

# **Annual Report** **2018-19**

**BHIND GUNA TRANSMISSION LIMITED**  
(A Wholly Owned Subsidiary of REC Transmission Projects Company  
Limited)

**BHIND GUNA TRANSMISSION LIMITED**

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

**CIN: U40300DL2018GOI338734**

**NOTICE**

Notice is hereby given that First (1<sup>st</sup>) Annual General Meeting of **Bhind Guna Transmission Limited** will be held on **Tuesday, August 27, 2019 at 12.00 Noon** at Shorter Notice at **Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003** to transact the following businesses:-

**ORDINARY BUSINESS**

- 1) To receive, consider, approve and adopt the Audited Financial Statements of the Company for the year ended March 31, 2019, along with the Report of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri Poyilikavil Baburaj (DIN: 03299857), who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Shri Sanjay Shilendrakumar Kulshrestha (DIN 06428038), who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Shri Subrata Aich (DIN: 08203135), who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To fix the remuneration of Statutory Auditors for the financial year 2019-20.

**SPECIAL BUSINESS:**

- 6) To borrow money in excess of the aggregate of the Paid-up Share Capital, free reserves and securities premium of the Company u/s 180(1)(c) of the Companies Act, 2013.

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

**"RESOLVED THAT** pursuant to Section 180(1)(c) of the Companies Act, 2013 and Rules there under and subject further to any other statutory and procedural formalities to be complied with in this regard, approval be and is hereby accorded for borrowing money up to total amount of Rs. 25 Crore, for the purpose of the business of the Company, notwithstanding that the money to be borrowed together with moneys already borrowed will exceed the aggregate of the Paid-up share capital, free reserves and securities premium of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution"

**By order of the Board of Directors  
For Bhind Guna Transmission Limited**

  
**(Aniket Kulshreshtha)**  
**Authorised Signatory**

Place: New Delhi

Dated: *27<sup>th</sup> August, 2019*

**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
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. 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.
4. Pursuant to Section 139 of the Companies Act, 2013, the Auditors of a Government Company are appointed/re-appointed by the Comptroller & Auditor General of India (C&AG). M/s PARM & Associates LLP (FRN No. 507094C/N500087), Chartered Accountants, has been appointed as Statutory Auditors of the Company for the period from 18<sup>th</sup> September, 2018 to 31<sup>st</sup> March, 2019 by the Comptroller & Auditor General of India (C&AG).
5. As per the provisions of Section 142 of the Companies Act, 2013, the Board has the power to fix the remuneration for the first auditors of the Company. The Board of Directors in its 3<sup>rd</sup> Meeting held on February 14, 2019 has approved the remuneration of Rs. 30,000/- (Rupees Thirty Thousand only) plus tax as applicable including local travel expenses and other incidental out of pocket expenses to the Statutory Auditors, M/s PARM & Associates LLP, Chartered Accountants, for the period from 18<sup>th</sup> September, 2019 to 31<sup>st</sup> March, 2019.
6. Pursuant to Section 139 of the Companies Act, 2013, M/s PARM & Associates LLP (FRN No. 507094C/N500087) has been appointed as Statutory Auditors of the Company for the financial year 2019-20 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 2019-20. 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 2019-20.
7. Members desirous of getting any information on any item(s) of business of this meeting are requested to address their queries to the Authorized Signatory at the Registered Office of the Company at least five days prior to the date of the Annual General Meeting, so that the information required can be made available at the time of the meeting.
8. The Register of Directors and their Shareholding maintained under Section 170 of the Companies Act, 2013, Register of contracts and arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to, in the Notice will be available for inspection by the Members at the Registered Office of the Company on all working days during business hours and at the time of AGM of the Company at the venue of the Meeting.

**\* Proxy Form is enclosed**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, IN RESPECT OF THE AFORESAID SPECIAL RESOLUTION, SET OUT IN THE NOTICE.**

**Item No. 6**

Bhind Guna Transmission Limited was incorporated by REC Transmission Projects Company Limited (RECTPCL) as a wholly owned subsidiary Company on September 18, 2018. Being a Bid Process Coordinator (BPC), RECTPCL incurs all direct and indirect expenses including incorporation and other activities concerning the project. These expenses are booked to the accounts of the Company as a borrowing/unsecured loan under other non-current liability head, which will be discharged off by the selected bidder on behalf of SPV to RECTPCL.

As per the provisions of Section 180 (1) (c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the permission of the members by passing Special Resolution in the general meeting, borrow monies in excess of the aggregate of the paid-up share capital, free reserves and securities premium of the Company. The Company has paid up capital of Rs. 5.00 lacs and reserves and surplus of Rs. (76.43) lacs.

In view of the above, it is required to take approval from the members by passing special resolution in the general meeting for authorizing the Board of Directors to borrow monies which may exceed at any time the aggregate of the paid-up share capital of the Company, its free reserves and securities premium, but not exceeding Rs. 25 Crore (Rupees Twenty five Crore only) at any point of time.

The Board recommends the resolution for approval of the members.

None of the Directors and their relatives are interested or concerned in the proposed Resolution.

## **BOARD'S REPORT**

To,

The Shareholders,

Your Directors have pleasure in presenting the (1<sup>st</sup>) First Annual Report together with the Financial Statements of your Company for the year ended March 31, 2019.

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

Ministry of Power (MoP), Government of India allocates independent transmission projects to REC Transmission Projects Company Limited (RECTPCL) to work as "Bid Process Coordinator"(BPC) for selection of developer as Transmission Service Provider (TSP) through Tariff Based Competitive Bidding Process to establish identified transmission system. Further, RECTPCL incorporates project-specific Special Purpose Vehicle (SPVs) as its wholly-owned subsidiary companies, which are subsequently transferred along with all assets and liabilities to the successful bidder(s), selected through TBCB process.

Bhind Guna Transmission Limited was incorporated as a project specific Special Purpose Vehicle (SPV) by RECTPCL on September 18, 2018, to develop power transmission network for transmission system for (A) Intra-State Transmission work associated with construction of 400 KV Substation near Guna (Distt.-Guna) and (B) Intra-State Transmission work associated with construction of 220 KV Substation near Bhind (Distt.-Bhind).

The Company is a wholly owned subsidiary of REC Transmission Projects Company Limited (RECTPCL), which itself is a subsidiary of REC Limited (REC), a CPSE under the aegis of Ministry of Power, Government of India.

For selection of developer for the aforesaid Transmission Project, two stage bidding process featuring separate Request for Qualification (RFQ) and Request for Proposal (RFP) has been adopted. RECTPCL invited and issued Request for Qualification (RFQ) on 10.08.2018 for qualification/ short-listing of the Bidders for participation in the next stage of bidding i.e. Request for Proposal (RFP) as part of the process of selection of Transmission Service Provider for the above Transmission System. In response to the same, total 9 bidders had participated at RFQ stage and all 9 bidders were shortlisted to participate in RFP.

Subsequently, RECTPCL issued the RFP w.e.f 29.03.2019 and 4 (four) bidders out of 9 (nine) shortlisted bidders submitted their response to RFP within the prescribed time.

After conclusion of bidding process, M/s Power Grid Corporation of India Limited emerged as successful Bidder with the lowest Levelised Transmission Charges of Rs. 686.8 Million. Further, on receipt of approval of MoP in this regard, 50,000 equity shares presently held by RECTPCL & its nominees will be transferred to the Successful Bidders.

## **2. FINANCIAL PERFORMANCE**

The summary of Financial Performance of the company for the period ended on March 31, 2019 is as under:

<b>Particulars</b>	<b>For the period ended 31/03/2019 (₹ in thousands)</b>
Total Revenue	-----
Profit/(Loss) Before Tax	(7,642.88)
Profit/(Loss) after Tax	(7,642.88)

## **3. TRANSFER TO RESERVES**

The Company has not transferred any amount to General Reserve.

## **4. DIVIDEND**

No dividend has been recommended by the Board of Directors during the period ended March 31, 2019.

## **5. SHARE CAPITAL**

The Authorized share capital of the Company is Rs. 5,00,000/- (Rupees Five Lakh Only) divided into 50,000 Equity Share of Rs. 10/- each and paid-up share capital of the company is Rs. 5,00,000/-(Rupees Five Lakhs only) divided into 50,000 equity shares of ₹ 10/- each. The entire Share Capital is held by the holding company REC Transmission Projects Company Limited (RECTPCL) and its nominees.

## **6. BOARD OF DIRECTORS**

As per Article 58 of Articles of Association of Company, the number of Directors of the Company shall not be less than 3 and not more than 15. As on March 31, 2019, the Company has three Directors on its Board as per details mentioned below:

<b>Sl. No.</b>	<b>Name</b>	<b>Director Identification Number(DIN)</b>	<b>Designation</b>	<b>Date of Last Appointment</b>	<b>Date of Cessation</b>
1.	Shri Poyilikavil Baburaj	03299857	Chairperson and Non-Executive Director	18.09.2018	Continuing

2.	Shri Sanjay Shilendraku mar Kulshreshtha	06428038	Non-Executive Director	18.09.2018	Continuing
3.	Shri Subrata Aich	08203135	Non-Executive Director	18.09.2018	Continuing

The Company does not have any Executive Director on its Board. During the year under review, there is no change in the Board of Directors of the Company. As per Article 58 of Articles of Association of Company, the appointment of Directors including the Chairman, Managing Director, Whole time Director, Part time Director shall be in the General Meeting in accordance with the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder and shall be eligible for re-appointment.

As per Article 58(ii) of Articles of Association, the first Directors shall hold office until the Directors are appointed in the first Annual General Meeting in accordance with other applicable provisions of the Articles of Association of the Company. The retiring Directors shall be eligible for re-appointment. Shri Poyilikavil Baburaj, Shri Sanjay Shilendrakumar Kulshreshtha and Shri Subrata Aich are the First Directors of the Company.

As per the provisions of Section 152 of Companies Act, 2013, Shri Poyilikavil Baburaj, (DIN 08203134), Shri Sanjay Shilendrakumar Kulshreshtha (DIN 06428038) and Shri Subrata Aich (DIN: 08203135) shall retire by rotation in the ensuing 1<sup>st</sup> Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

## **7. NUMBER OF MEETINGS OF THE BOARD**

During the Financial Year 2018-19, four (4) meetings of the Board of Directors of the Company were held viz. (i) October 17, 2018; (ii) November 16, 2018; (iii) February 14, 2019 and (iv) March 22, 2019. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The Company is also complying with the Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Board Meetings (SS 1) and General Meetings (SS 2).

During the Financial Year 2018-19, the attendance of the Directors in the Board Meetings is as under:

Sl. No.	Name of Director	Board Meetings			Attendance at Last AGM	As on March 31, 2019 No. of other Directorships
		Held during the tenure	Attended	Percentage of Attendance		
1.	Shri Poyilikavil Baburaj	4	3	100	N.A.	2

At

2.	Shri Sanjay Shilendrakumar Kulshreshtha	4	4	100	N.A.	6
3.	Shri Subrata Aich	4	4	100	N.A.	1

There have been no Extraordinary General Meetings during the year. Further, no resolutions have been passed by Postal Ballot during the Financial Year.

## **8. GENERAL BODY MEETINGS**

The Company was incorporated on September 18, 2018 and this is the first Annual General Meeting of the Company:

## **9. GENERAL SHAREHOLDER INFORMATION**

The date, time and venue of first Annual General Meeting is as under:-

<b>Day and Date</b>	<b>Time</b>	<b>Venue</b>
27 <sup>th</sup> August, 2019	11:00 A.M.	Core-4, SCOPE Complex,7, Lodhi Road, New Delhi-110003

## **10. STATUTORY AUDITORS**

M/s PARM & Associates LLP, Chartered Accountants, New Delhi (FRN: 507094C) was appointed as Statutory Auditors of the Company for the Financial Year 2018-19 by the Comptroller & Auditor General of India. The Statutory Auditors have audited the Financial Statements of the Company for the period ended March 31, 2019. The Audited Financial Statements, Cash Flow Statement and the required annexure together with the Auditor's Report thereon are annexed to this Report. There is no qualification, reservations or adverse remark or disclaimer in the Statutory Auditor's Report on the Financial Statements of the Company.

## **11. COMMENTS OF THE C&AG OF INDIA**

The Comptroller & Auditor General (C&AG) of India vide letter dated July 26, 2019 have decided not to conduct the supplementary audit of financial statements of the Company for the financial year 2018-19 under Section 143(6)(a) of the Companies Act, 2013 and as such have no comments to make under Section 143(6)(b) of the Companies Act, 2013. The copy of same forms part of this Annual Report.



## **12. PERSONNEL**

Your Company has not appointed any permanent employees. Some of the employees of main holding company i.e. REC Limited have been assigned the additional duty to carry out the day to day work of REC Transmission Projects Company Limited, the holding company and Bhind Guna Transmission Limited.

## **13. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION**

There are no significant particulars, relating to conservation of energy, technology absorption under Rule 8(3) of Companies (Accounts) Rules, 2014.

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

No such expenditure was incurred during the year. Further, no Export initiatives were carried out during the year and the Company has no earning or outgo in foreign exchange as per Rule 8(3) of Companies (Accounts) Rules, 2014.

## **15. DEPOSIT**

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

## **16. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

The arrangements/ transactions during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Disclosures of related party transactions and particulars of contracts or arrangements referred to in Section 188(1) of Companies Act, 2013, in prescribed Form AOC-2 as per Rule 8(2) of Companies (Accounts) Rules, 2014, is appended as Annexure to this Board's report.

## **17. MATERIAL CHANGES BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE DIRECTOR'S REPORT**

There is no significant event occurred after Balance Sheet date till the date of Directors Report.

## **18. DISCLOSURES**

a. There are no instances regarding non- compliance, penalties, strictures imposed on the company by any statutory authority during the financial year.

b. The Company is a wholly owned subsidiary of REC Transmission Projects Company Limited (RECTPCL) which is also a subsidiary of REC Limited and accordingly Presidential

Directives issued by the Central Government to the extent applicable on the Company are being complied.

c. There is no expenditure debited in Books of accounts, which is not for the purpose of the business.

d. There is no expense incurred which are personal in nature and incurred for the Board of Directors and Top Management.

e. The Company does not incur any expenditure of its own. However, the administrative and manpower cost are apportioned to the Company by the Holding Company i.e. RECTPCL which incurs all the expenditure on behalf of this company along with all other fellow subsidiaries.

f. There was no change in the nature of Business of the Company during the Financial Year 2018-19.

g. No significant and material orders have been passed by the Regulators or Courts or Tribunals which would affect the going concern status and Company's operations in future. However, the project of the Company has been kept in abeyance owing to instruction of CEA and empowered committee on Transmission.

h. There are no loans given, investments made, guarantees given and securities provided by the company as per Section 186 of the Companies Act, 2013 during the financial year.

e. The Central Government has not prescribed the maintenance of cost records for the products/services of the Company under Companies (Cost Records and Audit) Rules, 2014, read with Companies (Cost Records and Audit) Amendment Rules, 2014 prescribed by the Central Government under Section 148 of the Companies Act, 2013. Accordingly, Cost Accounts and Records are not required to be maintained by the Company.

#### **19. EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92 of Companies Act, 2013 read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of Annual Return in **Form No. MGT 9** forms part of the Board's Report.

#### **20. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the relevant provisions of Section 134(5) Companies Act, 2013, your Directors confirm that:

(a) in the preparation of the annual accounts for the period ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.

(b) such accounting policies have been applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2019 and of the profit of the company for the period ended on that date.

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d) the financial statements have been prepared on a 'going concern' basis.

(e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

In line with provisions of 'Sexual Harassment of Woman at Workplace (Prevention, Prohibition & Redressal) Act 2013', an 'Internal Complaints Committee' has been constituted in RECTPCL, the holding company, which also looks after complaint(s) regarding sexual harassment of women in subsidiary companies. However, during the financial year 2018-19, there were no complaints received by the Committee.

**22. ACKNOWLEDGEMENT**

The Directors are grateful to the Ministry of Power for its continued co-operation and support. The Directors also place on record their sincere appreciation for the continued support of Shareholders, other Stakeholders, Banker, the holding company i.e. REC Transmission Projects Company Limited (RECTPCL), the main holding company i.e. REC Limited (REC), Statutory Auditors of the Company and the Comptroller & Auditor General (C&AG) of India.

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

**Place: New Delhi**

**Date: 27<sup>th</sup> August, 2019**

  
**(Sanjay Shilendra Kumar Kulshreshtha)**

**DIN:06428038**

**Director**

  
**(Subrata Aich)**

**DIN:08203135**

**Director**



**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31st March 2019  
*[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: **U40300DL2018GOI338734**
- (ii) Registration Date: **18th September, 2018**
- (iii) Name of the Company: **Bind Guna Transmission Limited**
- (iv) Category/Sub-Category of the Company: **Company limited by Shares/ Union Government Company**
- (v) Address of the Registered Office and Contact Details:-  
Address: **Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003**  
Contact Details: **Ph. No.- 011-24369854 Fax No.- 011-24362039**
- (vi) Whether Listed Company Yes/ No: **No**
- (vii) Name, Address and Contact Details of Registrar and Transfer Agent, if any-  
Name: **Yes**  
Address: **NSDL Database Management Limited**  
**4th Floor, 'A' Wing, Tarde World, Kamala Mills Compound**  
**Senapati Bapat Marg, Lower Parel, Mumbai-400013, India**  
**91-22-49142700, Fax:91-22-49142503**
- Contact Details:

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

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1	To plan, promote and develop an integrated and efficient power transmission system network	3510	100%

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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON 31st MARCH, 2019						
Sl. No.	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	REC Transmission Projects Company Limited (RECTPCL)	Core 4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003	U40101DL2007GOI157558	Holding Company	100%	Section 2(46) of Companies Act, 2013

# Bhind Guna Transmission Limited

## SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding											
CATEGORY CODE	CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO. OF SHARES HELD AT THE END OF THE YEAR				% CHANGE DURING THE YEAR	
		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)	Others	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)	Others	0	0	0	0.00	0	0	0	0.00	0.00	
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00	
	Total shareholding of Promoter (A)=A(1)+A(2)	0	50000	50000	100	0	50000	50000	100	0.00	
(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)	Others	0	0	0	0	0	0	0	0	0	
	Sub-Total B(1) :	0	0	0	0	0	0	0	0	0.00	
(2)	NON-INSTITUTIONS										
(a)	Bodies Corporate	0	0	0	0	0	0	0	0	0	
(b)	Individuals	0	0	0	0	0	0	0	0	0	

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(i) Individuals holding nominal share capital upto Rs.1 lakh	0	0	0	0	0	0	0	0	0	0
(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	0	0	0	0	0	0	0	0	0	0
(c) Others	0	0	0	0	0	0	0	0	0	0
Sub-Total B(2) :	0	0	0	0.00	0	0	0	0.00	0.00	0.00
Total Public Shareholding (B)=B(1)+B(2) :	0	0	0	0.00	0	0	0	0.00	0.00	0.00
Total (A+B) :	0	50000	50000	100.00	0	50000	50000	100.00	0.00	0.00
(C) Shares held by custodians for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A+B+C) :	0	50000	50000	100.00	0	50000	50000	100.00	0.00	0.00

Note: The Company was incorporated on 18th September, 2018 and the entire Paid-up Share Capital of the Company is held by REC Transmission Projects Company Limited (holding company) and its Nominees from the date of Incorporation.

(ii) **Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 18th September 2018)			Shareholding at the end of the year (as on 31st March 2019)			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	REC Transmission Projects Company Limited	49994	99.988	-	49994	99.988	-	0
2	Shri Poylikavil Baburaj*	1	0.002	-	1	0.002	-	0
3	Shri Sanjay Shilendrakumar Kulshrestha *	1	0.002	-	1	0.002	-	0
4	Shri Subrata Aich*	1	0.002	-	1	0.002	-	0
5	Shri Bhupender Gupta*	1	0.002	-	1	0.002	-	0
6	Smt. Harinder Kaur Chani*	1	0.002	-	1	0.002	-	0
7	Smt. Swati Gupta*	1	0.002	-	1	0.002	-	0
Total		50000	100	-	50000	100	-	0

\* 1 share (as nominee of REC Transmission Projects Company Limited-Holding Company)

Note: Shri Poylikavil Baburaj (DIN 03299857), Shri Sanjay Shilendrakumar Kulshrestha (DIN 06428038) and Shri Subrata Aich (DIN 08203135) are also the Directors of the Company and they are holding 1 equity share of Rs.10 each as nominee of REC Transmission Projects Company Limited.



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

Sl. No.		Shareholding at the beginning of the year (as on 18th September 2018)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	<b>Name of the Shareholder</b>	<b>RECTPCL (including its Nominees)</b>			
	At the beginning of the year	50000	100	50000	100
	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			
	At the end of the year	50000	100	50000	100

**Note:** The Company was incorporated on 18th September, 2018 and the entire Paid-up Share Capital of the Company is held by REC Transmission Projects Company Limited (holding company) and its Nominees from the date of Incorporation. There is no change in the Promoter's Shareholding during the financial year 2018-19.

(iv) <b>Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):</b>					
Sl. No.	For each of the top ten Shareholders	Shareholding at the beginning of the year (as on 18th September 2018)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year (Held by Promoter and its nominees)	NIL			
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity, etc.)				
	At the end of the year (or on the date of separation, if separated during the year)				

**Note:** REC Transmission Projects Company Limited alongwith its nominees holds the entire Paid-up Share Capital of Rs.5,00,000 divided into 50000 equity share of Rs. 10 each in the Company.

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

Sl. No.	Shareholding at the beginning of the year (as on 18th September 2018)	Cumulative shareholding during the year (as on 31st March 2019)			
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	
1	Shri Poyilkavil Baburaj (Chairman) (DIN 03299857)				
	At the beginning of the year	1 Equity Share of Rs 10/- each as nominee	0.002	1 Equity Share of Rs 10/- each as nominee	0.002
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	-	-	-	-
	At the end of the year	1 Equity Share of Rs 10/- each as nominee	0.002	1 Equity Share of Rs 10/- each as nominee	0.002
2	Shri Sanjay Shlindrakumar Kulshrestha (Non-Executive Director) (DIN 06428038)				
	At the beginning of the year	1 Equity Share of Rs 10/- each as nominee	0.002	1 Equity Share of Rs 10/- each as nominee	0.002
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	-	-	-	-
	At the end of the year	1 Equity Share of Rs 10/- each as nominee	0.002	1 Equity Share of Rs 10/- each as nominee	0.002
3	Shri Subrata Aich (Non-Executive Director) (DIN 08203135)				
	At the beginning of the year	1 Equity Share of Rs 10/- each as nominee	0.002	1 Equity Share of Rs 10/- each as nominee	0.002
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	-	-	-	-
	At the end of the year	1 Equity Share of Rs 10/- each as nominee	0.002	1 Equity Share of Rs 10/- each as nominee	0.002



**V. INDEBTEDNESS**

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

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

# **VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sl. No.	Particulars of Remuneration*	Name of MD/MTD/Manager			Total Amount
1	Gross Salary	0	0	0	0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of Salary under section 17(3) Income Tax, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	- others, specify	0	0	0	0
5	Others, please specify				
	Total (A)	0	0	0	0
	Ceiling as per the Act				

## **B. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
	Independent Directors	0	0	0	0
	• Fee for attending board committee meetings	0	0	0	0
	• Commission	0	0	0	0
	• Others, please specify	0	0	0	0
	Total (1)	0	0	0	0
4	Other Non-Executive Directors	Shri Poyilkavil Baburaj (Chairman & Director)	Shri Sanjay Shilendrakumar Kulshrestha	Shri Subrata Aich	0

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• Fee for attending Board Committee Meetings	0	0	0	0	0
• Commission	0	0	0	0	0
• Others, please specify	0	0	0	0	0
Total (1)	0	0	0	0	0
Total (B)=(1+2)	0	0	0	0	0
Total Managerial Remuneration	0	0	0	0	0
Overall Ceiling as per the Act	0	0	0	0	0

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

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

\*Note: The directors of Bhind Guna Transmission Limited are the Non-Executive Directors on its Board. Therefore, they are not drawing any remuneration either on monthly or annual basis from the Company.

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VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

(Sanjay Shilendra Kumar Kulshreshtha)

Director

DIN - 06428038

(Sujrata Aich)

Director

DIN - 08203135

Dated: 31<sup>st</sup> August, 2019  
Place: New Delhi

*1/2*

**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
NIL	NIL	NIL	NIL	NIL	Nil	Nil	Not Applicable

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

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
REC Transmission Projects Company Limited (Holding company of Bhind Guna Transmission Limited	Reimbursement of expenses	On-going transaction	Rs 88,39,345/- during the financial year 2018-19.		Rs.4,80,000/- received as advance against the expenses incurred to be incurred, which is adjusted at the end of the period

For and on behalf of the Board of the Dire

Place: New Delhi

Date: 27<sup>th</sup> August, 2019

(Sanjay Sharma) (Sanjay Sharma)

DIN:06428038

Director

(Sudhakar A)

DIN:08203

Director

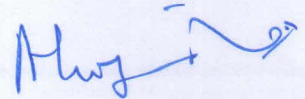


**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE  
FINANCIAL STATEMENTS OF BHIND GUNA TRANSMISSION LIMITED FOR  
THE YEAR ENDED 31 MARCH 2019**

The preparation of financial statements of Bhind Guna Transmission Limited for the year ended 31 March 2019 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 15 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Bhind Guna Transmission Limited for the year ended 31 March 2019 under Section 143(6)(a) of the Act.

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



(Rina Akoijam)

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

**Place: New Delhi**

**Dated: 24 July 2019**

**BHIND GUNA TRANSMISSION LIMITED**  
CIN: U40300DL2018GOI338734  
Balance Sheet as at 31 March 2019  
(All amounts in rupees thousands, unless stated otherwise)

	Notes	As at 31 March 2019
<b>ASSETS</b>		
Non-current assets		
Capital work in progress	4	410.51
<b>Total non-current assets</b>		<b>410.51</b>
Current assets		
Financial assets		
Cash and cash equivalents	5	19.79
Other current assets	6	1,296.16
<b>Total current assets</b>		<b>1,315.95</b>
<b>TOTAL ASSETS</b>		<b>1,726.47</b>
<b>EQUITY AND LIABILITIES</b>		
Equity		
Equity share capital	7	500.00
Other equity	8	(7,642.88)
<b>Total equity</b>		<b>(7,142.88)</b>
Current liabilities		
Financial liabilities		
Other financial liabilities	9	8,832.12
Other current liabilities	10	37.23
<b>Total current liabilities</b>		<b>8,869.35</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,726.47</b>

Summary of significant accounting policies

The accompanying notes are integral part of the financial statements.

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

PARM & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm Registration No.: 507094C

Rakesh Gupta  
Partner  
Membership No: 085967

Place: New Delhi

Date: 15/05/2019



For and on behalf of Board of Directors of  
BHIND GUNA TRANSMISSION LIMITED

Poyilikavil Baburaj  
Director  
DIN 03299857

Place: New Delhi

Date: 15/05/2019

Subrata Aich  
Director  
DIN 08203135



**BHIND GUNA TRANSMISSION LIMITED**  
CIN: U40300DL2018GOI338734  
Statement of Profit and Loss for the period ended 31 March 2019  
(All amounts in rupees thousands, unless stated otherwise)

	Notes	For the period from 18 September 2018 to 31 March 2019
<b>Revenue</b>		
Revenue from operations		-
<b>Total income</b>		-
<b>Expenses</b>		
Finance cost	11	308.07
Employee benefits expense	12	2,144.26
Other expenses	13	5,190.55
<b>Total expenses</b>		<b>7,642.88</b>
<b>Loss before tax</b>		<b>(7,642.88)</b>
<b>Tax expense</b>		
Current tax	14	-
<b>Loss for the period</b>		<b>(7,642.88)</b>
<b>Total comprehensive loss for the period</b>		<b>(7,642.88)</b>
<b>Loss per equity share</b>		
Basic/diluted loss per share (Rs.)	15	(152.86)
(EPS for the relevant period not annualised)		

**Summary of significant accounting policies**  
The accompanying notes are integral part of the

This is the profit and loss account referred to in our report of even date.

**PARM & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 507094C

Rakesh Gupta  
Partner  
Membership No: 085967  
Place: **New Delhi**  
Date: **15/05/2019**



For and on behalf of Board of Directors of  
**BHIND GUNA TRANSMISSION LIMITED**

Poyilikavil Baburaj  
Director  
DIN 03299857

Subrata Aich  
Director  
DIN 08203135

Place: New Delhi  
Date: **15/05/2019**

BHIND GUNA TRANSMISSION LIMITED  
CIN: U40300DL2018GOI338734  
Cash Flow Statement for the period ended 31 March 2019  
(All amounts in rupees thousands, unless stated otherwise)

For the period from 18  
September 2018 to 31  
March 2019

A. CASH FLOW FROM OPERATING ACTIVITIES

Loss before tax

(7,642.88)

Changes in working capital:

*Adjustments in operating assets and liabilities:*

Other current liabilities

37.23

Other current assets

(1,296.16)

Other Financial Liabilities

8,421.60

Cash generated from operations

(480.21)

Less: Income tax paid

-

Net cash flow used in operating activities

(A)

(480.21)

B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment (including capital work-in-progress and intangibles)

Net cash flow from investing activities

(B)

-

C. CASH FLOWS FROM FINANCING ACTIVITIES

Issue of share capital

500.00

Net cash flow from financing activities

(C)

500.00

Net increase in cash and cash equivalents

(A+B+C)

19.79

Cash and cash equivalents at the beginning of the period

19.79

Cash and cash equivalents at the end of the period

19.79

Reconciliation of cash and cash equivalents as per the cash flow statement\*

Summary of significant accounting policies

The accompanying notes are integral part of the financial statements.

This is the profit and loss account referred to in our report of even date.  
0.00

PARM & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.: 507094C

Rakesh Gupta  
Partner

Membership No: 085967

Place: New Delhi

Date: 15/05/2019



For and on behalf of Board of Directors of  
BHIND GUNA TRANSMISSION LIMITED

Poyilikavil Baburaj  
Director  
DIN 03299857

Place: New Delhi

Date: 15/05/2019

Subrata Aich  
Director  
DIN 08203135



**BHIND GUNA TRANSMISSION LIMITED**  
CIN: U40300DL2018GOI338734  
Statement of changes in Equity for the period ended 31 March 2019  
(All amounts in rupees thousands, unless stated otherwise)

**A Equity share capital**

	Amount
Equity raised during the period	500.00
Balance as at 31 March 2019	500.00

**B Other equity**

	Retained earnings	Total
Loss for the period from 18 September 2018 to 31 March 2019	(7,642.88)	(7,642.88)
Balance as at 31 March 2019	(7,642.88)	(7,642.88)

**Summary of significant accounting policies**

The accompanying notes are integral part of the financial statements.

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

**PARM & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 507094C

For and on behalf of Board of Directors of  
**BHIND GUNA TRANSMISSION LIMITED**

Rakesh Gupta  
Partner  
Membership No: 085967  
Place: New Delhi  
Date: 15/05/2019



Poyilikavil Baburaj  
Director  
DIN 03299857  
Place: New Delhi  
Date: 15/05/2019

Subrata Aich  
Director  
DIN 08203135

**BHIND GUNA TRANSMISSION LIMITED**  
**Notes forming part of Financial Statements for the year ending 31<sup>st</sup> March 2019**  
**(All amounts in Rupees, unless stated otherwise)**

**1. COMPANY OVERVIEW**

Bhind Guna Transmission Limited ("the Company") was incorporated on 18 September 2018 at New Delhi. The Company is a special purpose vehicle incorporated for "Intra- State transmission work associated with Construction of 400 kV Substation near Guna (Distt. - Guna) and Intra- State transmission work associated with Construction of 220 kV Substation near Bhind (Distt. - Bhind)". REC Transmission Projects Company Limited has been appointed as Bid Process Co-ordinator by Government of Madhya Pradesh for selection of the developer for the project. On completion of the bid process, the successful bidder is to acquire one hundred percent (100%) of the equity shares of the company along with all its related assets and liabilities. As this is the first year of operation, the accounts have been prepared for the period from 18 September 2018 to 31 March 2019. Hence, previous year figures are not available.

The Company is a wholly owned subsidiary of REC Transmission Projects Company Limited (REC-TPCL), which is further wholly owned by REC Limited (formerly Rural Electrification Corporation Limited), a Government of India Undertaking.

**2. BASIS OF PREPERATION, SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT ESTIMATES**

**2.1 Basis of preparation and measurement**

**(i) Statement of compliance with Indian Accounting Standards (Ind AS)**

These standalone financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs ("MCA") under Section 133 of the Companies Act, 2013 ("Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented in these financial statements.

These financial statements for the year ended 31 March 2019 are the first financial statements which has been prepared in accordance with Ind AS.

The financial statements for the year ended March 31, 2019 were authorized and approved for issue by the Board of Directors on **15<sup>th</sup> May 2019**.

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

These financials are presented in Indian Rupees (INR), Which is also the Company's functional currency, all amounts have been rounded off to nearest thousands (upto 2 digits), unless otherwise indicated.

**(iii) Going concern and basis of measurement**

The financial statements have been prepared on going concern basis under the historical cost convention on accrual basis.

**2.2 Significant accounting policies**

**i) Revenue recognition**

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





**BHIND GUNA TRANSMISSION LIMITED**  
**Notes forming part of Financial Statements for the year ending 31<sup>st</sup> March 2019**  
**(All amounts in Rupees, unless stated otherwise)**

**ii) Property, Plant and Equipment**

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

Expenditure incurred during development period / project implementation period are treated as Capital work in progress. Accordingly, expenditure incurred on Survey/Consultancy/ Administration/ Interest etc. has been treated as Capital work in progress.

**iii) Fair value measurement**

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

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

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

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

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

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

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

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

**iv) Financial instruments**

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



**BHIND GUNA TRANSMISSION LIMITED**  
**Notes forming part of Financial Statements for the year ending 31<sup>st</sup> March 2019**  
**(All amounts in Rupees, unless stated otherwise)**

**Financial assets:**

**Initial recognition and measurement**

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

**Financial liabilities:**

**Initial recognition and measurement**

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

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

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

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

**v) Taxation**

Current tax is the amount of tax payable in respect of taxable income for the year and is computed in accordance with the provisions of Income Tax Act, 1961. Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). The current tax is calculated using the tax rate that have been enacted or subsequently enacted by the end of the reporting period.



**BHIND GUNA TRANSMISSION LIMITED**  
**Notes forming part of Financial Statements for the year ending 31<sup>st</sup> March 2019**  
**(All amounts in Rupees, unless stated otherwise)**

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

**vi) Earnings per share**

The Basic Earnings per equity share ('EPS') is computed by dividing the net profit or loss after tax before other comprehensive income for the year attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the year.

**vii) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term balances, as defined above, net of outstanding cash credits as they are considered an integral part of the Company's cash management.

**viii) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition and/ or construction of a qualifying asset, till the time such a qualifying asset becomes ready for its intended use sale, are capitalized. Borrowing costs consist of interest and other costs that the Company incurred in connection with the borrowing of funds. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss on an accrual basis as per the effective interest rate method.

**ix) Expenditure incurred by Holding Company**

All the direct expenses incurred by RECTPCL for SPV has been directly booked to the project. Salary expenses of all the employees are allocated on monthly basis as per the time utilisation on the SPV. All Indirect / Common Expenses (Office and other establishment expenses etc.) are allocated on Specific Subsidiaries/SPVs, Projects and Other Business etc. in the proportion of the salary on the time period basis from the month of issue of RFQ or the month of incorporation of SPV, whichever is earlier, till the month in which tenth day from the date of issue of Letter of Intent (LOI) for the transfer of the SPV falls. Part of the month, if any, is considered as full month for cost allocation. If bid process activity relating to any project is kept in abeyance, due to any reason, no cost allocation for such period of abeyance is made to such project. The holding company has charged interest @12.75% p.a. on the funds deployed by it for the current period based on the REC interest rate circular for T & D loans for ungraded organisations, as on the beginning of the period. For direct expenses, interest is charged from the month in which the expenditure is incurred whereas for indirect expenses interest is charged for the average period of deployment of funds. Such interest is calculated on monthly basis but recognised at the end of the period.



**BHIND GUNA TRANSMISSION LIMITED**  
**Notes forming part of Financial Statements for the year ending 31st March 2019**  
**(All amounts in Rupees, unless stated otherwise)**

Expenditure incurred for the SPV by REC Transmission Projects Company Limited (Holding Company) on behalf of the Company is considered as "other financial liabilities" (Current). Also, interest is charged on such expenditure financed by REC Transmission Projects Company Limited and such interest is also included in other financial liabilities.

The Company is obtaining various licenses with respect to the project such as licenses under section 68, forest clearance and other clearance etc. from agencies concern. Expenses incurred in obtaining the license i.e all direct expenditures and indirect expenditure are shown under Capital Work In Progress (CWIP). In the opinion of management, 10% of the Indirect expenses are estimated to be incurred in obtaining the license.

Further, wherever, payments relating to the Company are made by the Holding Company (REC TPCL) and the ultimate Holding Company (REC), procedural and statutory requirements with regard to deduction of Tax at Source and deposit thereof as applicable are also complied with by the Holding Company and the ultimate Holding Company against payments released on their account.

### **2.3 Significant management judgement in applying accounting policies and estimation of uncertainty**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Such estimates & assumptions are based on management evaluation of relevant facts & circumstances as on date of financial statements. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

### **3. Standards issued but not yet effective as on date**

#### **Ind AS 116 - Leases:**

On 30 March 2019, Ministry of Corporate Affairs (MCA) has notified Ind AS 116, Leases. Ind AS 116 will replace Ind AS 17 and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognized assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees.

#### **Ind AS 12 - Appendix C, Uncertainty over Income Tax Treatments:**

On 30 March 2019, MCA has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.



**BHIND GUNA TRANSMISSION LIMITED**  
**Notes forming part of Financial Statements for the year ending 31<sup>st</sup> March 2019**  
**(All amounts in Rupees, unless stated otherwise)**

**Amendment to Ind AS 12 – Income taxes**

On 30 March 2019, MCA issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

**Amendment to Ind AS 19 – Plan amendment, curtailment or settlement**

On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The effective date for application of these amendments is annual period beginning on or after 01 April 2019. The Company is currently evaluating the effect of these amendments on the Standalone financial statements.

**Significant estimates and judgment's**

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

***Significant management judgments***

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

***Significant estimates***

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

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

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

**BHIND GUNA TRANSMISSION LIMITED**

Notes forming part of Financial Statements for the period ending 31 March 2019  
(All amounts in rupees thousands, unless stated otherwise)

**4 Capital work in progress**

	<u>As at</u> <u>31 March 2019</u>
Expenses Allocated by REC TPCL	
Employee benefits expense	238.25
Interest*	34.23
RFP expense	138.03
<b>Balance as at 31 March 2019</b>	<u><u>410.51</u></u>
*Interest has been capitalised @12.75% per annum.	

**5 Cash and cash equivalents**

Balance with bank in current account	19.79
	<u><u>19.79</u></u>

**6 Other current assets**

Balances with statutory and government authorities	1,296.16
	<u><u>1,296.16</u></u>





**BHIND GUNA TRANSMISSION LIMITED**  
Notes forming part of financial statements for the period ending 31 March 2019  
(All amounts in rupees thousands, unless stated otherwise)

**7 Equity share capital**

	As at 31 March 2019
<b>Authorised equity share capital</b>	
50,000 Equity shares of Rs 10 each	500.00
	<u>500.00</u>
<b>Issued, subscribed and paid up equity share capital</b>	
50,000 Equity shares of Rs 10 each	500.00
	<u>500.00</u>

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

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

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

**ii) Reconciliation of equity shares outstanding at the end of the period**

	31 March 2019	
	No. of shares	Amount
Equity share capital of Rs. 10 each fully paid up		
Add: Issued during the period	50,000	500.00
<b>Balance at the end of the period</b>	<u>50,000</u>	<u>500.00</u>

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

	As on 31 March 2019	
	No. of shares	% holding
49,994 Equity Shares held by REC Transmission Projects Company Limited (Holding Company) And Balance 6 Equity Shares through other nominee of REC-TPCL Ltd.	50,000	100.00%

**iv) Shares held by holding company:**

	As at 31 March 2019	
	No. of shares	% holding
49,994 Equity Shares held by REC Transmission Projects Company Limited (Holding Company) And Balance 6 Equity Shares through other nominee of REC-TPCL Ltd.	50,000	100.00%

**v)**

The Company has neither issued equity shares pursuant to contract without payment being received in cash or any bonus shares nor has there been any buy-back of shares since its incorporation.

**8 Other equity**

	For the period from 18 September 2018 to 31 March 2019
Retained earnings	(7,642.88)
<b>Total Reserves and surplus</b>	<u>(7,642.88)</u>

**BHIND GUNA TRANSMISSION LIMITED**  
**Notes forming part of Financial Statements for the period ending 31 March 2019**  
 (All amounts in rupees thousands, unless stated otherwise)

	<u>As at</u> <u>31 March 2019</u>
<b>9 Other financial liabilities</b>	
Advance from holding company	8,805.12
Audit fees payable	27.00
	<u><u>8,832.12</u></u>
<b>10 Other current liabilities</b>	
Statutory payable	37.23
	<u><u>37.23</u></u>

**BHIND GUNA TRANSMISSION LIMITED**  
Notes forming part of Financial Statements for the period ending 31 March 2019  
(All amounts in rupees thousands, unless stated otherwise)

		For the period from 18 September 2018 to 31 March 2019
11	<b>Finance Cost</b>	
	Interest expense on financial liabilities measured at amortised cost	308.07
		<u>308.07</u>
12	<b>Employee benefits expense</b>	
	Salaries and wages	2,144.26
	Contribution to provident and other funds	
	Staff welfare expenses	
		<u>2,144.26</u>
13	<b>Other expenses</b>	
	Advertisement	2,600.85
	Consultancy	592.00
	Tour & travel expense	96.65
	Survey	464.63
	Rates and taxes	73.22
	RFP expenses	1,242.30
	Auditors' remuneration	-
	- Statutory audit fees	30.00
	Preliminary Expenses	9.63
	Miscellaneous expenses	81.28
		<u>5,190.55</u>
14	<b>Tax Expense</b>	
	Current tax	
	Tax on current year profits	-
	Deffered tax	-
		<u>-</u>
The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate and the reported tax expense in statement of profit and loss, is as follows:-		
	Loss before tax	(7,642.88)
	Domestic tax rate	26%
	<b>Expected tax expense [A]</b>	<u>(1,987.15)</u>
	Add: Permanent differences	-
	Deductible temporary differences / unused tax losses / unused tax credits for which no deferred tax asset has been recognised.	1,987.15
	<b>Total adjustments [B]</b>	<u>1,987.15</u>
	<b>Actual tax expense [C=A+B]</b>	-
	Tax expense comprises:	
	Current tax expense	-
	<b>Tax expense recognized in profit or loss [D]</b>	<u>-</u>
15	<b>Loss per equity share</b>	
	Loss for the period	(7,642.88)
	Weighted average number of equity shares for EPS	50,000.00
	Par value per share	10.00
	Loss per share - Basic and diluted	<u>(152.86)</u>



**BHIND GUNA TRANSMISSION LIMITED**  
**Notes forming part of Financial Statements for the period ending 31 March 2019**  
**(All amounts in rupees thousands, unless stated otherwise)**

**16 Related Party transactions**

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

**a. Details of related parties:**

Description of relationship	Names of related parties
Holding company	REC Transmission Projects Company Limited (RECTPCL)
Parent's Holding company	Rural Electrification Corporation Limited(REC)
Key management personnel (KMP)*	Poyilikavil Baburaj Director Sanjay Director Shilendrakumar Kulshrestha Daljeet Singh Director Khatri

\*The Company is a wholly owned subsidiary of REC Transmission Projects Company Limited (RECTPCL), which is further wholly owned by REC Limited (Formerly known as Rural Electrification Corporation Limited). The Key Managerial Personnel of the Company are employees of REC, deployed on part time basis. No managerial remuneration is paid to them by the Company. The details of such Key Managerial Personnel are as above.

**b. Transactions with Holding Company are as under:**  
**RECTPCL**

**(i) Transactions during the period**

Interest

Reimbursement of expenses.

**(ii) Outstanding Balances**

Balance payable as at 31 March 2019

**For the period from  
18 September 2018  
to 31 March 2019**

342.30

8,903.83

9,246.13

**RECTPCL**

**As at**

**31 March 2019**

8,805.12

**17 Financial instruments**

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

**Financial assets**

Cash and cash equivalents

**Financial liabilities**

Other financial liabilities

**As at**

**31 March 2019**

19.79

19.79

8,832.12

8,832.12

Note: The carrying amounts of current liabilities are considered a reasonable approximation of their fair values.

**ii) Fair values hierarchy**

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

The carrying amounts of other financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values.

**18 Financial risk management**

**i) Risk management**

The main types of risks to which the Company is exposed in relation to financial instruments are as follows:

**A) Credit risk**

The Company only possess cash and cash equivalents as financial asset as on closing dates, hence and credit risk relating to cash and cash equivalents is considered to be negligible as counterparties are banks. The management considers the credit quality of deposits/balances with such banks to be good and reviews the banking relationships on an on-going basis.



**BHIND GUNA TRANSMISSION LIMITED**  
Notes forming part of Financial Statements for the period ending 31 March 2019  
(All amounts in rupees thousands, unless stated otherwise)

**B) Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows, and by anticipating the maturity profiles of financial liabilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Further the Holding Company also incurs all the expenses on behalf of the Company and provides and unconditional liquidity support as an ongoing mechanism basis.

**Maturities of financial liabilities**

All the financial liabilities of the Company are current and are payable within one year.

**C) Market risk**

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

**Currency risk:**

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

**Interest rate risk**

As the Company does not have any third party borrowings outstanding, it is not exposed to interest rate risk.

**Price risk:**

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

**19 Capital management policies and procedures**

The Company's capital includes issued share capital and all other distributable reserves (except for specific restricted reserves). The primary objective of the Company's capital management is to maximise shareholder value and to maintain an optimal capital structure to reduce the cost of capital. The Company does not have any non-current borrowings and all its capital needs are met by capital or shareholders only.

**20 Other notes to accounts**

- 20.1** As per the policy of REC Transmission Projects Company Limited (Holding Company) the invoice for the services provided is raised at the end of the financial year or on the date of the transfer of the SPV or on the receipt of advance/acquisition price, whichever is earlier.
- 20.2** There is no employee in the roll of the Company. Employees working for the Company are in the roll of the ultimate holding company i.e. Rural Electrification Corporation Limited (REC Ltd). The employee expenses including contributions in respect of liabilities for employee benefit expense towards leave, provident fund, superannuation and all other benefits as applicable are accounted for by the ultimate holding company. Hence, disclosure requirements under Ind AS 19 is not applicable.
- 20.3** The Company is operating in a single segment and therefore disclosure requirements under Ind AS 108 is not applicable.
- 20.4** The Company has no outstanding liability towards Micro, Small and Medium Enterprises.

PARM & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm Registration No.: 507094C

Rakesh Gupta  
Partner  
Membership No: 085967

Place: New Delhi  
Date: 15/05/2019



Poyilikavil Baburaj  
Director  
DIN 03299857

Place: New Delhi  
Date: 15/05/2019

For and on behalf of Board of Directors of  
**BHIND GUNA TRANSMISSION LIMITED**

Subrata Aich  
Director  
DIN 08203135





### INDEPENDENT AUDITOR'S REPORT

To the Members of,

**BHIND GUNA TRANSMISSION LIMITED:**

**Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of BHIND GUNA TRANSMISSION LIMITED Company Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2019, and the statement of Profit & Loss and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 March 31, 2019, and loss, and its cash flows for the period ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements.**

The Company's Board of Directors are 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 specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and

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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.

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

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

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

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

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

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate,





to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

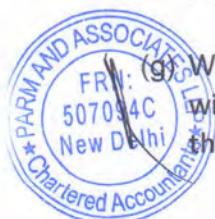
### Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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





- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. Investor Education and Protection Fund is not applicable on the Company.
- iv. We have determined that there are no key matters to communicate in our report for BHIND GUNA TRANSMISSION LIMITED.

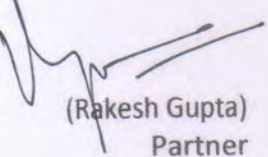
3. As per Directions issued by CAG of India under section 143(5) of the Companies Act 2013, we report that:

- i. The Company is the newly setup SPV and has accounting transaction relating to setting up of company. All these accounting transactions are recorded in tally system. There is no accounting transaction outside IT system.
- ii. There is no restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan.
- iii. There are no funds received/receivable for specific schemes from Central/ State agencies.

Place: New Delhi  
Date: 15/05/2019

FOR PARM AND ASSOCIATES LLP  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. 507094C



  
(Rakesh Gupta)  
Partner

Membership No. 085967

## ANNEXURE-1 TO THE AUDITOR'S REPORT

THE ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF **BHIND GUNA TRANSMISSION LIMITED** FOR THE PERIOD ENDED 31.03.2019, WE REPORT THAT:

*The matters contained in paragraph 3 of the Companies (Auditor's Report) Order, 2016, are as follows:*

- i) (a) The company does not have any fixed asset as on the date of report as it is in the initial stage of set up. However, 10% of the expenditure incurred during construction stage has been booked to Capital Work in Progress (CWIP) amounting to Rs.410.51(in thousand).Therefore the reporting under the clause is not applicable.
- (b) In view of reply at (a) above, the same is not applicable.
- (c) In view of reply at (a) above, the same is not applicable.
- ii) The company does not have any inventory as on the date of report. Therefore, the reporting under the clause is not applicable.
- 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. In view of above, sub clause (a), (b) and (c) is not applicable.
- iv) In our opinion and according to the information and explanations given to us, the company has not dealt with any loans, investments, guarantees, and security under section 185 and 186 of the Companies Act, 2013 during the period of audit. Therefore, the reporting under the clause is not applicable.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public as per provisions of Section 73 to 76 of Companies Act, 2013 and Company (Acceptance of Deposits) Rules, 2014, therefore the reporting under the clause is not applicable.
- vi) As per the provision of sub section (1) of section 148 of the Companies Act, 2013 maintenance of cost records prescribed by the Central Government is not applicable to the company, therefore the reporting under the clause is not applicable.
- vii) (a) According to the records, the company is regular in depositing undisputed statutory dues including Income Tax, Service Tax and other statutory dues





applicable over the company. However Provident Fund, Employees' State Insurance, Sales Tax, Duty of Customs, duty of Excise, Value added Tax and Cess are not applicable.

Further there are no arrears of outstanding statutory dues as at the last date of the reporting period concerned for a period of more than six months from the date, they became due.

- (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax or sales tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute, therefore reporting of amounts involved and forum where dispute is pending is not applicable.
- viii) The company has no loan or borrowings during the period of audit. Hence the default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders is not applicable; therefore, the reporting under the clause is not applicable.
- ix) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the period of audit; therefore, reporting under the clause is not applicable.
- x) There is no fraud by the company or any fraud on the Company by its officers or employees noticed or reported during the period of audit, therefore the reporting under the clause is not applicable.
- xi) Since section 197 of the Companies Act, 2013 is not applicable to the Company on account of it being a Government Company in accordance with the Ministry of Corporate Affairs Notification F.No.1/2/2014-CL-V dated 05.06.2015, hence the provisions regarding managerial remuneration as per clause 3(xi) of the Order are not applicable.
- xii) The company is not a Nidhi Company and therefore the reporting clause is not applicable.
- xiii) All the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of



shares or fully or partly convertible debentures during the period under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.

xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and therefore the reporting under the clause is not applicable.

xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore the reporting under the clause is not applicable.

Place: New Delhi  
Date: 15/05/2019

FOR PARM AND ASSOCIATES LLP  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. 507094C



(Rakesh Gupta)  
Partner

Membership No. 085967



## **ANNEXURE- 2 TO THE AUDITOR'S REPORT**

**Annexure referred to in our report of even date to the members of "M/s BHIND GUNA TRANSMISSION LIMITED" on the accounts for the period ended 31.03.2019.**

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

We have audited the internal financial controls over financial reporting of "**BHIND GUNATransmission Limited**" ("the Company") for the period ended 31.03.2019, in conjunction with our audit of the financial statements of the Company for the period 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 and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2019, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

Place: New Delhi  
Date: 15/05/2019

FOR PARM AND ASSOCIATES LLP  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. 507094C

