

Annual Report **2017-18**

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

Company Information

Board of Directors:

1. Smt. Valli Natarajan (Chairperson)
2. Shri Daljeet Singh Khatri (Director)
3. Smt. Harinder Kaur Chani (Director)

Registered Office:

Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India
Tel: 91-011-24362007,43091549 Fax: 91-011-24369848

Corporate Identification Number (CIN):

U40300DL2015GOI288066

Holding Company & Main Holding Company

Rural Electrification Corporation Limited (Main Holding Company)
REC Transmission Projects Company Limited (Holding Company)

Statutory Auditors:

M/s Shiv & Associates
Chartered Accountants
103,105, Plot No.1, Vardhaman Indraprastha Plaza,
I.P. Extension, Patparganj, Delhi- 110092

Banker:

State Bank of India

CONTENTS

S.No.	Particulars	Page No.
1.	Notice of AGM.....	1
2.	Directors' Report.....	4
3.	Extract of Annual Return.....	11
4.	Form AOC-2.....	19
5.	Balance Sheet.....	20
6.	Statement of Profit & Loss.....	21
7.	Notes to Accounts	22
8.	Significant Accounting Policies.....	24
9.	Cash Flow Statement.....	27
10.	Auditors' Report.....	28
11.	Comments of the C & AG of India.....	36
12.	Proxy Form.....	37
13.	Attendance Slip	38

1

DINCHANG TRANSMISSION LIMITED

Registered Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003
CIN: U40300DL2015GOI288066

NOTICE

Notice is hereby given that Third (3rd) Annual General Meeting of **Dinchang Transmission Limited** will be held on **Monday, September 17, 2018 at 11:00 A.M. at Shorter Notice at the Registered office of the Company 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, 2018, along with the Report of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri Daljeet Singh Khatri (DIN: 06630234), who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To fix the remuneration of Statutory Auditors for the financial year 2018-19.

By order of the Board of Directors
For Dinchang Transmission Limited


(Ritu Madan Arora)
Assist. Manager-CS Division

Place: New Delhi

Dated: **17th September, 2018**

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll, if any, instead of himself/herself and such proxy need not be a Member of the Company. The proxy form duly completed and signed must be received at the Registered Office of the Company, not less than forty eight (48) hours before the commencement of the AGM. Blank proxy form 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(5) of the Companies Act, 2013, the Auditors of a Government Company are appointed/re-appointed by the Comptroller & Auditor General of India (C&AG). Accordingly, C&AG had appointed M/s Shiv & Associates (FRN No. 009989N), Chartered Accountants, as Statutory Auditors of the Company for the Financial Year 2017-18.
5. Further, M/s Shiv & Associates (FRN No. 009989N) has also been appointed as Statutory Auditors of the Company for the financial year 2018-19 by the C&AG of India. Therefore, it is proposed to obtain approval of the Members of the Company in Annual General Meeting to fix the remuneration of Auditors for the financial year 2018-19. Accordingly, the Members are requested to authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company, as it deems fit, for the financial year 2018-19.
6. Members desirous of getting any information on any item(s) of business of this meeting are requested to address their queries to the Authorized Signatory at the Registered Office of the Company at least five days prior to the date of the Annual General Meeting, so that the information required can be made available at the time of the meeting.
7. The Register of Directors and Key Managerial Personnel (KMP) and their Shareholding maintained under Section 170 of the Companies Act, 2013, Register of contracts and arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to, in the Notice will be available for inspection by the Members at the Registered Office of the Company on all working days during business hours and at the time of AGM of the Company at the venue of the Meeting.
8. The entire Annual Report is also available on the website of REC Transmission Projects Company Limited (Holding Company) i.e. www.rectpcl.in.

**BRIEF RESUME OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE
3rd ANNUAL GENERAL MEETING TO BE HELD ON SEPTEMBER 17th, 2018.**

Name	Shri Daljeet Singh Khatri (DIN: 06630234)
Date of Birth	October 20, 1970
Date of Appointment	December 2, 2015
Qualifications	B.COM, ICWA, CAIIB
Expertise in specific Functional area	Finance
Directorship held in other Companies	NIL
Membership/ Chairmanship of Committees across all Public Companies other than Dinchang Transmission Limited	NIL
Number of equity shares held in the Company	1 Equity Share of Rs.10/- each as nominee of REC Transmission Projects Company Limited (holding company).
Relationship with other Directors and Other Key Managerial Personnel	Shri Daljeet Singh Khatri does not have <i>inter-se</i> relationship with any Director of the Company.
Details of Remuneration paid	All the Directors are Non-Executive Directors on the Board of the Company; therefore, they are not entitled to any remuneration from the Company.
Number of meetings of the Board attended during the year	The number of meetings of the Board attended during the year is mentioned in the Board's Report forming part of Annual Report of the Company for the financial year 2017-18.

DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting the third (3rd) Annual Report together with the Financial Statements of your Company for the Financial Year ended March 31, 2018.

1. REVIEW OF OPERATIONS

Ministry of Power (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 Vehicles (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.

Dinchang Transmission Limited (DTL) was incorporated as a project specific Special Purpose Vehicle (SPV) by RECTPCL on December 2, 2015, to develop power transmission network for Transmission System for Phase-I Generation Projects in Arunachal Pradesh, as per details given below:

Transmission System for Phase-I generation projects in Arunachal Pradesh	
1.	Dinchang - Rangia / Rowta Pooling station 400kV D/c (ACSR Quad Moose)
2.	LILO of both ckts of Balipara - Bongaigaon 400kV D/c (ACSR Twin Moose) line at Rangia / Rowta Pooling station
3.	LILO of both ckts of Balipara - Bongaigaon 400kV D/c (ACSR Twin Moose) line at Rangia / Rowta Pooling station
4.	Establishment of 2x500MVA 400/220 kV Pooling station at Rangia / Rowta in Assam

The financial year 2017-18 is the third Financial Year of the Company. The Company is a wholly owned subsidiary of REC Transmission Projects Company Limited (RECTPCL), which itself is a subsidiary of Rural Electrification Corporation Limited (REC), a CPSE under the aegis of Ministry of Power, Government of India.

For this purpose, the Holding Company obtained approval of the Central Government under Section 68 of Electricity Act, 2003 for laying of transmission lines under the scope of the project.

In accordance with the framework of competitive bidding guidelines notified by the Government of India, the holding company invited response to Request for Qualification (RfQ) through international Competitive Bidding procedure for short-listing of bidders as

5

Transmission Service Provider on December 4, 2015. The holding company received responses to RfQ from following 5 bidders and after evaluation of bids, all 5 bidders were shortlisted for RFP stage:-

1. Adani Transmission Limited
2. Essel Infraprojects Limited
3. Sterlite Grid 4 Limited
4. Kalpataru Power Transmission Limited
5. Techno Electric and Engineering Company Limited

RECTPCL has issued Request for Proposal on 13.04.2016. CEA has directed RECTPCL to keep the bidding process on hold as the progress of hydro projects for which the evacuation of transmission line has been proposed, is stalled.

The matter is being followed up regularly with CEA to resolve the issues so that bidding process can be restarted.

2. FINANCIAL PERFORMANCE, TRANSFER TO RESERVE AND DECLARATION OF DIVIDEND

The Company has not generated any revenue during the year, because the Company has not started operation since incorporation. Therefore, the company has not transferred any amount to reserve and not declared any dividend.

3. SHARE CAPITAL

The Paid-up share capital of the company as on March 31, 2018 was ₹ 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.

4. BOARD OF DIRECTORS

As per Article 68 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, 2018, the Company has three Directors on its Board as per details mentioned below:

SI. No.	Name	Director Identification Number(DIN)	Designation	Date of Last Appointment/ Re-appointment	Date of Cessation
1.	Smt. Valli Natarajan	01258415	Chairperson and Non-Executive Director	02.12.2015	Continuing
2.	Shri Daljeet Singh Khatri	06630234	Non-Executive Director	02.12.2015	Continuing
3.	Smt. Harinder Kaur Chani	01258347	Non-Executive Director	11.09.2017	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 69 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 the provisions of Section 152 of Companies Act, 2013, Shri Daljeet Singh Khatri, (DIN: 06630234) shall retire by rotation in the ensuing 3rd Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

5. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2017-18, five (5) meetings of the Board of Directors of the Company were held viz. (i) April 13, 2017; (ii) May 17, 2017; (iii) August 14, 2017; (iv) November 8, 2017 and (v) February 5, 2018. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The Company is also complying with the Secretarial Standards issued by the Institute of Company Secretaries of India w.e.f July 1, 2015 and also the revised Secretarial Standard issued w.e.f. October 1, 2017 in respect of Board Meetings (SS 1) and General Meetings (SS 2).

During the Financial Year 2017-18, the 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, 2018 No. of other Directorships
		Held during the tenure	Attended	Percentage of Attendance		
1.	Smt. Valli Natarajan, Chairperson	5	5	100	Present	5
2.	Shri Daljeet Singh Khatri, Director	5	5	100	Present	NIL
3.	Smt. Harinder Kaur Chani, Director	5	5	100	Present	NIL

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

6. GENERAL BODY MEETINGS

The Company was incorporated on December 2, 2015 and the details of Annual General Meetings of the Company held since incorporation are as under:

7

Meeting No.	Financial Year	Date	Time	Venue	Whether any Special Resolution passed
1 st	2015-16	September 9, 2016	3.30 P.M.	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003	No
2 nd	2016-17	September 11, 2017	5.00 P.M.	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003	Yes

7. GENERAL SHAREHOLDER INFORMATION

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

Day and Date	Time	Venue
Monday, 17 th September, 2018	11:00 A.M.	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003

8. STATUTORY AUDITORS

M/s Shiv & Associates, Chartered Accountants, New Delhi (FRN: 009989N) was appointed as Statutory Auditors of the Company for the Financial Year 2017-18 by the Comptroller & Auditor General of India. The Statutory Auditors have audited the Financial Statements of the Company for the period ended March 31, 2018. 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.

9. COMMENTS OF THE C&AG OF INDIA

The Comptroller & Auditor General (C&AG) of India vide letter dated June 28, 2018 have decided not to conduct the supplementary audit of financial statements of the Company for the financial year 2017-18 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.

10. PERSONNEL

Your Company has not appointed any permanent employees. Some of the employees of main holding company i.e. Rural Electrification Corporation 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 Dinchang Transmission Limited.

11. 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.

12. 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.

13. DEPOSIT

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

14. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

15. 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.

16. RISK MANAGEMENT POLICY

Presently a separate risk management policy for the company has not been developed. However, project of the Company has been kept in abeyance owing to instruction of CEA and empowered committee on Transmission.

17. 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 Rural Electrification Corporation 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. The holding company REC Transmission Projects Company Limited 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 2017-18.
- 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.

18. 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.

19. DIRECTORS' RESPONSIBILITY STATEMENT AS PER THE PROVISIONS OF COMPANIES ACT-2013

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, 2018, 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, 2018 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.

20. 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 2017-18, there were no complaints received by the Committee.

21. 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. Rural Electrification Corporation 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: 10th September, 2018


(Valli Natarajan)
Chairperson
DIN: 01258415

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS:

Sl. No.	CIN	U40300DL2015GOI288066
1.	Registration Date	02/12/2015
2.	Name of the Company	DINCHANG TRANSMISSION LIMITED
3.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES /UNION GOVERNMENT COMPANY
4.	Address of the Registered office & contact details	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003 Ph. No.- 011-24362007, 43091549 , Fax No.- 011-24369848
5.	Whether listed company	No
6.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N. A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDINGS/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	REC Transmission Projects Company Limited (RECTPCL)	Core 4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003	U40101DL2007 GOI157558	Holding Company	2(46)

i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)(Trustee)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	50000	50000	100	0	50000	50000	100	0

ii) Shareholding of Promoter-

SL. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2017)			Shareholding at the end of the year (As on March 31, 2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	

1	REC Transmission Projects Company Limited	49994	99.988	0	49994	99.988	0	0
2	Smt. Valli Natarajan*	1	0.002	0	1	0.002	0	0
3	Smt. Harinder Kaur Chani *	1	0.002	0	1	0.002	0	0
4	Shri Daljeet Singh Khatri*	1	0.002	0	1	0.002	0	0
5	Shri Jatin Kumar Nayak*	1	0.002	0	1	0.002	0	0
6	Shri Arun Kumar Tyagi*	1	0.002	0	1	0.002	0	0
7	Shri Rajendra Kumar Gupta*	1	0.002	0	1	0.002	0	0
	Total	50000	100	0	50000	100	0	0

*1 Share (as nominee of REC Transmission Projects Company Limited-Holding Company).

Note: Smt. Valli Natarajan(DIN:01258415), Smt. Harinder Kaur Chani (DIN:01258347) and Shri Daljeet Singh Khatri (DIN:06630234) 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.	Name of the Promoters	Shareholding at the beginning of the year (As on April 1, 2017)		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	No Change			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year				

Note: The Company was incorporated on 2nd December, 2015 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 2017-18.

iv) Shareholding of Directors and Key Managerial Personnel:

SL. No.		Shareholding at the beginning of the year (As on April 1, 2017)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

1	Smt. Valli Natarajan (Chairperson) (DIN: 01258415)				
	At the beginning of the year	1 Equity Share of Rs. 10/- each as nominee	0	1 Equity Share of Rs. 10/- each as nominee	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	1 Equity Share of Rs. 10/- each as nominee	0	1 Equity Share of Rs. 10/- each as nominee	0
2	Smt. Harinder Kaur Chani (Non-Executive Director) (DIN: 01258347)				
	At the beginning of the year	1 Equity Share of Rs.10/- each as nominee	0	1 Equity Share of Rs.10/- each as nominee	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	1 Equity Share of Rs. 10/- each as nominee	0	1 Equity Share of Rs.10/- each as nominee	0
3	Shri Daljeet Singh Khatri (Non-Executive Director) (DIN: 06630234)				
	At the beginning of the year	1 Equity Share of Rs. 10/- each as nominee	0	1 Equity Share of Rs. 10/- each as nominee	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	1 Equity Share of Rs.10/- each as nominee	0	1 Equity Share of Rs. 10/- each as nominee	0

v) Shareholding Pattern of top ten Shareholders:

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

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

Note: 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) INDEBTEDNESS:

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

SL. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Smt. Valli Natarajan (Chairperson)	Smt. Harinder Kaur Chani	Shri Daljeet Singh Khatri	---

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	----	----	----	---
2	Stock Option.	----	----		---
3	Sweat Equity	----	----		---
4	Commission - as % of profit - others, specify...	----	----		---
5	Others, please specify	----	----		---
	Total (A)	----	----		---
	Ceiling as per the Act	----	----		---

B. Remuneration to other directors

Sl.No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify SALARY	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

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	-----	---	---	---
2	Stock Option	-----	---	---	---
3	Sweat Equity	-----	---	---	---
4	Commission	-----	---	---	---
	- as % of profit	-----	---	---	---
	- Others specify...	-----	---	---	---
5	Others, please specify	-----	---	---	---
	Total	-----	---	---	---

Note: The Directors of Dinchang 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.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Date: 10th September, 2018
Place: New Delhi


Valli Natarajan
(Chairperson)
DIN: 01258415

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 contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
REC Transmission Projects Company Limited (Holding company of DTL)	Payment of Interest and Reimbursement of expenses	On-going transaction	Rs 24,09,137/- during the financial year 2017-18	-----	Nil

Date: 10th September, 2018

Place: New Delhi

Valli Natarajan
(Valli Natarajan)
Chairperson
DIN: 01258415

DINCHANG TRANSMISSION LIMITED
BALANCE SHEET AS AT 31st MARCH 2018

		Figures in Rupees			
	Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	
I	EQUITY AND LIABILITIES				
	(1) Shareholders' Funds				
	(a) Share Capital	1	5,00,000	5,00,000	
	(b) Reserves and Surplus	2	(32,419)	(32,419)	
	(2) Non-Current Liabilities				
	(a) Other Long Term Liabilities	3	10,603,649	8,194,512	
	(3) Current Liabilities				
	(a) Other Current Liabilities	4	109,007	90,475	
	(b) Short Term Provisions	5	32,400	31,500	
	Total		11,212,637	8,784,068	
II	ASSETS				
	(1) Non-Current Assets				
	(a) Fixed Assets				
	(i) Capital work-in-progress	6	11,193,961	8,764,743	
	(2) Current Assets				
	(a) Cash and Cash Equivalents	7	18,676	19,325	
	Total		11,212,637	8,784,068	

The Significant Accounting Policies and Notes to Accounts 1 to 8 are an integral part of these financial statements.

In terms of our report of even date
 For Shiv & Associates
 Chartered Accountants
 ICAI Firm Registration No : 009989N

For and on behalf of the Board



S.P. Chaturvedi
 Partner

Membership No: 085084

Place : New Delhi

Date : 15.05.2018




Valli Natarajan
 Chairman

DIN 01258415



Harinder Kaur Chani
 Director

DIN 01258347



Daljeet Singh Khatri
 Director

DIN 06630234

21


DINCHANG TRANSMISSION LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH 2018

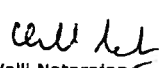
		Figures in Rupees		
	Particulars	Note No.	For the year ended 31.03.2018	For the year ended 31.03.2017
	REVENUE			
I	Revenue from Operations		-	-
II	Other Income		-	-
III	Total Revenue (I+II)		-	-
	EXPENSES			
	Preliminary Expenses		-	-
IV	Total Expenses		-	-
V	Profit / (Loss) before exceptional and extraordinary items (III-IV)		-	-
VI	Exceptional items		-	-
VII	Profit / (Loss) before extraordinary items and tax (V-VI)		-	-
VIII	Extraordinary Items		-	-
IX	Profit / (Loss) Before Tax (VII-VIII)		-	-
X	Tax expense			
	Current Tax		-	-
	Deferred Tax		-	-
XI	Profit/ (Loss) for the year from continuing operations (IX - X)		-	-
XII	Profit / (Loss) from discontinuing operations		-	-
XIII	Tax Expense of discontinuing operations		-	-
XIV	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit/ (Loss) for the year (XI + XIV)		-	-
XVI	Earnings per equity share of Rs. 10 each:	8.17		
	(1) Basic		0.00	0.00
	(2) Diluted		0.00	0.00

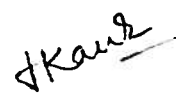
The Significant Accounting Policies and Notes to Accounts 1 to 8 are an integral part of these financial statements.

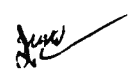
In terms of our report of even date
For Shiv & Associates
Chartered Accountants
ICAI Firm Registration No : 009989N

For and on behalf of the Board


S.P. Chaturvedi
Partner
Membership No: 085084
Place : New Delhi
Date : 15.05.2018


Valli Natarajan
Chairman
DIN 01258415


Harinder Kaur Chani
Director
DIN 01258347


Daljeet Singh Khatri
Director
DIN 06630234

DINCHANG TRANSMISSION LIMITED

Notes forming part of the financial statements

NOTE No. '1' - SHARE CAPITAL

Particulars	Figures in Rupees	
	As at 31.03.2018	As at 31.03.2017
Authorised Share Capital 50,000 Equity shares of Rs. 10 each	5,00,000	5,00,000
Issued, Subscribed and Paid up Share Capital 50,000 fully paid up Equity shares of Rs 10/- each (100% shares held by Holding Company " REC Transmission Projects Company Limited")	5,00,000	5,00,000
Total	5,00,000	5,00,000
The company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. The holders of the equity shares of the Company are entitled to receive dividends, if any declared by the company. The shareholders have all such rights as may be available to a shareholder of a public company under the Companies Act, 1956 (to the extent applicable), Companies Act, 2013 (to the extent notified) and Memorandum of Association and Articles of Association of the Company.		

The details of shareholders holding more than 5% of fully paid equity shares

Name of the Shareholder	No. of Shares	% of total shares held as at 31.03.2018	% of total shares held as at 31.03.2017
REC Transmission Projects Company Limited and its nominees	50000	100	100
Total	50000	100	100

The reconciliation of the number of shares outstanding is set out below

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

NOTE No. '2' - RESERVES AND SURPLUS

Particulars	Figures in Rupees	
	As at 31.03.2018	As at 31.03.2017
Surplus/(Deficit) in the Statement of Profit and Loss		
Opening Balance- Statement of Profit and Loss	(32,419)	(32,419)
Add: Net surplus/(deficit) for the current year	-	-
Total	(32,419)	(32,419)

NOTE No. '3' - OTHER LONG TERM LIABILITIES

Particulars	Figures in Rupees	
	As at 31.03.2018	As at 31.03.2017
REC Transmission Projects Company Limited (Holding Company)*	10,603,649	8,194,512
Total	10,603,649	8,194,512

* Refer Note No. 8.1 and 8.4

NOTE No. '4' - OTHER CURRENT LIABILITIES

Particulars	Figures in Rupees	
	As at 31.03.2018	As at 31.03.2017
TDS Payable	109,007	90,475
Total	109,007	90,475

NOTE No. '5' - SHORT TERM PROVISIONS

Particulars	Figures in Rupees	
	As at 31.03.2018	As at 31.03.2017
Provision for Audit Fees	32,400	31,500
Total	32,400	31,500

NOTE No. '6' - CAPITAL WORK IN PROGRESS

Particulars	Figures in Rupees	
	As at 31.03.2018	As at 31.03.2017
Opening Balance (a)	8,764,743	5,185,552
Add: Expenses (b)		
Expenses Allocated by REC Transmission Projects Company Limited		
(i) Reimbursement of cost incurred	1,333,101	4,669,640
(ii) Interest	1,060,068	874,751
Auditors Remuneration	2,393,169	34,500
Bank charges	35,400	300
Total (b)	649	5,579,191
Less : Other Income (c)		
Sale of RFP Documents	-	2,000,000
Total (c)	-	2,000,000
Closing Balance (a) + (b) - (c)	11,193,961	8,764,743

NOTE No. '7' - CASH AND CASH EQUIVALENTS

Particulars	Figures in Rupees	
	As at 31.03.2018	As at 31.03.2017
Balances with banks		
a) In current account with Scheduled Bank	18,676	19,325
b) Other bank balances	-	-
Total	18,676	19,325



DINCHANG TRANSMISSION LIMITED	
SIGNIFICANT ACCOUNTING POLICIES	
1.1	BASIS OF PREPARATION OF FINANCIAL STATEMENTS
	The financial statements are prepared under the historical cost convention on accrual basis and in accordance with generally accepted accounting principles and applicable Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements adhere to the relevant presentation requirement of the Companies Act, 2013.
1.2	USE OF ESTIMATES
	The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.
1.3	FIXED ASSETS
	Tangible assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Costs include expenditure directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction or production of qualifying assets are capitalized as part of the cost. Expenditure incurred during construction period / project implementation period are treated as Capital Work In Progress. Expenditure incurred on Survey/Consultancy/ Administration/ Interest etc. has been treated as Capital Work In Progress.
1.4	REVENUE RECOGNITION:
	Income and expenses are accounted for on accrual basis.
1.5	CASH FLOW STATEMENT
	Cash flows are reported using the indirect method, whereby profit/loss is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular operating, financial and investing activities of the Company are segregated. Cash & Cash Equivalent in the balance sheet comprises cash at bank and short term investment with an original maturity of three months or less.
1.6	TAXES ON INCOME
	Current tax is determined on the basis of taxable income in accordance with the provisions of Income Tax Act, 1961.
	Deferred tax liabilities/asset resulting from 'timing difference' between accounting income and taxable income is accounted for considering the tax rate & laws that have been enacted or substantively enacted as on the reporting date. Deferred tax asset is recognized and carried forward only to the extent that there is reasonable / virtual certainty that asset will be realized in future. Deferred taxes are reviewed at each reporting date.
1.7	BORROWING COSTS
	Borrowing cost related to acquisition or construction of the qualifying fixed assets for the period up to the completion of their acquisition or construction are included in the book value of the respective assets and other borrowing costs are charged to Statement of Profit and Loss.



DINCHANG TRANSMISSION LIMITED

NOTE NO. 8 OTHER NOTES TO ACCOUNTS

- 8.1 The Company was incorporated on 02-12-2015 at New Delhi. The Company is a special purpose vehicle incorporated to develop Transmission System for Phase-I generation projects in Arunachal Pradesh under tariff based competitive bidding (TBCB) process. REC Transmission Projects Company Limited has been appointed as Bid Process Co-ordinator by Government of India 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. However, Central Electricity Authority, the nodal agency for TBCB process, GoI has advised vide letter dated 10-08-2016 to put the bidding process for the transmission project on hold till further order.
- 8.2 The Company is a wholly owned subsidiary of REC Transmission Projects Company Limited (REC-TPCL), which is further wholly owned by Rural Electrification Corporation Limited (RECL), a Government of India Undertaking. 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 follows:-
- | S. No. | Name | Designation | Date of Appointment | Date of Separation |
|--------|---------------------------|-----------------------|---------------------|--------------------|
| 1 | Smt. Valli Natarajan | Chairman and Director | 12/2/2015 | Continuing |
| 2 | Smt. Harinder Kaur Chani | Director | 12/2/2015 | Continuing |
| 3 | Shri Daljeet Singh Khatri | Director | 12/2/2015 | Continuing |
- The other personnel working for the Company are also from REC Ltd. The related expenses in respect of personnel working for the Company are paid by RECL and allocated to the subsidiary company (REC-TPCL) as part of administration expenses of Holding Company, which is further allocated by REC-TPCL to its subsidiaries on per month per project basis.
- 8.3 All the direct expenses incurred by RECTPCL for SPV have been directly booked to the project. Further all the indirect expenses have been allocated among the ongoing projects 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 FY based on the RECL interest rate circular for T & D loans for ungraded organisations as on the beginning of the Financial Year. For direct expenses, interest is charged from the month in which the expenditure is incurred whereas on indirect expenses interest is charged for the average period of deployment of funds. Such interest is calculated on monthly basis but recognised at the end of the year. The allocation of Indirect expenses are made till the month of July 2016 as the project was put on hold from the month of August 2016 onward.
- 8.4 Expenditure incurred for the SPV by REC Transmission Projects Company Limited (Holding Company) is considered as Other Long Term Liabilities. Further, interest is charged on such expenditure financed by REC Transmission Projects Company Limited and such interest is also included in Other Long Term Liabilities.
- 8.5 Wherever, payments relating to the company are made by the Holding Company (REC TPCL) and the ultimate Holding Company (RECL), 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.
- 8.6 The company has not yet commenced its commercial operations, therefore incidental expenditures incurred during construction period by the company and the expenses allocated by the holding company RECTPCL have been treated as Capital Work in Progress. The sale proceed of Request for Proposal (RFP) received in favour of the company has been treated as income during construction period and reduced from Capital Work-in-Progress(CWIP).
- 8.7 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 (whichever is earlier).
- 8.8 For the advance money received by the holding Company against reimbursement of expenses, the invoice including service tax/GST is raised.
- 8.9 Expenditure incurred on filing/legal fees regarding formation of the company and all expenses incurred prior to the incorporation of the company have been treated as preliminary expenses and charged to the statement of profit and loss in the year in which such expenditure has been incurred as required by AS 26.
- 8.10 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 AS-15 is not applicable.
- 8.11 The Company is operating in a single segment and therefore disclosure requirements under AS-17 is not applicable.

8.12	The disclosure as per AS18 - Related Party Disclosure :		
	The Company is a wholly owned subsidiary of REC Transmission Projects Company Limited (RECTPCL), which is further a wholly owned subsidiary of Rural Electrification Corporation Limited (RECL). All key decisions are taken by the Board of Directors of the Company where the RECTPCL nominees exercise the control. The details of transactions during the year ended 31-03-2018 are:		
	Name	Year ended 31.03.2018	
		Total amount of transaction during the Year (Rs.)	Outstanding Balance as at 31-03-2018 (Rs.)
	REC Transmission Projects Company Limited (Holding Company)		Outstanding Balance as at 31-03-2017 (Rs.)
	a) Interest	954,061	1,846,522
	b) Reimbursement of expenses	1,455,076	892,461
	Total	2,409,137	8,757,127
8.13	Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs Nil. Contingent Liabilities of the Company and claims against the company not acknowledged as debt by the Company is Rs Nil.	2,409,137	10,603,649
8.14	Expenditure in Foreign Currency - Nil		
	Earning in Foreign Currency - Nil		
8.15	The Company has no outstanding liability towards Micro, Small and Medium Enterprises.		
8.16	Auditor's Remuneration		
		Year ended 31-03-2018 (Rs)	Year ended 31-03-2017 (Rs)
	Audit Fee	30,000	30,000
	Other Services	-	-
	Service Tax and Swach Bharat Cess/ GST	5,400	4,500
	Reimbursement of expenses	-	-
	Total	35,400	34,500
8.17	EARNINGS PER SHARE (EPS)		
	Particulars	Year ended 31-03-2018 (Rs)	Year ended 31-03-2017 (Rs)
	A. Net Profit / Loss after Tax as per Statement of Profit and Loss used as numerator (amount in Rs.)	-	-
	B. Weighted Average number of Equity Shares used as denominator	50,000	50,000
	C. Basic and Diluted Earnings per Share (in Rs.) (A/B)	0.00	0.00
	D. Nominal Value per Equity Share (in Rs.)	10	10
8.18	Figures have been rounded off to the nearest rupee.		

In terms of our report of even date

For Shiv & Associates

Chartered Accountants

ICAI Firm Registration No : 009989N

For and on behalf of the Board

S.P. Chaturvedi
Partner

Membership No: 085084

Place : New Delhi

Date : 15.05.2018

Valli Natarajan
Chairman
DIN 01258415Harinder Kaur Chani
Director
DIN 01258347Daljeet Singh Khatri
Director
DIN 06630234

DINCHANG TRANSMISSION LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st MARCH 2018

Particulars	Figures in Rupees	
	For the year ended 31.03.2018	For the year ended 31.03.2017
A. Cash Flows from Operating Activities		
Net profit/Loss as per Statement of Profit and Loss	-	-
Operating Profit/Loss before Working Capital Changes	-	-
Adjsutments for Increase/Decrease in		
- Other Current Liabilities	18,532	75,788
- Short Term Provisions	900	150
Net Cash used in operating activities (A)	19,432	75,938
B. Cash Flows from Investing Activities		
- Other Long Term Liabilities	2,409,137	3,502,953
- Purchase of Fixed Assets	-	-
- Capital Work in Progress	(2,429,218)	(3,579,191)
Net Cash used in investing activities (B)	(20,081)	(76,238)
C. Cash Flows from Financing Activities		
- Share capital	-	-
Net Cash from financing activities (C)	-	-
Net Increase/ (Decrease) in cash and cash equivalents (A) + (B) + (C)	(649)	(300)
Cash and Cash Equivalents at the beginning of the year	19,325	19,625
Cash and Cash Equivalents at the end of the year	18,676	19,325
Net Increase/Decrease in Cash and cash Equivalents	(649)	(300)

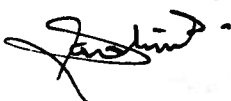
In terms of our report of even date

For and on behalf of the Board

For Shiv & Associates

Chartered Accountants

ICAI Firm Registration No : 009989N



S.P. Chaturvedi

Partner

Membership No: 085084

Place : New Delhi

Date : 15.05.2018



Valli Natarajan

Chairman

DIN 01258415



Harinder Kaur Chani

Director

DIN 01258347



Daljeet Singh Khatri

Director

DIN 06630234



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DINCHANGTRANSMISSION LIMITED:

Report on Financial Statements

We have audited the accompanying financial statements of **DINCHANGTRANSMISSION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year ended 31st March 2018 and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether

the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2018;
- (b) In the case of Statement of Profit and Loss, there was neither profit nor loss for the year ended 31st March 2018 and;
- (c) In the case of cash flow statement, of the cash flows for the year ended 31st March 2018.

Report on other Legal and Regulatory Requirements

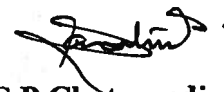
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we enclose in the **Annexure-1**, a statement on the matters specified in paragraph 3 and 4 of the said Order to the extent applicable, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us.
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 reports on the accounts of the branch offices of the Company, which are required to be audited under Section 143(8) of the Act by branch auditors, are not applicable to the company.
 - d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Company (Accounts) Rules, 2014



- f) In our opinion, the aforesaid financial statements have been prepared on a going concern basis and there is no matter which may have an adverse effect on the functioning of the Company.
- g) Being a Government Company, section 164(2) pertaining to disqualification of directors is not applicable to the Company.
- h) There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected there with.
- i) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls has been reported by way of **Annexure -2**.
- j) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- i The Company does not have any pending litigations which would impact its financial position.
 - ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
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 in its initial stage and it has no leasehold/freehold land in its books. Hence, no reporting is required.
 - ii. There is no case of waiver / write off of debts / loans / interest etc., hence no reporting is required.
 - iii. The company does not have any inventory during the reporting year; hence reporting of inventories lying with third parties and assets received as gift/grant(s) from Government or other authorities is not applicable to the company.

Place: New Delhi
Date: 15/05/2018

For Shiv & Associates
Chartered Accountants
FRN. 009989N


S.P. Chaturvedi
(Partner)
M.No. 085084

ANNEXURE-1 TO THE AUDITOR'S REPORT

THE ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF **DINCHANG TRANSMISSION LIMITED** FOR THE YEAR ENDED 31.03.2018, 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 the expenditure incurred during construction stage has been booked to Capital Work in Progress (CWIP) amounting to Rs 1,11,93,961/- . 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 year 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 year 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 year 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 year 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) Yes, 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 year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.

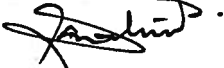


xv) *In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and therefore the reporting under the clause is not applicable.*

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: 15/05/2018

For Shiv & Associates
Chartered Accountants
FRN. 009989N


S.P. Chaturvedi
(Partner)
M.No. 085084

ANNEXURE- 2 TO THE AUDITOR'S REPORT

Annexure referred to in our report of even date to the members of "M/s Dinchang Transmission Limited" on the accounts for the year ended 31st March, 2018.

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 "DINCHANG TRANSMISSION LIMITED" ("the Company") for the year ended 31st March 2018, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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

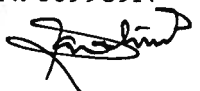
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future years 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 31st March 2018, 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: 15/05/2018

For Shiv & Associates
Chartered Accountants
FRN. 009989N

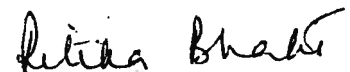

S.P. Chaturvedi
(Partner)
M.No. 085084

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

The preparation of financial statements of Dinchang Transmission Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the act is responsible for expressing opinion on the financial statements under section 143 of the act based on independent audit in accordance with the Standards on Auditing prescribed under section 143(10) of the act. This is stated to have been done by them vide their Audit Report dated 15 May 2018.

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

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



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

Place: New Delhi
Dated: 23 June 2018

DINCHANG TRANSMISSION LIMITED**Registered Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003****CIN: U40300DL2015GOI288066****PROXY FORM (Form no. MGT-11)**

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

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

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

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

or failing him / her

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

or failing him / her

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 3rd Annual General Meeting of the Company, to be held on **Monday, 17th September, 2018 at 11:00 A.M.** at the Registered Office of the Company at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003 and at any adjournment thereof in respect of such businesses as are indicated below:

Sl. No	Particulars
Ordinary Business	
1.	To receive, consider, approve and adopt the audited financial statements of the Company for the financial year ended March 31, 2018 along with the Reports of the Board of Directors and Auditors thereon.
2.	To appoint a Director in place of Shri Daljeet Singh Khatri (DIN: 06630234), who retires by rotation and being eligible, offers himself for re-appointment.
3.	To fix the remuneration of Statutory Auditors for the financial year 2018-19.

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

Signature of ShareholderSignature of Proxy holder(s)

Affix Revenue Stamp of Rs.1/-
--

DINCHANG TRANSMISSION LIMITED

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

CIN: U40300DL2015GOI288066

ATTENDANCE SLIP

3rd ANNUAL GENERAL MEETING TO BE HELD ON MONDAY, 17TH SEPTEMBER, 2018 AT 11:00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT CORE-4, SCOPE COMPLEX, 7, LODHI ROAD, NEW DELHI-110003.

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

I/We, hereby record my/our presence at the 3rd Annual General Meeting of the Company held on **Monday, 17th September, 2018 at 11:00 A.M.** at the Registered Office of the Company at Core-4, Scope Complex, 7, Lodhi Road, New Delhi-110003.

Signature of Member/ Proxy

NOTES:

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