



2nd Annual Report (2019-20)

CHANDIL TRANSMISSION LIMITED

(A Wholly Owned Subsidiary of REC Transmission Projects Company Limited)

CHANDIL TRANSMISSION LIMITED
Registered Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003
CIN: U40108DL2018GOI330905


NOTICE

Notice is hereby given that Second (2nd) Annual General Meeting of **Chandil Transmission Limited** will be held on **Friday, September 11, 2020 at 3:00 P.M.** at **shorter notice at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003** to transact the following businesses:-

ORDINARY BUSINESS

- 1) To receive, consider, approve and adopt the Audited Financial Statements of the Company for the year ended March 31, 2020, along with the Report of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri Mohan Lal Kumawat (DIN 07682898), who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To fix the remuneration of Statutory Auditors for the financial year 2020-21.

By order of the Board of Directors
For Chandil Transmission Limited


(Ritu Madan Arora)
Authorised Signatory

Place: New Delhi

Dated: 10.09.2020

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll, if any, instead of himself/herself and such proxy need not be a Member of the Company. The proxy form duly completed and signed must be received at the Registered Office of the Company, not less than forty eight (48) hours before the commencement of the AGM. Blank proxy form 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(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). M/s V.C. Gautam & Co. (FRN No. 00365N), Chartered Accountants, has been appointed as Statutory Auditors of the Company for the Financial Year 2019-20 by the Comptroller & Auditor General of India (C&AG).
5. In the 1st Annual General Meeting (AGM) of the Company held on August 21, 2019, the Board of Directors were authorized by the Shareholders in pursuance of Section 142 read with Section 139(5) of the Companies Act, 2013 to fix and approve the remuneration of Statutory Auditors of the Company for the financial year 2019-20. Accordingly, the Board of Directors in its Meeting held on 24th October, 2019 has approved the remuneration of ₹35,000/- (Rupees Thirty Five Thousand only) plus tax as applicable including local travel expenses and other incidental out of pocket expenses to the Statutory Auditors, M/s V.C. Gautam & Co., Chartered Accountants, for the financial year 2019-20.
6. The appointment of the Statutory Auditor for the financial year 2020-21 is yet to be made by the Comptroller and Auditor General (C&AG) of India. Further, the Members are requested to authorise the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company, as it deems fit, for the financial year 2020-21.
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 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**

**BRIEF RESUME OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE
2nd ANNUAL GENERAL MEETING;**

Name	Shri Mohan Lal Kumawat (DIN: 07682898)
Date of Birth	September 8, 1968
Date of Appointment	Since Incorporation i.e. March 14, 2018
Qualifications	Chartered Accountant, Company Secretary and MBA (Finance) from University of Rajasthan.
Expertise in specific Functional area	<p>Shri M.L. Kumawat is Director on the Board of Chandil Transmission Limited since incorporation i.e. March 14, 2018. He is an Associate Member of The Institute of Chartered Accountants of India and he is also an Associate Member of The Institute of Company Secretaries of India and has done Master of Business Administration in finance from University of Rajasthan. He is holding the position of Senior General Manager (Finance) in REC Limited and heads the Company Secretary division. He is also holding the position of Company Secretary in subsidiary Company of REC Limited namely REC Power Distribution Company Limited.</p> <p>He has rich experience in the field of Finance, Accounts, Secretarial, Audit, Budgeting, Merger, IPO Management and Business Development etc. He has multifaceted comprehensive experience of large organizations and wide range of industries. He had started his career with Rajasthan Gases Limited. He has worked with MMTC Limited (from November 1996 till August 2003). Thereafter, he had served in the Ministry of Corporate Affairs, Kolkata as Assistant Director (2003-2006).</p> <p>He is working with REC Limited (formerly Rural Electrification Corporation Limited), a Navratna Company under Ministry of Power, Government of India since January, 2006.</p>
Directorship held in other Companies	<ul style="list-style-type: none"> • Koderma Transmission Limited • Dumka Transmission Limited • Mandar Transmission Limited • Fatehgarh Bhadla Transco Limited • Sikar New Transmission Limited • Ramgarh New Transmission Limited
Membership/ Chairmanship of Committees across all	Nil

Public Companies other than Chandil Transmission Limited	
Number of equity shares held in the Company	Nil
Relationship with other Directors	Shri M.L. Kumawat does not have <i>inter-se</i> relationship with any Director, Manager and other Personnel of the Company.
Details of Remuneration paid	All the Non-Executive Directors on the Board of the Company are nominated by the holding company; therefore, they are not entitled to any remuneration from the Company.
Number of meetings of the Board attended during the year.	Shri M.L. Kumawat has attended all the Four (4) Board Meetings held during the financial year 2019-20.

BOARD'S REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting the second (2nd) Annual Report together with the Financial Statements of your Company for the period ended March 31, 2020.

1. REVIEW OF OPERATIONS

Chandil Transmission Limited has been incorporated as a Special Purpose Vehicle (SPV), as a wholly owned subsidiary of REC Transmission Projects Company Limited on March 14, 2018 to undertake activities for development of various elements of Transmission System Strengthening in Jharkhand State. A two stage Bidding process featuring separate Request for Qualification (RfQ) and Request for Proposal (RfP) has been adopted in accordance with tariff based competitive bidding guidelines of Ministry of Power, GoI for selection of developer as Transmission Service Provider. The RfQ for the project has been issued on June 9, 2018. Nine bidders have participated at the RfQ stage and out of nine, eight bidders have qualified to participate in next stage of bidding i.e. RFP. The RFP for the project has been issued w.e.f. September 7, 2018. The bidding process is expected to be concluded in FY 2020-21.

2. FINANCIAL PERFORMANCE

The summary of Financial Performance of the company for the year ended on March 31, 2020 is as under:

Particulars	For the year ended 31/03/2020 (₹ in thousands)
Total Revenue	-
Profit/Loss Before Tax	(4,360.29)
Profit/Loss after Tax	(4,360.29)

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 year ended March 31, 2020.

5. SHARE CAPITAL

The Paid-up share capital of the company as on March 31, 2020 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.

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, 2020, the Company has three Directors on its Board as per details mentioned below:

Sl. 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	14.03.2018	Continuing
2.	Shri Sanjay Shilendrakumar Kulshrestha	06428038	Non-Executive Director	14.03.2018	Continuing
3.	Shri Mohan Lal Kumawat	07682898	Non-Executive Director	14.03.2018	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(ii) 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 Mohan Lal Kumawat, (DIN: 07682898) shall retire by rotation in the ensuing 2nd Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

7. NUMBER OF MEETINGS OF THE BOARD

During the period under review, Four (4) meetings of the Board of Directors of the Company were held viz. (i) May 15, 2019; (ii) July 30, 2019; (iii) October 24, 2019 and (iv) January 24, 2020. 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 period ended March 31, 2020, 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, 2020
		Held during the tenure	Attended	Percentage of Attendance		No. of other Directorships

1.	Smt. Valli Natarajan, Chairperson	4	4	100	Yes	4
2.	Shri Sanjay Shilendrakumar Kulshrestha, Director	4	3	75	Yes	4
3.	Shri Mohan Lal Kumawat, Director	4	4	100	Yes	3

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

8. GENERAL BODY MEETINGS

The Company was incorporated on March 14, 2018 and the details of Annual General Meetings of the Company held since incorporation are as under:

Meeting No.	Financial Year	Date	Time	Venue	Whether any Special Resolution passed
1 st	2018-19	August 21, 2019	3:00 P.M.	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003	Yes

9. GENERAL SHAREHOLDER INFORMATION

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

Day and Date	Time	Venue
Friday, September 11, 2020	3:00 P.M.	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003

10. STATUTORY AUDITORS

M/s V.C. Gautam & Co., Chartered Accountants, New Delhi (FRN: 00365N) was appointed as Statutory Auditors of the Company for the financial year 2019-20 by the Comptroller & Auditor General of India. The Statutory Auditors have audited the Financial Statements of the Company for the year ended March 31, 2020. 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 23, 2020 have decided not to conduct the supplementary audit of financial statements of the Company for the period ended March 31, 2020 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 Chandil 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 year under review.

16. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

The arrangements/ transactions during the year ended March 31, 2020 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. RISK MANAGEMENT POLICY

Presently a separate risk management policy for the company has not been developed.

19. DISCLOSURES

- a. There are no instances regarding non-compliance, penalties, strictures imposed on the company by any statutory authority since incorporation.
- b. The Company is incorporated as a Special Purpose Vehicle (SPV), as a wholly owned subsidiary of REC Transmission Projects Company Limited (RECTPCL) which is a subsidiary of REC Limited and accordingly Presidential Directives issued by the Central Government to the extent applicable on the Company are being complied since incorporation.
- 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 holding company i.e. REC Transmission Projects Company Limited bears all the expenditures 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 year ended March 31, 2020.
- 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.
- 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 year under review.
- i. 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.
- j. The Company is a Special Purpose Vehicle (SPV) and a wholly owned subsidiary of RECTPCL in terms of the provisions of Companies Act, 2013. However, the company is managed as per the mandate from Government of India (GoI)/ State Governments and RECTPCL does not have the ability to direct the relevant activities of the company unilaterally. RECTPCL therefore, considers its investment in SPV as associates having significant influence.

20. 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.

21. DIRECTORS' RESPONSIBILITY STATEMENT AS PER THE PROVISIONS OF COMPANIES ACT, 2013

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

- (a) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.

- (b) such accounting policies have been 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, 2020 and of the profit of the company for the year ended on that date.
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) the financial statements have been prepared on a 'going concern' basis.
- (e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

22. 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 subsidiaries companies. However, during the year ended March 31, 2020, there were no complaints received by the Committee.

23. 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, 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: September⁷, 2020


(Valli Natarajan)
Chairperson
DIN: 01258415

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on financial year ended on March 31, 2020

[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:	U40108DL2018GOI330905
(ii)	Registration Date	14 March, 2018
(iii)	Name of the Company	Chandil 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: Contact Details:	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003 Ph. No.- 011-24369854 Fax No.- 011-24362039
(vi)	Whether Listed Company	No
(vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any- Name: Address: Contact Details:	No

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%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON MARCH 31, 2020						
Sl. No.	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	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

IV	SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
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[illegible]

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2019)				Shareholding at the end of the year (As on March 31, 2020)				% change in shareholdin g during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares		
1	REC Transmission Projects Company Limited	49994	99.988	-	49994	99.988	-	-	0	
2	Smt. Valli Natarajan*	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: Smt. Valli Natarajan (DIN 01258415) and Shri Sanjay Shilendrakumar Kulshrestha (DIN 06428038) 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 April 1, 2019)		Cumulative Shareholding at the end of the year (As on March 31, 2020)	
	Name of the Shareholder	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
		RECTPCL (including its Nominees)			
	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 entire Paid-up Share Capital of the Company is held by REC Transmission Projects Company Limited (holding company) and its Nominees. There is no change in the Promoter's Shareholding during the financial year 2019-20.					

(v) Shareholding of Directors and Key Managerial Personnel:

Shareholding of Directors and Key Managerial Personnel					
Sl. No.		Shareholding at the beginning of the year (As on April 1, 2019)		Cumulative Shareholding at the end of the year (As on March 31, 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
For each of the Directors and KMP					
1	Smt. Valli Natarajan (Chairperson) (DIN 01258415)				
	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.)	0	0	0	0
	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 Shilendrakumar 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.)	0	0	0	0
	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

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/WTD/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	Smt. Valli Natarajan (Chairperson & Director)	Shri Sanjay Shilendrakumar Kulshrestha	Shri Mohan Lal Kumawat	0

	• 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	0	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission - as % of profit	0	0	0	0	0
	- others, specify	0	0	0	0	0
5	Others, please specify	0	0	0	0	0
	Total	0	0	0	0	0

*Note: The directors of Chandil 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.

V. INDEBTEDNESS

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

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

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			Nil		
Compounding			Nil		
B. DIRECTORS					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

Dated: 07.09.2020
Place: New Delhi

Valli Natarajan

Smt. 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 Chandil Transmission Limited)	Interest and Reimbursement of expenses	On-going transaction	₹53.36 Lakhs during the financial year 2019-20.	-	Nil


(Valli Natarajan)
 Chairperson
 DIN: 01258415

गोपनीय

No. DGA(Energy)/REP/Acs-CTL/2020-21/49



सत्यमेव जयते

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

Dated: 23.07.2020

सेवा में,

निदेशक,
चांडिल ट्रांसमिशन लिमिटेड,
नई दिल्ली।

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

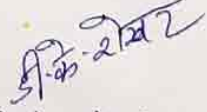
महोदय,

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

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

भवदीय,

संलग्नक:- यथोपरि।


(डी. के. शेखर)
महानिदेशक

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF CHANDIL TRANSMISSION LIMITED FOR THE YEAR ENDED 31 MARCH 2020

The preparation of financial statements of Chandil Transmission Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 05 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Chandil Transmission Limited for the year ended 31 March 2020 under Section 143(6)(a) of the Act.

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



(D. K. Sekar)

**Director General of Audit (Energy),
Delhi**

**Place: New Delhi
Dated: 23 July 2020**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHANDIL TRANSMISSION LIMITED:

Report on the Audit of the Financial Statements

We have audited the financial statements of **Chandil Transmission Limited** ("the Company"), which comprise the balance sheet as at 31st March 2020, and the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and the loss, and changes in equity and its cash flows for the year 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 (SAs). 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 audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information in the Board report including Annexure to Board's Report and shareholder's Information, but does not include the financial statements and our auditor's report thereon.



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

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

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

Responsibilities of Management and Those Charged with Governance 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

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.

That 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:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Key Audit Matters

We have determined that there are no key audit matters to communicate in our reports for the Chandil Transmission Limited.

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, statement of change in equity 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 IndAS 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 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 has been no delay in transferring amounts, 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 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 transactions 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.

FOR V.C. Gautam & company
CHARTERED ACCOUNTANTS
FIRM REG. NO. 00365N

Place: New Delhi
Date: 05.06.2020



Vishnu Gautam
(Partner)

Membership No. 16257

UDIN 2016257AAAAAG7462

ANNEXURE-1 TO THE AUDITOR'S REPORT

THE ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF **CHANDIL TRANSMISSION LIMITED** FOR THE YEAR ENDED 31.03.2020, 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.1,977.77/-(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 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, GST 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.

FOR V.C. Gautam & company
CHARTERED ACCOUNTANTS
FIRM REG. NO. 00365N

Place: New Delhi
Date:05.06.2020



Vishnu Gautam
Partner
Membership No. 16257

ANNEXURE- 2 TO THE AUDITOR'S REPORT

Annexure referred to in our report of even date to the members of "M/s CHANDIL TRANSMISSION LIMITED" on the accounts for the year ended 31.03.2020.

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 "CHANDIL TRANSMISSION LIMITED" ("the Company") for the year ended 31.03.2020, 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 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 31st March 2020, 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.

FOR V.C. Gautam & company
CHARTERED ACCOUNTANTS
FIRM REG. NO. 00365N

Place: New Delhi
Date: 05.06.2020



Vishnu Gautam
(Partner)
Membership No. 16257

V.C Gautam & Co.
Chartered Accountants

B-3, Kailash colony,
New Delhi – 110048
Ph Nos. 46611107, 23314711

COMPLIANCE CERTIFICATE

We have conducted audit of annual accounts of CHANDIL TRANSMISSION LIMITED for the year ending 31.03.2020, in accordance with the directions /sub directions issued by C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/sub directions issued to us.

FOR V.C. Gautam & company
CHARTERED ACCOUNTANTS
FIRM REG. NO. 00365N



Vishnu Gautam
(Partner)
Membership No. 16257

Place: New Delhi
Date: 05.06.2020

CHANDIL TRANSMISSION LIMITED

CIN : U4U40108DL2018GOI330905

Balance Sheet as at 31 March 2020

(All amounts in rupees thousands, unless stated otherwise)

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Capital work in progress	4	1,977.77	1,515.81
Total non-current assets		1,977.77	1,515.81
Current assets			
Financial assets			
Cash and cash equivalents	5	20.00	20.00
Other current assets	6	1,869.77	1,495.48
Total current assets		1,889.77	1,515.48
TOTAL ASSETS		3,867.54	3,031.29
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	500.00	500.00
Other equity	8	(21,867.42)	(17,507.13)
Total equity		(21,367.42)	(17,007.13)
Current liabilities			
Financial liabilities			
Other financial liabilities	9	24,957.68	19,891.43
Other current liabilities	10	277.28	146.99
Total current liabilities		25,234.96	20,038.42
TOTAL EQUITY AND LIABILITIES		3,867.54	3,031.29

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.

For V.C. GAUTAM & CO.

Chartered Accountants

ICAI Firm Registration No.: 00365N

Vishnu Gautam
Partner

Membership no. 16257

Place: New Delhi

Date: 05.06.2020



For and on behalf of Board of Directors of

CHANDIL TRANSMISSION LIMITED

Valli Natarajan
Director

DIN 01258415

Place: New Delhi

Date: 05.06.2020

Mohan Lal Kumawat
Director
DIN 07682898

CHANDIL TRANSMISSION LIMITED

CIN : U4U40108DL2018GOI330905

Statement of Profit and Loss for the period ended 31 March 2020

(All amounts in rupees thousands, unless stated otherwise)

	Notes	For the year ended 31 March 2020	For the period from 14 March 2018 to 31 March 2019
Revenue			
Other income	11	-	2,232.14
Total income		-	2,232.14
Expenses			
Finance cost	12	2,464.04	1,677.80
Employee benefits expense	13	1,150.24	7,611.02
Other expenses	14	746.01	10,450.45
Total expenses		4,360.29	19,739.27
Loss before tax		(4,360.29)	(17,507.13)
Tax expense			
Current tax	15	-	-
		-	-
Net loss for the year		(4,360.29)	(17,507.13)
Total comprehensive loss for the year		(4,360.29)	(17,507.13)
Loss per equity share			
Basic/diluted loss per share (Rs.)	16	(87.21)	(350.14)
(EPS for the relevant period not annualised)			

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.

For V.C. GAUTAM & CO.

Chartered Accountants

ICAI Firm Registration No: 000365N

Vishnu Gautam

Partner

Membership No. 16257

Place: New Delhi

Date: 05.06.2020



Valli Natarajan

Director

DIN 01258415

Place: New Delhi

Date: 05.06.2020

For and on behalf of Board of Directors of
CHANDIL TRANSMISSION LIMITED

Mohan Lal Kumawat

Director

DIN 07682898

CHANDIL TRANSMISSION LIMITED
CIN : U4U40108DL2018GOI330905
Cash Flow Statement for the period ended 31 March 2020
(All amounts in rupees thousands, unless stated otherwise)

		For the year ended 31 March 2020	For the period from 14 March 2018 to 31 March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES			
Loss before tax		(4,360.29)	(17,507.13)
Changes in working capital:			
<i>Adjustments in operating assets and liabilities:</i>			
Other current liabilities		130.30	146.99
(Other current assets		(374.30)	(1,495.48)
Other Financial Liabilities		4,604.29	18,375.62
Cash used in operations		-	(480.00)
Less: Income tax paid		-	-
Net cash used in operating activities	(A)	-	(480.00)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment (including capital work-in-progress and intangibles)		-	-
Net cash used in 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)	-	20.00
Cash and cash equivalents at the beginning of the period		20.00	-
Cash and cash equivalents at the end of the period		20.00	20.00
Reconciliation of cash and cash equivalents as per the cash flow statement		-	20.00

Summary of significant accounting policies

The accompanying notes are integral part of the financial statements.

This is the Cash Flow Statement referred to in our report of even date.

For V.C. GAUTAM & CO.
Chartered Accountants
ICAI Firm Registration No: 000365N

Vishnu Gautam
Partner
Membership No. 16257
Place: New Delhi
Date: 05.06.2020



For and on behalf of Board of Directors of
CHANDIL TRANSMISSION LIMITED

Valli Natarajan
Director
DIN 01258415
Place: New Delhi
Date: 05.06.2020

Mohan Lal Kumawat
Director
DIN 07682898

CHANDIL TRANSMISSION LIMITED

CIN : U4U40108DL2018GOI330905

Statement of changes in Equity for the period ended 31 March 2020

(All amounts in rupees thousands, unless stated otherwise)

A Equity share capital

	<u>Amount</u>
Equity raised during the period	500.00
Balance as at 31 March 2019	500.00
Changes in equity share capital during the year	-
Balance as at 31 March 2020	500.00

B Other equity

	<u>Retained earnings</u>	<u>Total</u>
Loss for the period from 14 March 2018 to 31 March 2019	(17,507.13)	(17,507.13)
Balance as at 31 March 2019	(17,507.13)	(17,507.13)
Loss for the period	(4,360.29)	(4,360.29)
Balance as at 31 March 2020	(21,867.42)	(21,867.42)

Summary of significant accounting policies

The accompanying notes are integral part of the financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For V.C. GAUTAM & CO.
Chartered Accountants
ICAI Firm Registration No: 000365N

For and on behalf of Board of Directors of
CHANDIL TRANSMISSION LIMITED

Vishnu Gautam
Partner
Membership No: 16257
Place: New Delhi
Date: 05.06.2020



Valli Natarajan
Director
DIN 01258415
Place: New Delhi
Date: 05.06.2020

Handwritten signature of Valli Natarajan

Mohan Lal Kumawat
Director
DIN 07682898

Handwritten signature of Mohan Lal Kumawat

CHANDIL TRANSMISSION LIMITED
Notes forming part of Financial Statements for the year ending 31 March 2020
(All amounts in rupees thousand, unless stated otherwise)

1. COMPANY OVERVIEW

Chandil Transmission Limited ("the Company") was incorporated on **14th March 2018** at New Delhi. 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. REC TPCL has been appointed as a Bid Process Co-coordinator by Government of Jharkhand vide notification no. 03/06/17/2648 dated 21 August 2017 for selection of the developer for different transmission projects. 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.

The comparatives included in the financial statements are prepared on these accounting policies only, however the information in the periodic statements (Statement of profit and loss, statement of cash flows and statement of changes in equity) along with relate informatory notes pertains to a period from 14 March 2018 to 31 March 2019. While the current year financial statements have been prepared for a period of 12 months ending 31 March 2020. Hence some of the information, may not be comparable.

2. BASIS OF PREPARATION, 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.

The financial statements for the year ended March 31, 2020 were authorized and approved for issue by the Board of Directors on 05 June 2020.

(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 (as per the five step model laid down under Ind AS 115 to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

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) Financial instruments

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

Financial assets:

Initial recognition and measurement

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

Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified, at initial recognition 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.



Subsequent measurement

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

De-recognition

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

Offsetting of financial instruments

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

iv) 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



CHANDIL TRANSMISSION LIMITED
Notes forming part of Financial Statements for the year ending 31 March 2020
(All amounts in rupees thousand, unless stated otherwise)

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.

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.

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



CHANDIL TRANSMISSION LIMITED
Notes forming part of Financial Statements for the year ending 31 March 2020
(All amounts in rupees thousand, unless stated otherwise)

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 / RFP (If RFQ stage is not adopted in the Bidding Process) or incorporation of SPV, whichever is earlier, till the month in which tenth day from the date of issue of Letter of Intent (LOI) for the transfer of the SPV falls. Part of the month, if any, is considered as full month for cost allocation. 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 @13.00% p.a. (FY 2019-20) and @12.75% p.a. (FY 2018-19) 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.

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 (RECTPCL) 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 judgment in applying accounting policies and estimation of uncertainty

The preparation of the Company's financial statements requires management to make judgment's, 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



CHANDIL TRANSMISSION LIMITED
Notes forming part of Financial Statements for the year ending 31 March 2020
(All amounts in rupees thousand, unless stated otherwise)

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. 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.



CHANDIL TRANSMISSION LIMITED

Notes forming part of Financial Statements for the period ended 31 March 2020

(All amounts in rupees thousands, unless stated otherwise)

4 Capital work in progress

	As at 31 March 2020	As at 31 March 2019
Opening Balance as on 01.04.2019	1,515.81	-
Expenses Allocated by REC TPCL		
Employee benefits expense	127.81	845.67
RFP and other expense	60.37	484.81
Interest*	273.78	185.34
Balance as at 31 March 2019	1,977.77	1,515.81

*Interest has been capitalised @13% p.a (31 March 2019 12.75% p.a.)

5 Cash and cash equivalents

Balance with bank in current account	20.00	20.00
	20.00	20.00

6 Other current assets

Balances with statutory and government authorities	1,869.77	1,495.48
	1,869.77	1,495.48



CHANDIL TRANSMISSION LIMITED

Notes forming part of financial statements for the period ending 31 March 2020

(All amounts in rupees thousands, unless stated otherwise)

7 Equity share capital

Authorised equity share capital
50,000 Equity shares of Rs 10 each

Issued, subscribed and paid up equity share capital
50,000 Equity shares of Rs 10 each

As at 31 March 2020	As at 31 March 2019
500.00	500.00
500.00	500.00
500.00	500.00
500.00	500.00

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

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

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

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

	31 March 2020		31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Equity share capital of Rs. 10 each fully paid up				
Issued during the period	50,000	500	50,000	500.00
Balance at the end of the period	50,000	500	50,000	500.00

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

	As on 31 March 2020		As on 31 March 2019	
	No. of shares	% holding	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%	50,000	100.00%

iv) Shares held by holding company:

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% holding	No. of shares	% holding
49,994 Equity Shares held by REC Transmission Projects Company Limited (Holding Company) and Balance 6 Equity Shares through other nominee of REC-TPCL Ltd.	50,000	100.00%	50,000	100.00%

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

8 Other equity

Retained earnings

Total Reserves and surplus

As at 31 March 2020	As at 31 March 2019
(21,867.42)	(17,507.13)
(21,867.42)	(17,507.13)



CHANDIL TRANSMISSION LIMITED

Notes forming part of Financial Statements for the period ended 31 March 2020

(All amounts in rupees thousands, unless stated otherwise)

	As at 31 March 2020	As at 31 March 2019
9 Other financial liabilities		
Advance from holding company*	24,926.18	19,864.43
Audit fees payable	31.50	27.00
	<u>24,957.68</u>	<u>19,891.43</u>
* Refer note 17 on related party transactions		
10 Other current liabilities		
Statutory Payable	277.28	146.99
	<u>277.28</u>	<u>146.99</u>



CHANDIL TRANSMISSION LIMITED

Notes forming part of Financial Statements for the period ended 31 March 2020

(All amounts in rupees thousands, unless stated otherwise)

	For the year ended 31 March 2020	For the period from 14 March 2018 to 31 March 2019
11 Other Income		
Income from sale of RFP documents	-	2,232.14
	-	2,232.14
12 Finance Cost		
Interest expense on financial liabilities measured at amortised cost	2,464.04	1,677.80
Other interest expense	-	-
	2,464.04	1,677.80
13 Employee Benefit Expense		
Salaries and wages	1,150.24	7,611.02
	1,150.24	7,611.02
14 Other expenses		
RFP and common expense allocated	543.35	4,363.26
Rates and taxes	-	1,734.82
Advertisement	-	1,854.94
Legal & professional charges	15.01	-
Consultancy	105.00	635.25
Tour & Travels -expense	34.18	138.60
Preliminary Expenses	-	9.71
Manpower Expenses - Contract	-	167.44
Technical/ IT service	0.60	59.47
Survey	-	1,428.31
Auditor's remuneration	-	-
- Statutory audit fees	35.00	30.00
Miscellaneous expenses	12.87	28.66
	746.01	10,450.45
15 Tax Expense		
Current tax		
Tax on current year profits	-	-
Deferred tax	-	-
	-	-

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	(4,360.29)	(17,507.13)
Domestic tax rate	22.88%	26.00%
Expected tax expense [A]	(997.63)	(4,551.85)
Add: Permanent differences	-	-
Deductible temporary differences / unused tax losses / unused tax credits for which no deferred tax asset has been recognised.	997.63	4,551.85
Total adjustments [B]	997.63	4,551.85
Actual tax expense [C=A+B]	-	-
Tax expense comprises:		
Current tax expense	-	-
Tax expense recognized in profit or loss [D]	-	-



CHANDIL TRANSMISSION LIMITED

Notes forming part of Financial Statements for the period ended 31 March 2020

(All amounts in rupees thousands, unless stated otherwise)

In accordance with the notified Indian Accounting Standard 12, "Income Taxes", deferred tax assets on carried forward losses, unabsorbed depreciation and other timing differences have not been accounted in the books. However in the absence of virtual certainty as to its realisation of deferred tax assets (DTA), DTA has not been created.

Tax losses for which no deferred tax assets has been recognised:

Expiry financial year (as per income-tax Act, 1961)

Unused tax losses

1 April 2026 – 31 March 2027

As at 31 March 2020	As at 31 March 2019
17,507.13	-
17,507.13	-
For the period ended 31 March 2020	For the period from 14 March 2018 to 31 March 2019

16 Loss per equity share

Total comprehensive loss for the year	(4,360.29)	(17,507.13)
Weighted average number of equity shares for EPS	50,000.00	50,000.00
Par value per share	10.00	10.00
Loss per share - Basic and diluted	(87.21)	(350.14)



CHANDIL TRANSMISSION LIMITED

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

(All amounts in rupees thousands, unless stated otherwise)

17 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	REC Limited (formerly known as Rural Electrification Corporation Ltd.)	
Key management personnel (KMP)*	Valli Natarajan	Chairman and Director
	Sanjay Shilendrakumar Kulshrestha	Director
	Mohan Lal Kumawat	Director

*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

	For the year ended 31 March 2020	For the period from 14 March 2018 to 31 March 2019
Interest	2,737.88	1,612.15
Reimbursement of expenses:	2,597.71	12,010.13
	<u>5,335.59</u>	<u>13,622.28</u>

(ii) Outstanding Balances

	RECTPCL As at 31 March 2020	RECTPCL As at 31 March 2019
Balance payable	24,926.18	19,864.43



CHANDIL TRANSMISSION LIMITED

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

(All amounts in rupees thousands, unless stated otherwise)

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

	As at 31 March 2020	As at 31 March 2019
Financial assets		
Cash and cash equivalents	20.00	20.00
	20.00	20.00
Financial liabilities		
Other financial liabilities	24,957.68	19,891.43
	24,957.68	19,891.43

Note: The carrying amounts of financial assets and 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.

19 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.

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 unconditional liquidity support as an ongoing mechanism basis.

Maturities of financial liabilities

All the financial liabilities of the company are current and 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.



CHANDIL TRANSMISSION LIMITED

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

(All amounts in rupees thousands, unless stated otherwise)

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.

20 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.

21 Other notes to accounts

- 21.1 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.
- 21.2 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. REC Limited (formerly known as Rural Electrification Corporation 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.
- 21.3 The Company is operating in a single segment and therefore disclosure requirements under Ind AS 108 is not applicable.
- 21.4 The Company has no outstanding liability towards Micro, Small and Medium Enterprises.

For V.C. GAUTAM & CO.
Chartered Accountants
ICAI Firm Registration No: 000365N

For and on behalf of Board of Directors of
Chandil Transmission Limited

Vishnu Gautam
Partner
Membership No. 16257



Valli Natarajan
Director
DIN 01258415

Place: New Delhi
Date: 05.06.2020

Mohan Lal Kumawat
Director
DIN 07682898

Place: New Delhi
Date: 05.06.2020

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

