	-	(1.19)	Net Asset/(Liability) Recognised in the Balance Sheet					Present value of Defined Benefit Obligation	19.06	14.41	14.91	12.20	Fair Value of Plan Assets	-	-	-	-	Funded Status [Surplus / (Deficit)]	(19.06)	(14.41)	(14.91)	(12.20)	Unrecognised past Service Costs	-	-	-	-	Net Asset/(Liability) Recognised in the Balance Sheet	(19.06)	(14.41)	(14.91)	(12.20)
Particulars	For the Year ended March 31, 2018		For the Year ended March 31, 2017																																																																																		
	Loyalty Incentive	Leave Encashment	Loyalty Incentive	Leave Encashment																																																																																	
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Expected return on plan assets	-	-	-	-																																																																																	
Curtailment cost / (credit)	-	-	-	-																																																																																	
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Fair Value of Plan Assets	-	-	-	-																																																																																	
Funded Status [Surplus / (Deficit)]	(19.06)	(14.41)	(14.91)	(12.20)																																																																																	
Unrecognised past Service Costs	-	-	-	-																																																																																	
Net Asset/(Liability) Recognised in the Balance Sheet	(19.06)	(14.41)	(14.91)	(12.20)																																																																																	



REC Power Distribution Company Limited
Notes forming part of the Financial Statements

(Rs. in Lakhs)

Note	Particulars				
		For the Year ended March 31, 2018		For the Year ended March 31, 2017	
	Particulars	Loyalty Incentive	Leave Encashment	Loyalty Incentive	Leave Encashment
	Change in defined benefit obligations (DBO) during the year				
	Present value of DBO at Beginning of the year	14.91	12.20	14.91	15.80
	Current Service Cost	9.34	7.71	-	7.38
	Interest Cost	1.06	0.92	-	1.26
	Curtailment Cost/(credit)	-	-	-	-
	Settlement Cost/(credit)	-	-	-	-
	Plan Amendments	-	-	-	-
	Acquisitions	-	-	-	-
	Actuarial (Gains)/Losses	0.24	0.99	-	(9.84)
	Past Service Cost	-	-	-	-
	Benefits Paid	(6.49)	(7.41)	-	(2.40)
	Present value of DBO at the end of the year	19.06	14.41	14.91	12.20
	Actuarial assumptions				
	Discount Rate	7.54%	7.54%	7.54%	7.54%
	Expected Return on Plan Assets	NA	NA	NA	NA
	Salary Escalation	6.00%	6.00%	6.00%	6.00%
	Attrition*	NA	NA	NA	NA
	Actuarial Gain/(Loss) due to change on Assumptions	-	5.79	-	5.59
				For the Year ended March 31, 2018	For the Year ended March 31, 2017
	Actuarial assumptions for long-term compensated absences				
	Method Used			PUCM	PUCM
	Discount rate			7.54%	7.54%
	Expected return on plan assets			NA	NA
	Salary escalation			6%	6%
	Attrition			NA	NA
	The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary takes into account the inflation, seniority, promotion, increments and other relevant factors.				
29.2	AS-17 Segment Reporting :				
	The Company majorly operates in two business areas i.e. Execution of IT Implementation Services (Turnkey contracts) and Consultancy Engineering Services. The Company has chosen business segment as its primary segment, after considering the dominant source of nature of risks/returns, internal organisation and management structure and therefore secondary segmentation on geographical basis is not considered desirable. A brief description of the business areas is given hereunder:				
	(i) Execution of IT Implementation: The Company is engaged in IT implementation work covering consumer indexing, GIS Mapping, automated meter reading and automated data login for all distribution transformers/feeders under RAPDRP Part-A scheme for Electricity Department of Goa.				
	(ii) Consultancy Engineering Services: The Company is engaged in providing Project Management Consultancy (PMC), Project Management Agency (PMA), Detailed Project Report (DPR) and Third Party Inspection (TPI) work under various schemes of Govt. of India.				
	Segment Revenue and Expense: Revenue directly attributable to the segments is considered as Segment revenue. Expenses directly attributable to the segments are considered as Segment Expenses.				
	Segment Assets & Liabilities: Segment assets includes all operating assets in respective segment & similarly segment liabilities include operating liabilities and provisions.				
	The disclosure requirement as per Accounting Standard 17 - Segment Reporting is as follows:				



REC Power Distribution Company Limited
Notes forming part of the Financial Statements

(Rs. in Lakhs)

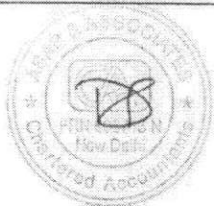
Note	Particulars					
	Particulars		For the Year ended March 31, 2018			
			Business Segments			
			Execution of IT Service	Consultancy Engineering Services	Unallocable	Total
			Rs.	Rs.	Rs.	Rs.
	Segment Revenue	FY2018	209.28	20,361.94	131.64	20,702.86
		FY2017	6,764.12	11,939.53	453.42	19,157.07
	Segment Result	FY2018	(1,344.06)	7,077.57	30.24	5,763.75
		FY2017	2,052.44	4,770.37	(753.74)	6,067.08
	Income Taxes	FY2018				2,017.33
		FY2017				2,033.90
	Profit After Tax (PAT)	FY2018				3,746.41
		FY2017				4,033.18
Segment Assets	FY2018	2,164.67	46,870.46	1,113.92	50,149.04	
	FY2017	3,227.74	16,181.78	3,668.98	23,078.50	
Segment Liabilities	FY2018	1,667.58	6,458.33	24,011.26	32,137.18	
	FY2017	1,364.70	5,456.23	468.92	7,289.84	
Capital Expenditure	FY2018	-	-	91.50	91.50	
	FY2017	0.09	-	277.76	277.85	
Depreciation and Amortisation	FY2018	-	-	113.86	113.86	
	FY2017	0.02	-	66.32	66.34	
29.3	AS - 18 Related Party Transactions					
	Details of Related Parties:					
	Description of relationship	Names of related parties				
	Holding Company	Rural Electrification Corporation Limited				
	Fellow Subsidiaries	REC Transmission Projects Company Limited (RECTPCL)				
	Key Managerial Personnel (KMPs)	Dr. P.V Ramesh, Chairman Mr. Ajeet Kumar Agarwal, Director Mr. Sanjeev Kumar Gupta, Director Mr. Sanjiv Garg, Director Dr. Debjani Chakrabarti, Chief Executive Officer				
	Companies under Common Control :	Details of the subsidiaries of RECTPCL is as follows:				
	REC Transmission Projects Company Limited (RECTPCL) is under common control.	1. Dingchang Transmission Limited 2. Ghatampur Transmission Limited 3. Dumka Transmission Limited 4. Chandil Transmission Limited 5. Mandar Transmission Limited 6. Koderma Transmission Limited				
	Note: Related parties are as identified by the Management and relied upon by the auditors.					



REC Power Distribution Company Limited
Notes forming part of the Financial Statements

(Rs. in Lakhs)

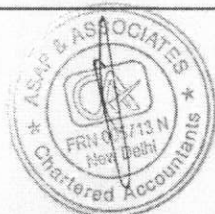
Note	Particulars			
	Details of related party transactions during the year ended 31st March, 2018 and balances outstanding as at 31st March, 2018:			
	Particulars	Holding Company	Fellow Subsidiaries	KMP
	Transactions			
	Services Rendered			
	FY2017-18	234.87	-	-
	<i>FY2016-17</i>	<i>509.05</i>	<i>-</i>	<i>-</i>
	Services Obtained			
	FY2017-18	-	-	-
	<i>FY2016-17</i>	<i>-</i>	<i>68.17</i>	<i>-</i>
	Reimbursement of Expenditure on behalf of the Company			
	FY2017-18	1,893.33	-	-
	<i>FY2016-17</i>	<i>3,706.28</i>	<i>-</i>	<i>-</i>
	Remuneration to KMP's (through Holding Company)			
	FY2017-18	-	-	17.33
	<i>FY2016-17</i>	<i>-</i>	<i>-</i>	<i>10.73</i>
	Investment in Tax Free Bonds			
	FY2017-18	1,043.51	-	-
	<i>FY2016-17</i>	<i>1,043.51</i>	<i>-</i>	<i>-</i>
	Reimbursement of Expenditure incurred by the Company			
	FY2017-18	308.07	-	-
	<i>FY2016-17</i>	<i>1,120.37</i>	<i>-</i>	<i>-</i>
	Interest Income from Investment in Tax Free Bonds			
	FY2017-18	82.57	-	-
	<i>FY2016-17</i>	<i>85.58</i>	<i>-</i>	<i>-</i>
	Proposed Dividend on Equity Shares			
	FY2017-18	0.00	-	-
	<i>FY2016-17</i>	<i>1,210.50</i>	<i>-</i>	<i>-</i>
	Advance for REC- CSR (SVA Project)			
	FY2017-18	-	-	-
	<i>FY2016-17</i>	<i>1,009.17</i>	<i>-</i>	<i>-</i>
	Balances outstanding at the end of the year			
	Trade Payables			
	FY2017-18	122.53	-	-
	<i>FY2016-17</i>	<i>107.48</i>	<i>-</i>	<i>-</i>
	Trade Receivables			
	FY2017-18	536.27	-	-
	<i>FY2016-17</i>	<i>545.16</i>	<i>-</i>	<i>-</i>
	Short-term Loans & Advances			
	FY2017-18	-	-	-
	<i>FY2016-17</i>	<i>-</i>	<i>-</i>	<i>-</i>
	Non-current Investment			
	FY2017-18	1,043.51	-	-
	<i>FY2016-17</i>	<i>1,043.51</i>	<i>-</i>	<i>-</i>
	Other Current Liabilities			
	FY2017-18	291.02	-	-
	<i>FY2016-17</i>	<i>599.10</i>	<i>-</i>	<i>-</i>
	Note: Figures in italics relate to the Previous year			



REC Power Distribution Company Limited
Notes forming part of the Financial Statements

(Rs. in Lakhs)

Note	Particulars			
29.4	AS-19 Disclosure under Leases		For the Year ended March 31, 2018	For the Year ended March 31, 2017
	Details of leasing arrangements			
	As Lessee			
	The Company has entered into various operating lease arrangements, which are usually renewable on mutually agreed terms and also cancellable subject to fulfillment of certain contractual terms. The lease rentals pertaining to the year, is charged to Statement of Profit and Loss.*		227.65	202.50
	Future minimum lease payments #			
	not later than one year		122.15	107.95
	later than one year and not later than five years		342.54	350.10
	later than five years		-	42.00
	* Include Lease rental paid for the Office Premises & Machinery during the year.			
	# Reported for Office Premises having Lease term more than three years and Lease Term for Machinery is less than 12 Months, hence not reported.			
29.5	AS- 20 Earnings per Share			
	Particulars	Units	For the Year ended March 31, 2018	For the Year ended March 31, 2017
	Net Profit/(loss) for the year (Numerator)	Rupees in Lakhs	3,680.25	4,033.18
	Weighted average number of equity shares (Denominator)	Numbers	50,000	50,000
	Par value per share	Rupees	10.00	10.00
	Basic Earning Per Equity Share	Rupees	7,360.49	8,066.36
	Diluted Earning Per Equity Share	Rupees	7,360.49	8,066.36
	Note : There are no dilutive potential equity shares and hence, no quantification is made of diluted earnings per equity share.			
29.6	Movement of Provision			
	Particulars	As at 1st Apr, 2017	Additions made during the year	Utilised during the year
				As at 31st Mar, 2018
	Provision for Contingencies for Project Cost Revision	-	-	-
	Provision for Doubtful Debts	253.05	27.92	234.70
	Provision for Earned Leave	12.21	9.62	7.41
	Provision for Loyalty Bonus	14.02	10.64	5.60
	Provision for CSR Expenses	-	95.22	95.22
	Proposed Dividend	-	1,210.50	1,210.50
	CDT	-	246.43	246.43
	Provision for Income Tax	8,836.00	2,029.16	66.16
	Total	279.28	1,600.34	1,799.87
	Total			
	79.74			
29.7	Notes:			
	The company has made actual provision for bad and doubtful debts on prudence basis for the book debts outstanding for more than one year but less than three years and written off the the book debts for debtors more than 3 years which are not confirmed by the respective debtors .Accordingly, the existing provision of Rs.253.05 is reduced to Rs.46.27 at the close of the current year, after bad debts written off amounting to Rs.234.69 lacs and an additional provision of Rs. 27.91Lakh is charged to current year's Profit & Loss Account .			
29.8	AS - 28 Impairment of Assets			
	In the opinion of management, there is no impairment of the assets of the Company in terms of AS-28. Accordingly, no provision for impairment loss has been made.			
29.9	Trade Payables & Trade Receivables			
	The letters for balance confirmation as on 30th November 2017 were issued to all trade receivables/ payables with a negative assertion as referred to in standard of auditing (SA 505-revised). The confirmations have been obtained to the extent of 88%, as per records available with the company. Therefore, the respective amounts stated in the financial statements, have been treated as good except the specific provisions for doubtful debts/bad debts written off.			



REC Power Distribution Company Limited
Notes forming part of the Financial Statements

(Rs. in Lakhs)

Note	Particulars			
29.10	Disclosoure on CSR Expenses U/s 135 of the Companies Act, 2013			
	(a) Gross Amount to be spent by the Company during the FY 2017-18- Rs.112.97 Lakhs			
	Particulars	In Cash	Yet to be paid in cash	Total
	CSR Expenditure for the FY 17-18	58.61	-	58.61
	CSR Expenditure for the FY 16-17	36.61	-	36.61
	Total	95.22	-	95.22
	In accordance with Section 135 of the Companies Act, 2013, the company has incurred expenses on Corporate Social responsibility (CSR) aggregating to Rs. 112.97 Lakh (previous year Rs.111.74 Lakh).			
	Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017	
	Opening Balance at the beginning of the year	-	2.74	
	Add :			
	a) Gross amount required to be spent by the Company during the year	95.22	50.33	
	Less:			
	b) Amount spent during the year on the following :			
	-Contribution towards Education	-	4.16	
	-Contribution towards Study & Research (AIIMS) (49.93 Lakhs)*	24.97	12.48	
	-Contribution towards Girl Orphan Home (10.89 Lakhs)*	2.72	8.17	
	-Contribution towards Protection of Rights of Differently Abled Children (2.68 Lakhs)*	0.67	2.01	
	-Contribution towards Skill Development (4.02 Lakhs)*	2.14	1.34	
	-Contribution towards Construction of Schools (10 Lakhs)*	5.00	5.00	
	-Contribution towards Procurement of Life Saving Ambulance (22.13 Lakhs)*	1.11	19.91	
	-Contribution towards Multi Speciality Health Check up, Testing & Free Machines (12.86 Lakhs)*	12.86	-	
	-Contribution towards Financial Support to the selected families of Martyrs (22.00 Lakhs)*	22.00	-	
	-Contribution towards Setting up 3 Nos of Powered Community Water Centre (49.16 Lakhs)*	-	-	
	-Contribution towards MSGA selected as IA by MeECL for Indoor Badminton Court (25.00 Lakhs)*	23.75	-	
	Closing Balance at the yend of the year	-	-	
	*Sanctioned Amount for CSR Activities Identified as per Section 135 of the Companies Act, 2013.			
29.11	Advances/Dues from Directors & Other Officers of the Company:			
	Designation Category Officer	As at 31st Mar, 2018	Maximum amount outstanding for the year ended March 31, 2018	As at 1st Apr, 2017 Maximum amount outstanding for the year ended March 31, 2017
	Chairman	NIL	NIL	NIL
	Company Secretary	NIL	NIL	NIL




REC Power Distribution Company Limited
Notes forming part of the Financial Statements

(Rs. in Lakhs)

Note	Particulars																					
29.12	<p>Govt Grant : Government of Jammu & Kashmir, Power Development Department has appointed REC Power Distribution Company Limited, as a Project Implementing Agency (PIA) for design, engineering, procurement, supply, erection, testing and commissioning of all the material and services works to be taken-up for execution of distribution work under PMDP in 5 circle of J&K state on nomination basis, as per actual cost to be discovered through competitive biddings. The funds received for disbursement to various agencies under the scheme are kept in a separate bank account. The undisbursed funds for the scheme including interest earned thereto are classified under "Subsidy for J&K PMDP work" under the head "Other Current Liabilities".</p> <p>During the year, interest earned of Rs. 1142.53 Lakhs (Previous year Rs. Nil) has been taken to Subsidy for J&K PMDP work Subsidy account. Further during the year, an amount of Nil (Previous year Nil) has been refunded back to MoP out of the total interest on subsidy.</p>																					
	<p>The movement in Interest on Subsidy/ Grant is explained as under:</p> <table><tr><th>Particulars</th><th>For the Year ended March 31, 2018</th><th>For the Year ended March 31, 2017</th></tr><tr><td>Opening Balance</td><td>-</td><td>-</td></tr><tr><td>Add: Grant received during the year</td><td>20,470.00</td><td>-</td></tr><tr><td>Add: Interest earned during the year</td><td>1,142.53</td><td>-</td></tr><tr><td>Less: Amount refunded to Govt. during the year</td><td>-</td><td>-</td></tr><tr><td>Less: Disbursement out of Grant</td><td>-</td><td>-</td></tr><tr><td>Closing Balance</td><td>21,612.53</td><td>-</td></tr></table>	Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017	Opening Balance	-	-	Add: Grant received during the year	20,470.00	-	Add: Interest earned during the year	1,142.53	-	Less: Amount refunded to Govt. during the year	-	-	Less: Disbursement out of Grant	-	-	Closing Balance	21,612.53	-
Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017																				
Opening Balance	-	-																				
Add: Grant received during the year	20,470.00	-																				
Add: Interest earned during the year	1,142.53	-																				
Less: Amount refunded to Govt. during the year	-	-																				
Less: Disbursement out of Grant	-	-																				
Closing Balance	21,612.53	-																				
29.13	<p>Income from Operations: The income recognized in statement of profit and loss is based on the invoices raised by the company and accepted by the customers and not reconciled with 26AS, as the TDS returns by the respective customers have not been filed/revised, as yet. However, the same is taken as correct, as all the customers are government departments/institutions only.</p>																					
29.14	<p>Advance from REC: An amount of Rs. 291.02 lacs (Previous Year Rs. 599.10 Lacs) is shown as advance from REC, is kept deposited in flexi bank account and the same is earmarked for the specific project of REC. However, the interest earned thereon is not separable and accordingly is shown as interest income from fixed deposit.</p>																					
29.15	<p>Prior Period Adjustments: The amount does not include individual prior period expenses of less than Rs.5,00,000/-, as the same is not identified and accounted for, in the books of accounts. The same is taken as insignificant on the basis of MRL.</p>																					
29.16	<p>Amalgamation: With a view to have better operational efficiency and to reap the benefits of higher capital base, pooled resources and to create one big Consultancy firm and in terms of Ministry of Power's Office Memorandum dated 30th August, 2017, the unlisted wholly owned subsidiary companies of Rural Electrification Corporation Limited i.e. REC Power Distribution Company Limited (RECPDCL) and REC Transmission Projects Company Limited (RECTPCL), have initiated the process of amalgamation under which RECTPCL (Transferor company) along with its wholly owned subsidiaries, will merge into RECPDCL (Transferee company), subject to the requisite approvals/sanctions of the shareholders/creditors of the transferor & transferee companies, Central Government and such other Competent Authority(ies), as may be required.</p>																					
29.17	Information regarding foreign currency transactions disclosure as required under Schedule III of the Companies Act, 2013 is NIL.																					
29.18	As per the Provision of Companies Act, 2013 the Figures have been rounded off to the nearest of Lakhs and decimal thereof.																					
29.19	The Previous year figures have been regrouped and reclassified, wherever necessary to conform to the current year presentation.																					

In terms of our report attached.
For ASAP & Associates
Chartered Accountants
Firm Registration No. 005713N

Anil Jain
CA Anil Jain
Partner
Membership No. 084559
Place : New Delhi
Date : May 17, 2018



For and on behalf of the Board of Directors
REC Power Distribution Company Limited

Sanjiv Garg
Sanjiv Garg
Director
DIN - 00891755

P.V Ramesh
P.V Ramesh
Chairman
DIN - 02836069

In terms of our report attached.

For ASAP & Associates

Chartered Accountants

Firm Registration No. 005713N

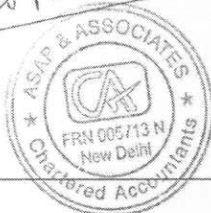
CA Anil Jain

Partner

Membership No. 084559

Place : New Delhi

Date : May 17, 2018



For and on behalf of the Board of Directors

REC Power Distribution Company Limited

Sanjiv Garg

Director

DIN - 00891755

P.V. Ramesh

Chairman

DIN - 02836069

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 (f) under 'Report on Other Legal and
Regulatory Requirements' section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of "REC Power Distribution Company Ltd" as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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



A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **ASAP & Associates**
Chartered Accountants
(FRN- 005713 N)



Anil Kumar Jain

Anil Kumar Jain
(Partner)
(Membership No. - 84559)

Place: Delhi
Date: May 17, 2018

ANNEXURE "B" TO THE AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Legal and Regulatory Requirements' section of our report of even date)

- (i) (a). The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
(b). The fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c). The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees under Section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (IV) of the Order is not applicable.
- (v) According to the Information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) In our opinion and according to information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under sub section 1 of section 148 of the Companies Act, 2013.



(vii) According to the information and explanations given to us in respect of statutory dues:

(a). The Company has been regular in depositing undisputed statutory dues, including Provident fund, Employees' state insurance, Income tax, Goods & service tax(GST), Sales tax, Customs duty, Excise duty, Value added tax, Cess and other material statutory dues applicable with the appropriate authorities and generally been regular in depositing Service tax with appropriate authorities.

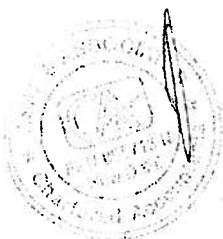
(b). There were no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Sales tax, Goods & Service tax(GST), Service tax, Customs duty, Value added tax, Excise duty, Cess and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.

(c). There are no disputed dues in respect of Sales tax, Goods & service tax (GST), Service tax, Customs duty, Excise duty and Value added tax except Income Tax as at 31st March 2018 which have not been deposited on account of dispute. In respect of Income Tax following dues are disputed-

Disputed Dues	As at 31 st March, 2018 (Amount in Rs. Lakh)
(1.) Income Tax Demand against Notice U/s 245 of Income Tax Act for AY 2011-12	20.88
(2.) Income Tax Demand against Notice U/s 245 of Income Tax Act for AY 2012-13	0.18
(3) Income Tax Demand against Notice U/s 245 of Income Tax Act for AY 2016-17	249.60
Total	270.66

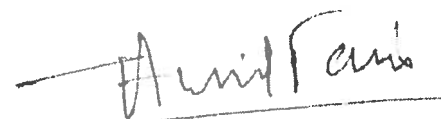
(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions, and government or has not issued any debentures.

(ix) The company has not raised any money by way of Initial Public offer or further Public offer (including debt Instruments) or term loans and hence reporting under clause (ix) of the order is not applicable.



- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) We are informed that the Company has not appointed any managerial personnel under Section 196 of the Companies Act, 2013, hence reporting under clause (xi) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **ASAP & Associates**
Chartered Accountants
(FRN- 005713 N)



Anil Kumar Jain
(Partner)
(Membership No. - 84559)

Place: Delhi
Date: May 17, 2018

REC Power Distribution Company Limited
Cash Flow Statement for the year ended March 31, 2018

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2018		For the Year ended March 31, 2017	
A. Cash flow from Operating Activities				
Net Profit before Extraordinary Items and Tax		5,763.74		6,067.08
<u>Adjustments for:</u>				
Depreciation and amortisation	113.86		66.34	
Liabilities no longer required written back	(70.61)		(141.85)	
Provision for doubtful trade and other receivables	27.92		83.87	
Interest income on Fixed deposit	(174.83)		(192.23)	
Interest income on Tax Free Bonds	(126.43)	(230.09)	(129.38)	(313.25)
Operating Profit Before Working Capital Changes		5,533.65		5,753.83
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	4.48		1,706.64	
Trade receivables	790.03		(2,579.42)	
Short-term loans and advances	120.49		(544.41)	
Long-term loans and advances	153.33		26.68	
Other current assets	(4,368.98)		(732.36)	
Other non-current assets	205.02		7.53	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	2,099.38		(539.59)	
Other current liabilities	22,823.79		(396.21)	
Short-term provisions	(4.65)		(233.89)	
Long-term provisions	11.89		(2.23)	
Other Long-Term Liabilities	(18.86)	21,815.94	41.86	(3,245.42)
Cash generated from operations		27,349.59		2,508.41
Net Income Tax (Paid) net of Refunds		(2,204.06)		(2,192.29)
Net Cash Flow from / (used in) Operating Activities (A)		25,145.53		316.12
B. Cash Flow from Investing Activities				
Capital Expenditure on Fixed Assets	(91.50)		(277.85)	
Proceeds from Sale of Fixed Assets	-			



REC Power Distribution Company Limited

Cash Flow Statement for the year ended March 31, 2018

(Rs. in Lakhs)

Deposit with Bank having original maturity period more than 3 Months but Less than 12 Months	(21,063.84)		(467.64)	
Deposit with Bank having original maturity period more than 12 Months	26.91		519.39	
Interest income on Fixed deposit	174.83		192.23	
Interest income on Tax Free Bonds	126.43		129.38	
Investment in Tax Free Bonds	-	(20,827.16)	-	95.50
Net Cash Flow from/(used in) Investing Activities (B)		(20,827.16)		95.50
C. Cash Flow from Financing Activities				
Dividends paid	(1,210.50)		(1,085.01)	
Tax on dividend	(246.43)	(1,456.93)	(220.89)	(1,305.89)
Net Cash Flow from/(used in) Financing Activities (C)		(1,456.93)		(1,305.89)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		2,861.44		(894.27)
Cash and Cash Equivalents at the Beginning of the Year		825.49		1,719.76
Cash and Cash Equivalents at the End of the Year		3,686.93		825.49

Components of Cash & Cash Equivalents as at the end of the year:

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
(a) Cash on Hand	-	-
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In Current Accounts	2,599.88	261.66
(ii) In Term Deposits	22,699.58	1,344.46
Cash & Bank Balances	25,299.45	1,606.12
Less : Deposits having maturity of more than 3 Months	21,612.53	780.63
Cash & Cash Equivalent at the end of the year	3,686.93	825.49

Significant Accounting Policies

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See accompanying notes forming part of the financial statements

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In terms of our report attached.

For ASAP & Associates

Chartered Accountants

Firm Registration No. 005713N

For and on behalf of the Board of Directors

REC Power Distribution Company Limited

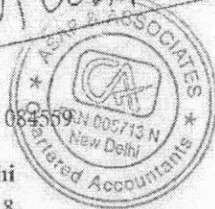
CA Anil Jain

Partner

Membership No. 084559

Place : New Delhi

Date : May 17, 2018



Sanjiv Garg

Director

DIN - 00891755

P.V Ramesh

Chairman

DIN - 02836069

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF REC POWER DISTRIBUTION COMPANY LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **REC Power Distribution Company Limited** (A wholly owned subsidiary of Rural Electrification Corporation Limited), which comprise the Balance Sheet as at **31st March, 2018**, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

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

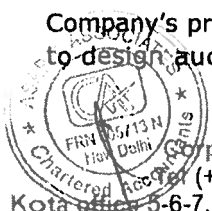
Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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



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includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rule issued thereunder.
- e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, and operating effectiveness of such control refer to our separate Report in "Annexure A" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our Information and according to the explanations given to us:
 - i. The Company has no pending litigations as at 31st March 2018.
 - ii. The Company did not have any long-term contracts including derivative



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contracts for which there were any material foreseeable losses;

iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2018.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As per direction issued by the Controller & Auditor General of India under section 143(5) of the companies Act 2013 for the year ended 31st March 2018, we report that:
 - a. The Company do not have any freehold or leasehold Land.
 - b. The Company have neither given nor taken any loans, borrowings or debts to/from any financial institution, banks, government or debenture holders during the year.
 - c. There is no inventories lying with third parties. Further, as explained to us and to the best of our knowledge the company has not received any assets as gift/grant from the Government or other authorities.

For **ASAP & Associates**
Chartered Accountants
(FRN- 005713 N)



A handwritten signature in black ink, appearing to read "Anil Kumar Jain".

Anil kumar Jain
(Partner)
(Membership No. - 84559)

Place: Delhi
Date: May 17, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of "REC Power Distribution Company Ltd" as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

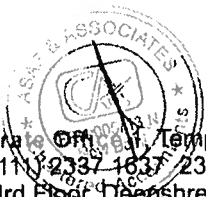
Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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



A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **ASAP & Associates**
Chartered Accountants
(FRN- 005713 N)



Anil Kumar Jain

Anil kumar Jain
(Partner)
(Membership No. - 84559)

Place: Delhi
Date: May 17, 2018

ANNEXURE "B" TO THE AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Legal and Regulatory Requirements' section of our report of even date)

- (i) (a). The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
(b). The fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c). The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees under Section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (IV) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) In our opinion and according to information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under sub section 1 of section 148 of the Companies Act, 2013.



- (vii) According to the information and explanations given to us in respect of statutory dues:

(a). The Company has been regular in depositing undisputed statutory dues, including Provident fund, Employees' state insurance, Income tax, Goods & service tax(GST), Sales tax, Customs duty, Excise duty, Value added tax, Cess and other material statutory dues applicable with the appropriate authorities and generally been regular in depositing Service tax with appropriate authorities.

(b). There were no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Sales tax, Goods & Service tax(GST), Service tax, Customs duty, Value added tax, Excise duty, Cess and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.

(c). There are no disputed dues in respect of Sales tax, Goods & service tax (GST), Service tax, Customs duty, Excise duty and Value added tax except Income Tax as at 31st March 2018 which have not been deposited on account of dispute. In respect of Income Tax following dues are disputed-


Disputed Dues	As at 31 st March, 2018 (Amount in Rs. Lakh)
(1.) Income Tax Demand against Notice U/s 245 of Income Tax Act for AY 2011-12	20.88
(2.) Income Tax Demand against Notice U/s 245 of Income Tax Act for AY 2012-13	0.18
(3) Income Tax Demand against Notice U/s 245 of Income Tax Act for AY 2016-17	249.60
Total	270.66

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions, and government or has not issued any debentures.
- (ix) The company has not raised any money by way of Initial Public offer or further Public offer (including debt Instruments) or term loans and hence reporting under clause (ix) of the order is not applicable.



- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) We are informed that the Company has not appointed any managerial personnel under Section 196 of the Companies Act, 2013, hence reporting under clause (xi) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For ASAP & Associates
Chartered Accountants
(FRN- 005713 N)



Anil Kumar Jain
(Partner)
(Membership No. - 84559)

Place: Delhi
Date: May 17, 2018

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

The preparation of financial statements of REC Power Distribution Company Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the act is responsible for expressing opinion on the financial statements under section 143 of the act based on independent audit in accordance with the Standards on Auditing prescribed under section 143(10) of the act. This is stated to have been done by them vide their Audit Report dated 17 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of REC Power Distribution Company Limited for the year ended 31 March 2018 under Section 143(6)(a) of the Act.

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



(Ritika Bhatia)

Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi

Place: New Delhi
Dated: 23 June 2018

✓

REC Power Distribution Company Limited
Regd. Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003
CIN: U40101DL2007GOI165779
Tel.: +91 11 43091506 Fax: +91 11 24365815
Email: co.delhi@recpdcl.in Website: www.recpdcl.in

ATTENDANCE SLIP

11TH ANNUAL GENERAL MEETING TO BE HELD ON, MONDAY, 17TH SEPTEMBER, 2018 AT 2:30 P.M AT CORE-4, SCOPE COMPLEX, 7, LODHI ROAD, NEW DELHI-110003.

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

I/We, hereby record my/our presence at the 11th Annual General Meeting of the Company held on Monday 17th September 2018, at 2:30 P.M at the Core-4, SCOPE Complex, 7, Lodhi Road, New-Delhi-110003

Signature of Member/ Proxy

NOTES:

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

REC Power Distribution Company Limited
 Regd. Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003
 CIN: U40101DL2007GOI165779
 Tel.: +91 11 43091506 Fax: +91 11 24365815
 Email: co.delhi@recpdcl.in Website: www.recpdcl.in

PROXY FORM (Form No. MGT-11)

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

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

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

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

or failing him / her

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

or failing him / her

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11th Annual General Meeting of the Company, to be held on will be held on Monday, 17th September, 2018 at 2:30 P.M at the Core-4, SCOPE Complex, 7, Lodhi Road, New-Delhi-110003 and at any adjournment thereof in respect of such businesses as are indicated below:

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

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

Signature of ShareholderSignature of Proxy holder(s)

AGM VENUE:
CORE-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003

