

REC Power Distribution Company Limited
(A wholly Owned Subsidiary of REC)

2016-17

10th Annual Report

Delivering Beyond Expectations



POWER DISTRIBUTION

ISO 9001:2008, ISO 14001:2004
& OHSAS 18001:2007
Certified Company

OBJECTIVES AND FINANCIAL HIGHLIGHTS

ABOUT US:

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

OBJECTIVES:

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

Date of Commencement of Business: July 31st, 2007

Area of Operation

RECPDCL is an ISO 9001:2008, ISO 1400:2004 & OHSAS 18001:2007 Certified Company (for implementation of Occupational Health and Safety Assessment System), having Pan India presence, is expertise in developing Technical Specification & Construction Standards of ethical items/equipments. RECPDCL has also gained rich experience & expertise by Third Party Inspection works of RGGCY/HVDS for more than 29000 villages & 2000 number of 11 kV Feeders.

FINANCIAL HIGHLIGHTS - Consistent growth since inception

(₹ in lakh except EPS)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Shareholders' Fund (at the end of the year)									
Equity Share Capital	5	5	5	5	5	5	5	5	5
Reserves & Surplus	15,779	11745	9435	6018	2747	1608	790	412	314
Net Worth	15,784	11750	9440	6023	2752	1613	795	417	319
Financial Results									
Total Revenue from operations	19,158	15154	8776	7516	3061	2328	2045	1002	527
Profit Before Tax	6,067	5544	5252	5018	1598	1286	617	157	223
Profit After Tax	4,033	3617	3477	3301	1081	867	404	103	142
Earnings Per Share (In ₹)	8,066	7233	6955	6601	2162	1734	808	207	284

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CORPORATE INFORMATION

BOARD OF DIRECTORS	Dr. P.V. Ramesh, Non-Executive Director & Chairman
	Shri Ajeet Kumar Agarwal Non-Executive Director
	Shri Sanjeev Kumar Gupta, Non-Executive Director
	Shri Sanjiv Garg, Non-Executive Director
CHIEF EXECUTIVE OFFICER	Shri T.S.C.Bosh, Chief Executive Officer (CEO)
KEY OFFICIALS	Shri Salil Kumar, Additional CEO
	Shri R.P.Vaishnaw, Chief Financial Officer (CFO)
	Shri M.L. Kumawat, Company Secretary (CS)
	Shri Ajay Kumar, Chief Technical Officer (CTO)
	Shri N.B.Nautiyal, Deputy General Manager (DGM Tech.)
REGISTERED OFFICE	Core-4, SCOPE Complex,7, Lodhi Road, New Delhi-110003.
	Tel. No.: 011-24369690
	Fax No.: 011-24365815
	E-mail: recpdcl@rediffmail.com Website : www.recpdcl.in
CORPORATE OFFICE	4 th Floor, KRIBHCO Bhawan Sector-1,Noida, Gautam Budha Nagar-201301 (UP), New Delhi-201301.
	Tel. No.: 120-4383783
	Fax No.: 120-4383768
	E-mail: co.delhi@recpdcl.in Website: www.recpdcl.in
CORPORATE IDENTIFICATION NUMBER (CIN)	U40101DL2007GOI165779
HOLDING COMPANY	Rural Electrification Corporation Limited (CIN : L40101DL1969GOI005095)
STATUTORY AUDITORS	M/s ASAP & Associates, Chartered Accountants, (Firm Registration No. 005713N) 1, Temple Complex, Shiv Mandir, Tilak Bridge New Delhi-110001
INTERNAL AUDITORS	M/s UCC & Associate & Co., Chartered Accountants, (Firm Registration No8. 010585N/N500017) 1315,Ansal Tower, 38, Nehru Place New Delhi-110019
BANKERS	IndusInd Bank Limited
	HDFC Bank Limited
	ICICI Bank Limited
	IDBI Bank Limited
	Axis Bank Limited
	SBI (Earlier State Bank of Bikaner and Jaipur)
	SBI (Earlier State Bank of Hyderabad)
	IDFC Bank
Orient Bank of Commerce	

BOARD OF DIRECTORS



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



(Shri Ajeet Kumar Agarwal)
Non-Executive Director



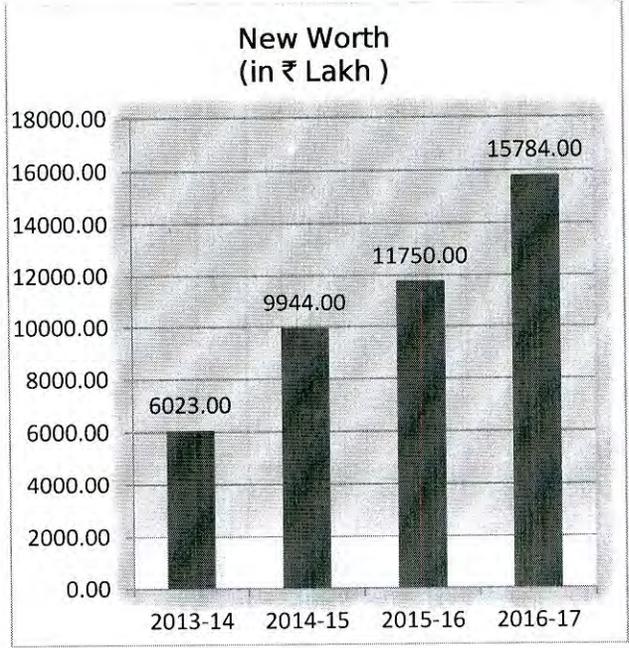
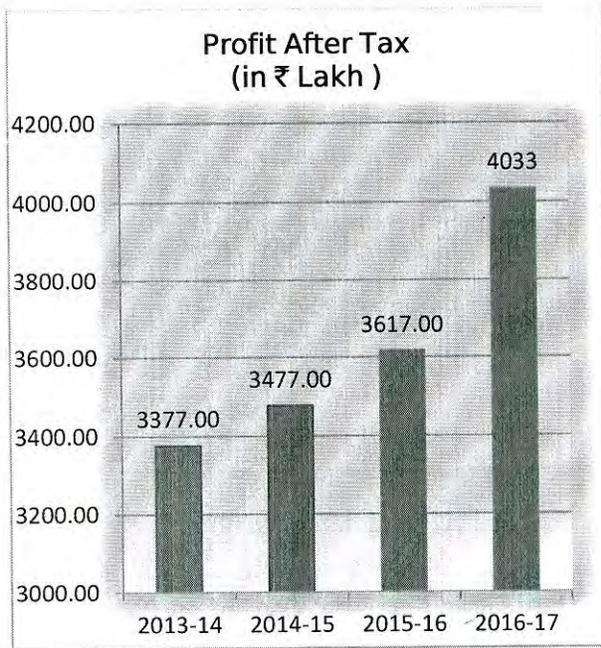
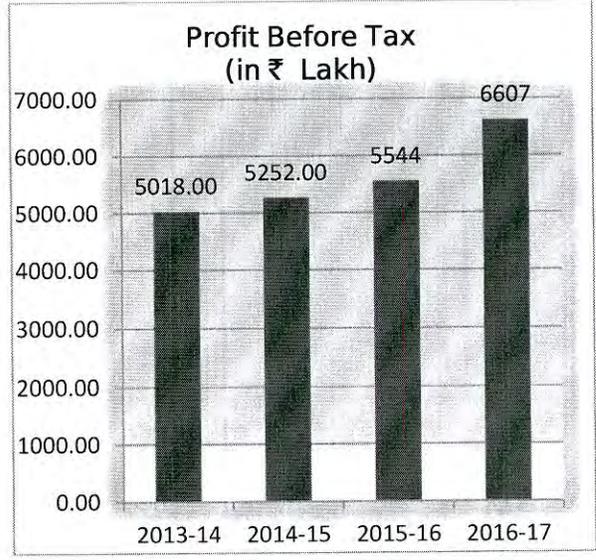
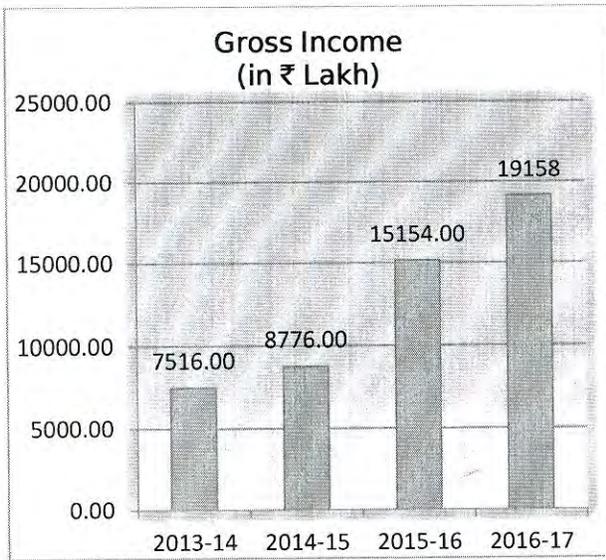
(Shri Sanjeev Kumar Gupta)
Non-Executive Director



(Shri Sanjiv Garg)
Non-Executive Director



(Shri TSC Bosh)
Chief Executive Officer



CHAIRMAN'S LETTER TO SHAREHOLDERS



Dear Shareholders,

It gives me great pleasure in welcoming you all to the 10th Annual General Meeting of your Company. Your Company continues to be a vital service provider for the power distribution sector; and has performed well on all performance parameters in the 10th year of its operations.

India's growth story during the recent years has been one of tremendous achievement in various sectors, strongly supported by various policy measures of the Government, be it fiscal consolidation, financial inclusion, infrastructure, agriculture etc. All the efforts of the Government are targeted towards overall economic

development and removal of economic bottlenecks. Sound economic policies and fiscal consolidation measure like GST have ensured, that economic scenario is poised for steady growth. The concept of "One Tax One Nation" is intended to simplify the tax regime, create a nationwide market for goods and services and making the manufacturing sector more competitive.

Further, in November 2016, the government announced a historic measure of demonetization of ₹500 and ₹1000 currency notes, to curb black money circulating in the economy. Despite a temporary setback caused to the business and industry, the demonetization efforts is moving towards yielding long term benefits and a cashless economy, thus promoting transparent growth.

Power Sector

The Government has unveiled an ambitious plan to provide electricity supply for all by 2019. 'The efforts towards 100 per cent village electrification, 24X7 power supply and clean energy cannot be successful without improving the performance of the electricity distribution companies (DISCOM). Accordingly, the Government formulated and launched the UDAY scheme for financial turnaround of power distribution companies in November, 2015. The scheme envisages reduction in interest burden, cost of power and Aggregate Technical & Commercial (AT&C) losses. So far, 27 states/UTs have already agreed and signed under UDAY. A multilevel monitoring mechanism for UDAY has been put in place to ensure a close monitoring of performance of the participating States under UDAY. Also a web portal (www.uday.gov.in) has been created for monitoring purpose. With the UDAY scheme, the performance of DISCOMs has started to show promising signs of improvement.

Your Company is also associated with Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), a flagship programme of the Government of India, which is an integrated scheme for strengthening all aspects of the rural power distribution system. Your Company is working on the monitoring of electrification works in remaining 18,452 Un-Electrified (UE) villages in the country, in response to the pledge made by the Hon'ble Prime Minister of India on addressing the nation on Independence Day, 2015. The Ministry of Power has taken up the electrification

of all UE villages on fast track and assigned the responsibility as nodal agency for coordinating and monitoring of implementation of DDUGJY to REC. RECPDCL is also deeply involved in this national cause, by way of deploying 'Gram Vidyut Abhiyantas' (GVAs) i.e., young electrical engineers in the field for monitoring and updating data on 'GARV App', an online application for transparent and accountable monitoring system. The objective of the scheme has been further enhanced recently, by laying emphasis on electrification of households in 5.97 lakh inhabited census villages in the country. The monitoring of household electrification is also underway and your Company is playing a significant role in implementation of the schemes.

Apart from above developments, many States have made significant strides in providing access to electricity for electrified households, distribution of LEDs under UJALA, feeder metering and Distribution Transformer (DT) metering both in rural and urban areas, after the introduction of UDAY. Further, the Government of India have taken various steps for improving the power sector scenario, such as National Mission for Enhanced Energy Efficiency (NMEEE); Perform, Achieve and Trade (PAT) scheme and Energy Conservation Building Code (ECBC) etc. These initiatives, coupled with the Government's efforts towards promoting transparency, would redefine the power sector outlook by making it an attractive investment destination for the domestic and international business community in the near future. Your Company is well poised to develop its business in the coming years, in keeping with the emerging opportunities of the power sector.

Performance

During the year 2016-17, your Company delivered steady performance. The Financial Performance of the Company is on a trajectory of fast growth. During the FY 2016-17, the Company's total revenue has increased by 26.42 % to 19,157 Lakh as compared to the previous year revenue of ₹15,154 Lakh. The Profit Before Tax (PBT) has increased by 9.45% to ₹6,067 Lakh as compared to ₹5,544 Lakh in the previous year. Further, the Profit After Tax (PAT) has also increased by 11.5 % to ₹4,033 Lakh from ₹3,617 Lakh during the previous year.

Earnings Per Share (EPS) for the Financial Year ended March 31, 2017 was ₹8,066 of ₹10 each as against ₹7,233 in the previous year. Net Worth of the Company as on March 31, 2017 has increased by 34.31 % to ₹15,784 Lakh from ₹11,750 Lakh in the previous year.

The Board of Directors of has recommended a dividend of ₹2,421 (Rupees Two Thousand Four Hundred Twenty One) per equity share (on the face value of ₹10 each) representing 24,210% of the Paid up Share Capital of the Company for the FY 2016-17 subject to the approval of Shareholders of the company in the 10th Annual General Meeting, as against ₹2170.56 (Rupees Two Thousand One Hundred Seventy and Fifty Six paise Only) per share, representing 21705.6 % of the Paid up Share Capital of the Company in the previous year. The dividend pay-out for the FY 2016-17 will amount to ₹1210.50 Lakh (excluding dividend distribution tax).

Corporate Governance

As a good corporate entity, your Company is pursuing the highest standards of Corporate Governance in the interests of stakeholders of the Company. Accordingly, your Company complied with the provisions of Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, which are applicable to the Company, issued by Department of Public Enterprises. Your Company has been submitting "Report on Corporate Governance" as required

by guidelines on Corporate Governance for CPSEs, 2010 issued by DPE, on quarterly and annual basis.

Corporate Social Responsibility

During the financial year 2016-17 your Company has taken projects for Sustainable Development and Corporate Social Responsibility (CSR) with an aim to provide financial assistance to NGOs, Government Departments, AIIMS, setting up Community Water Centres for bringing safe drinking water for the villagers of Bhadhohi and Pratappur Districts, Uttar Pradesh, conducting two years study on 'Age Specific Normograms of Anti-Mullerian Hormone and Antral Follicle Counts in Infertile and Fertile Indian Women', providing education, food, clothing, and health etc. to the girl child, free computer training education and English speaking course for unemployed youth coming from BPL families; running school for physically challenged children with autism, mental retardation and Downs Syndrome; and for construction of Testing Lab Rooms of a school for physically challenged children.

During the financial year 2016-17, the Company has sanctioned 7 CSR projects investing an aggregate amount of ₹1,48,81,538/- and disbursed CSR assistance amounting to ₹48,91,467/- which are linked with achievement of predefined milestones as per sanction terms and condition.

MoU Rating, Awards & Accolades

Your Company has received "Excellent Rating" in terms of MoU signed with the holding company Rural Electrification Corporation Limited for the financial year 2015-16 by the Department of Public Enterprises (DPE), Government of India. For the financial year 2016-17 also the performance of the Company is poised to receive "Excellent" rating.

Your Company has been consistently receiving recognitions in various spheres of its activities. During the financial year 2016-17, RECPDCL has been conferred with the award of "SKOCH Technologies for Growth Awards 2016", "National E-Governance Award 2016-17- Gold Award", Digital India Awards 2016 for "GARV-Grameen Vidyutikaran App" and "World HRD Congress Awards-2017".

Apart from ISO 9001:2008 and ISO 14001:2004, your Company has also been conferred with OHSAS 18001:2007 for implementation of Occupational Health and Safety Assessment System for carrying out administrative and other allied activities at Corporate Office, Delhi.

The Path Ahead

Your Company is looking forward to get more diversified business opportunities in various new High end Technology consultancy and implementation businesses viz. Project Management Consultancy, Smart Grid Pilot Project under National Smart Grid Mission (NSGM), Roof top Solar Power Plant, Installation of Solar Power Pack and Solar Street Lights etc. and in the process of exploring overseas.

Further, your Company has been awarded PMC/AMC assignment by EESL for implementation of LED Streetlight projects in Punjab, Chhattisgarh, Jharkhand, Chandigarh, Rajasthan (Phase- III) & Tripura (AMC Phase).

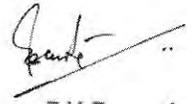
Your Company is also looking at a comprehensive review of its business processes, functional improvements and human resources planning for the years to come, in order to effectively and efficiently meet the business demands and harness upcoming opportunities.

ACKNOWLEDGEMENTS

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

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

With warm wishes,



(P V Ramesh)
Chairman

Date:19.09.2017

REC Power Distribution Company Limited

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

CIN: U40101DL2007GOI165779

Tel.: +91 11 43091506 Fax: +91 11 24365815

Email: co.delhi@recpdcl.in Website: www.recpdcl.in**NOTICE**

Notice is hereby given that the Tenth (10th) Annual General Meeting (AGM) of REC Power Distribution Company Limited (“RECPDCL” or “the Company”) (CIN:U40101DL2007GOI165779) will be held on Tuesday, 19th September, 2017 at 5.00 P.M at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India to transact the following businesses:-

ORDINARY BUSINESS

- 1) To receive, consider, approve and adopt the audited financial statements of the Company for the financial year ended March 31, 2017 along with the Reports of the Board of Directors and Auditors thereon.
- 2) To declare Dividend on equity shares of the Company for the financial year 2016-17.
- 3) To appoint a Director in place of Shri Sanjeev Kumar Gupta (DIN: 03464342), who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To fix the remuneration of Statutory Auditors for the financial year 2017-18.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 160 and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), Dr. P V Ramesh (DIN: 02836069) who was appointed as an Additional Director of the Company by the Board of Directors with effect from January 5, 2017 and who holds office under Article 119 of Article of Association of Company and pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting, and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as an Director of the Company, and is not liable to retire by rotation”.

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution(s) as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 160 and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), Shri Ajeet Kumar

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Agarwal (DIN: 02231613), who was appointed as an Additional Director of the Company by the Board of Directors with effect from August 14, 2017 and who holds office under Article 119 of Article of Association of Company and pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting, and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as an Director of the Company, liable to retire by rotation”.

7. To ratify the remuneration of the Cost Auditors for the financial year 2016-17 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s)], the Company hereby ratify the remuneration of ₹ 19,999/- (Rupees Nineteen thousand nine hundred ninety nine only) plus applicable taxes as approved by the Board of Directors payable to Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2016-17 as per detail set out in the Statement annexed to the Notice convening this Meeting.

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



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

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

Date : 19.09.2017

NOTES:-

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll, if any, instead of himself/herself and such proxy need not be a Member of the Company. The proxy form duly completed and signed must be received at the Registered Office of the Company, not less than forty eight (48) hours before the commencement of the AGM. Blank proxy form and route map of the venue of the Meeting is attached and also available on the Company's website i.e. www.recpdcl.in
2. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the

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Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of Special Business, as set out above is annexed hereto.
4. The Dividend @ of ₹ 2,421/- per equity share, as recommended by the Board of Directors in its Meeting held on May 19, 2017, subject to the provisions of Section 123 of the Companies Act, 2013, if approved by the Members at this Annual General Meeting, will be paid to the Member i.e. Rural Electrification Corporation Limited as per the provisions of the Companies Act, 2013.
5. Corporate Members are requested to send/attach a duly certified copy of the Board Resolution/Authority Letter authorizing their representative to attend and vote on their behalf at the Annual General Meeting, along with the Proxy Form/Attendance Slip.
6. Pursuant to Section 139(5) of the Companies Act, 2013, the Auditors of a Government Company are appointed/re-appointed by the Comptroller and Auditor General (C&AG) of India and in terms of Section 142 of the Companies Act, 2013, their remuneration shall be fixed by the company in a General Meeting or in such manner as the company in a General Meeting may determine.
7. In the 9th Annual General Meeting (AGM) of the Company held on September 19, 2016, 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 2016-17. Accordingly, the Board of Directors in its Meeting held on September 28, 2016 approved the payment of remuneration of ₹1,50,000/- (Rupees One Lakh Fifty Thousand only) plus service tax as applicable inclusive of local travel expenses and other incidental out of pocket expenses to the Statutory Auditors, M/s ASAP & Associates, Chartered Accountants, for the financial year 2016-17.
8. Further, pursuant to Section 139(5) of the Companies Act, 2013, M/s ASAP & Associates, Chartered Accountants, New Delhi has been appointed as Statutory Auditors of the Company for the financial year 2017-18 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 2017-18, on similar lines as done for the last financial year. Accordingly, the Members are requested to authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company, as it deems fit, for the financial year 2017-18.
9. 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.
10. The Register of Directors and Key Managerial Personnel (KMP) and their Shareholding maintained under Section 170 of the Companies Act, 2013, Register of contracts and arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection by the Members at the Registered Office of the Company on all working days during business hours and at the time of AGM of the Company at the venue of the Meeting.

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

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

THE FOLLOWING STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS SET OUT IN THE NOTICE.

Item No. 5

As per the Articles of Association of the Company, the Chairman & Managing Director of Rural Electrification Corporation Limited, Holding Company of RECPDCL, shall be the ex-officio Chairman of RECPDCL.

During the financial year 2016-17, consequent to relinquishment of charge by Shri Rajeev Sharma due to his appointment as CMD, PFC, Ministry of Power vide Order No. 46/9/2011-RE dated September 30, 2016 assigned the additional charge of Chairman & Managing Director of Rural Electrification Corporation Limited to Shri B.P. Pandey, Special Secretary, Ministry of Power w.e.f October 1, 2016 for a period of three months till 31.12.2016 or until further orders whichever is earlier. Further, Ministry of Power extended the tenure of Shri B.P. Pandey till January 4, 2017 vide order dated January 2, 2017.

Further, pursuant to Communications No. 36/02/2016-EO (SM-1) dated December 5, 2016 issued by Department of Personnel and Training, Ministry of Personnel, Public Grievances and Pensions, Government of India, Dr. P.V. Ramesh (DIN: 02836069), IAS (AP:1985) took over the charge as Chairman & Managing Director of REC (holding company of RECPDCL) w.e.f January 5, 2017. Accordingly, as per the Articles of Association of the Company, Dr. P.V. Ramesh assumed Charge as Chairman of the RECPDCL w.e.f. January 5, 2017.

In terms of provisions of Section 161 of the Companies Act, 2013, rules made thereunder and also in terms of Article 119 of Article of Association of the Company, he holds office upto the date of next Annual General Meeting and be eligible for appointment/re-appointment by the Company in next Annual General Meeting. As per the provisions of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing from a member along with requisite amount, proposing the candidature of Dr. P.V. Ramesh for the office of Director of the Company and the same is available on the website of the Company. Accordingly, appointment of Dr. P.V. Ramesh as Director may be considered by the shareholders at this AGM. Further, Dr. P.V. Ramesh is not disqualified to be a Director of the Company in terms of the provisions of Section 164 of the Companies Act, 2013, to the extent applicable to the Company.

Dr. P.V. Ramesh, if appointed, will not be liable to retire by rotation. Further, the brief resume of Dr. P.V. Ramesh *inter-alia* giving the nature of his expertise in specific functional area, remuneration paid, number of meetings attended during the year etc. forms a part of this Notice.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to the date of the Meeting.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Dr. P.V. Ramesh is in any way, concerned or interested, financially or otherwise, in passing of the said Resolution.

The Board recommends the Ordinary Resolution as set out at item No.5 for approval by the shareholders.

Item No. 6

Shri Ajeet Kumar Agarwal (DIN: 02231613) was appointed as an Additional Director on the Board w.e.f. August 14, 2017. Further, Shri Agarwal is on the Board of REC (Holding Company) as Directors (Finance), a Nominee Director on the Board of REC Transmission Projects Company Limited, a Wholly Owned Subsidiary Company of REC, since December 27, 2008 and also Nominee Director on the Board of Indian Energy Exchange Limited (IEX) since August 22, 2012. Consequent to his appointment as Additional Directors of the Company in terms of provisions of Section 161 of the Companies Act, 2013, rules made thereunder and also in terms of Article 119 of Article of Association of the Company, he holds office upto the date of next Annual General Meeting and be eligible for appointment/re-appointment by the Company in next Annual General Meeting. Accordingly, as per the provisions of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing from REC, being the shareholder, along with requisite fee, signifying his candidature for the office of Director of the Company and the same is available on the website of the Company. Accordingly, appointment of Shri Agarwal as Directors may be considered by the shareholders at this AGM. Further, Shri Agarwal is not disqualified to be a Director of the Company in terms of the provisions of Section 164 of the Companies Act, 2013, to the extent applicable to the Company.

Shri Ajeet Kumar Agarwal, if appointed, will be liable to retire by rotation and the terms and conditions regulating his appointment. Further, the brief resume of Shri Ajeet Kumar Agarwal *inter-alia* giving the nature of his expertise in specific functional area, remuneration paid, number of meetings attended during the year etc. forms a part of this Notice

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to the date of the Meeting.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 6 of the Notice.

The Board recommends the Ordinary Resolution as set out at item No.6 for approval by the shareholders.

Item No. 7

Board of Directors in its meeting held on August 14, 2017 has approved the name of the cost accountant firm for appointment as cost auditor at total fee of ₹ 19,999/- (Rupees Nineteen thousand nine hundred ninety nine only) plus applicable taxes as payable for conducting cost audit for the Financial Year 2016-17.

As per Rule 14 of Companies (Audit and Auditors) Rules, 2014 read with section 148(3) of the Companies Act, 2013, the remuneration payable to Auditor shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders.

Accordingly, members are requested to ratify the remuneration payable to the Cost Auditors for the financial year 2016-17.

Relevant documents in respect of the said item are open for inspection by the members at the Registered Office of the Company on all working days during 2.30 p.m. to 4.30 p.m. up to the date of the Meeting.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution as set out at item No.7 for approval by the shareholders.

BRIEF RESUME OF THE DIRECTORS APPOINTED SINCE LAST ANNUAL GENERAL MEETING HELD ON SEPTEMBER 19, 2017.

Name	Dr. P V Ramesh (DIN 02836069)
Date of Birth	July 10, 1959 (Age: 58 years)
Date of Appointment	January 5, 2017
Qualifications	IAS officer of the 1985 batch of Andhra Pradesh Cadre
Expertise in specific Functional area	<p>Dr. Penumaka Venkata Ramesh, 58 years, an IAS officer of the 1985 batch of Andhra Pradesh Cadre is the Chairman & Managing Director (CMD) on the Board of REC since January 5, 2017. Prior to joining REC, Dr. Ramesh was the Special Chief Secretary and Development Commissioner to the Government of Andhra Pradesh and Ex-Officio Special Chief Secretary to Andhra Pradesh Chief Minister. Dr. Ramesh graduated as Physician from the Christian Medical College & Hospital, Vellore.</p> <p>He has, during his service tenure of over 31 years, held important positions of Principal Finance Secretary, Principal Secretary Department of Health & Family Welfare and Commissioner of Industries in the Government of Andhra Pradesh. He headed the State Reorganization Department that reorganized the state of Andhra Pradesh.</p> <p>He has served the United Nations Organization for nearly 13 years, where he was responsible for formulating national development strategies and plans, programme design, supervision, monitoring, evaluation, fund administration and Programme Management. He had been a staff member of IFAD, UNOPS and UNFPA. He has worked in</p>

	several countries across Asia Pacific and Africa continents and Europe and UNOPS headquarters in New York. During his stint with UNO, he has held high profile positions of the Country Programme Manager for Asia Pacific Division of IFAD/UNOPS, Senior Portfolio Manager for West Asia, Europe and Arab States, Acting Director of UNOPS Regional Office for Southern Eastern Africa; Country Representative for UNFPA to Afghanistan; and Senior Advisor to Finance Minister of Afghanistan, to mention a few.
Directorship held in other Companies	<ul style="list-style-type: none"> • Rural Electrification Corporation Limited. • REC Transmission Company Limited.
Membership/Chairmanship of Committees across all Public Companies other than RECPDCL	<ul style="list-style-type: none"> • <u>Rural Electrification Corporation Limited</u> <ul style="list-style-type: none"> • <i>Loan Committee – Chairperson</i> • <i>Executive Committee - Chairperson</i> • <i>Sub-Committee for Review of Lending Rates for Term Loans / Short Term loans – Chairperson</i> • <i>Sub-Committee on investment / deployment of surplus funds – Chairperson.</i>
Number of Meetings attended by him during the year	During the Financial Year 2016-17, he has attended 1 Meetings of Board held after his joining.
Number of equity shares held in the Company	NIL
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.
Relationship with other Directors and Other Key Managerial Personnel	None of the Directors have inter-se relationship with any Director, Manager and other Key Managerial Personnel of the Company.

BRIEF RESUME OF THE DIRECTORS APPOINTED SINCE LAST ANNUAL GENERAL MEETING HELD ON SEPTEMBER 19, 2017.

Name	Ajeet Kumar Agarwal (DIN 02836069)
Date of Birth	May 30, 1960 (Age: 57 years)
Date of Appointment	August 14, 2017
Qualifications	B.Com (Hons.) and Chartered Accountant
Expertise in specific Functional area	Shri Agarwal has 34 years' experience in Public Sector Undertakings. During his tenure in REC as General Manager/ Executive Director (Finance), he had handled various finance functions including Resource Mobilisation, Loan Disbursement and Corporate Accounts & Taxation. Prior to joining REC on March 29, 2007, he was General Manager in Telecommunications Consultants India Limited.

	<p>He is also Nominee Director on the Board of REC Transmission Projects Company Limited, a Wholly Owned Subsidiary Company of REC, since December 27, 2008 and on the Board of Indian Energy Exchange Limited (IEX) since August 22, 2012.</p> <p>He is responsible for formulating financial strategies and plans to enable REC in achieving its vision. He provides directions with respect to Financial Management and Operations of the organization encompassing organizational and financial planning, formulation of financial policy, financial accounting, management control systems, cash and funds management, tax planning, mobilization and management of resources, liaison with financial institutions and capital market players. He also supervises treasury functions, lending operations and advises on corporate risk management matter.</p>
Directorship held in other Companies	<ul style="list-style-type: none"> • Rural Electrification Corporation Limited. • REC Transmission Company Limited. • Indian Energy Exchange Limited
Membership/Chairmanship of Committees across all Public Companies other than RECPDCL	<ul style="list-style-type: none"> • <u>Rural Electrification Corporation Limited</u> <ul style="list-style-type: none"> • <i>Stakeholders Relationship Committee</i> • <i>Risk Management Committee</i> • <i>CSR Committee</i> • <i>Loan Committee</i> • <i>Executive Committee</i> • <i>Sub-committee for review of lending rates for Term Loans/ Short Term Loans</i> • <i>Sub-committee on Investment /Deployment of Surplus Funds</i>
Number of Meetings attended by him during the year	NIL (since appointed w.e.f August 15, 2017)
Number of equity shares held in the Company	NIL
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.
Relationship with other Directors and Other Key Managerial Personnel	None of the Directors have inter-se relationship with any Director, Manager and other Key Managerial Personnel of the Company.

BRIEF RESUME OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE 10TH ANNUAL GENERAL MEETING.

Name	Shri Sanjeev Kumar Gupta (DIN: 03464342)
Date of Birth	October 4, 1961 (Age:56 years)
Date of Appointment	August , 2016

Qualifications	Bachelor's Degree in Electrical Engineering from G.B. Pant University of Agriculture & Technology, Pant Nagar, Uttarakhand.
Expertise in specific Functional area	<p>Shri Sanjeev Kumar Gupta, 55 Years, is the Director (Technical) on the Board of REC since October 16, 2015. He holds a Bachelor's Degree in Electrical Engineering from G.B. Pant University of Agriculture & Technology, Pant Nagar, Uttarakhand. He has 35 Years of experience in Indian Power Sector across diverse functions i.e. Planning, Design, Construction, O&M, Project Management of large EHV Transmission system, Financing of Generation, Transmission, Distribution and Renewable Projects, etc. in various power CPSU's, REC, PGCIL and NHPC.</p> <p>He has been working in our Company since March 16, 2010 at Senior Management positions. He also served as the CEO of REC Transmission Projects Company Limited, a wholly owned subsidiary of REC, as well as the nodal officer for the National Electricity Fund (NEF). He is responsible for all Technical functions and Business Development of the Company.</p>
Directorship held in other Companies	<ul style="list-style-type: none"> • Rural Electrification Corporation Limited; • REC Transmission Projects Company Limited;
Membership/Chairmanship of Committees across all Public Companies other than RECPDCL	<ul style="list-style-type: none"> • Rural Electrification Corporation Limited; <ul style="list-style-type: none"> • <i>Stakeholders Relationship Committee</i> • <i>Risk Management Committee</i> • <i>CSR Committee</i> • <i>Loan Committee</i> • <i>Executive Committee</i> • <i>Sub-committee for review of lending rates for Term Loans/ Short Term Loans</i> • <i>Sub-committee on Investment /Deployment of Surplus Funds</i>
Number of Meetings attended by him during the year	During the Financial Year 2016-17, he has attended all Meetings of Board.
Number of equity shares held in the Company	NIL
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.
Relationship with other Directors and Other Key Managerial Personnel	None of the Directors have inter-se relationship with any Director, Manager and other Key Managerial Personnel of the Company.

BOARD'S REPORT 2016-17

To
The Shareholders,

Your Directors have pleasure in presenting the Tenth Annual Report of your Company together with the Audited Financial Statements for the Financial Year ended March 31, 2017.

1. PERFORMANCE HIGHLIGHTS

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

Financial Parameters	(₹ In Lakh)	
	FY 2016-17	FY 2015-16
Revenue from Operations	18,268	14,798
Other Income	889	357
Total Revenue	19,157	15,154
Total Expenses	13,076	9,572
Profit before Tax	6,067	5,544
Provisions for Taxation	2,034	1,927
Profit after Tax	4,033	3,617
Reserve & Surplus	15,779	11,745
Net Worth	15,784	11,750

1.2. Financial Performance

The Financial Performance of your Company is on the fast trajectory growth path. During the Financial Year 2016-17, the Company's total revenue has increased by 26% to ₹19,157 Lakh as compared to the previous year revenue of ₹15,154 Lakh. The Profit Before Tax (PBT) has increased by 9% to ₹6,067 Lakh as compared to ₹5,544 Lakh in the previous year. Further, the Profit After Tax (PAT) has also increased by 12% to ₹4,033 Lakh from ₹3,617 Lakh during the previous year.

Earnings Per Share (EPS) for the Financial Year ended March 31, 2017 was ₹8,066/- per share of ₹10/- each as against ₹7,233/- in the previous year. Net Worth of the Company as on March 31, 2017 has increased by 34% to ₹15,784 Lakh from ₹11,750 Lakh in the previous year.

1.3. Share Capital:

The issued and Paid up Share Capital of the Company as on March 31, 2017 was ₹5 Lakh divided into 50,000 equity shares of ₹10/- each against the Authorized Share Capital of ₹2,000 Lakh divided into 2,00,00,000 equity shares of ₹10/- each. The entire issued and Paid-up-Share Capital of your Company is held by Rural Electrification Corporation (REC) Limited a Government of India Enterprise and its nominees.

1.4. Dividend

The Board of Directors of your Company has recommended a dividend of ₹2,421/- (Rupees Two Thousand Four Hundred Twenty One) per equity share (on the face value of ₹10/- each) representing 24,210% of the Paid up Share Capital of the Company for the financial year 2016-17 subject to the approval of Shareholders in the ensuing Annual General Meeting of the company, as against ₹2170.56/- (Rupees One Hundred) per share for the financial year 2015-16, representing 21705.60% of the Paid up Share Capital of the Company. The dividends pay-out for the financial year 2016-17 will amount to ₹1,210.50 Lakh (excluding dividend distribution tax).

2. REVIEW OF OPERATIONS

During the financial year 2016-17, RECPDCL has not only excelled in its core business *viz* preparation of Detailed Project Reports (DPRs), Third Party Inspection (TPI), Material Inspection & Project Management Consultancy (PMC) Services, but also marked its footprint in very new business arena *viz* Project Implementation under R-APDRP Part A scheme, Enhancement of Energy Efficiency mission and execution of turnkey works relating to the construction of toilets (using conventional and prefab technology) in schools under CSR initiatives of REC under Swachh Vidyalaya Abhiyan.

The major assignments/on-going projects undertaken during the financial year 2016-17 are as follows:-

(i) Preparation of Detailed Project Reports and working as PMA under DDUGJY and IPDS

Your Company is engaged for preparation of Detailed Project Reports (DPRs) and Project Management Agency (PMA)/Project Management Consultant (PMC) under the scheme DDUGJY and IPDS for the 27 DISCOMs in 15 States on pan India basis. The Company is also engaged by all four (4) DISCOMs of UP for preparation of DPRs under 24x7 Power For All (PFA) scheme to connect all unconnected rural households by carrying out extensive field survey. Total numbers of habitations to be surveyed is approximately 2.5 lakhs in 75 districts of Uttar Pradesh.

(ii) IT Implementation works under R-APDRP Part-A for Goa Electricity Department

RECPDCL has excelled in IT Implementation Works under R-APDRP Part-A for Goa Electricity Department (GED) and has set a new benchmark of roll-out of all Towns of Goa in a record time of 27 Months including go-live of Pilot town within a shortest record period of one year.

The work executed till March 31, 2017 includes roll out of all 22 modules in all four towns of Goa State, Go-live of Customer care centre, GIS Mapping, installation of Automatic Meter Reading (AMR) on Distribution Transformers and Feeders, set-up of Data centre & Data Recovery Centre with all IT equipment's *viz.* Servers, Storage, Critical UPS, etc., set-up of IT equipments at all Sub-Divisional Offices & Other Offices of Goa.

(iii) PMA works for turnkey execution of Smart Grid project in Chandigarh Electricity Department as per NSGM guidelines

Your Company has been appointed as Project Management Agency (PMA) by Chandigarh Electricity Department for execution of turnkey works including Supply, Erection, Commissioning, Project Management, Design, Engineering, Inspection and Supervision of Smart Grid project in Chandigarh as per NSGM guidelines.

The work executed till March 31, 2017 includes inviting of various NIT's through e-Tendering mode for procurement of various items/services for establishment of various modules as per NSGM guidelines.

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

Your Company has been appointed as Project Management Agency (PMA) by Chandigarh Electricity Department for PMA works for Turnkey Execution as deposit work including Supply, Erection, Commissioning, Project Management, Design, Engineering, Inspection and supervision of work for providing 66 KV transmission Line to upcoming 66 KV Grid sub-station. It also includes laying of 66kV transmission line through double circuit monopoles and through underground trenchless cabling for upcoming new sub stations.

(v) Construction of solar roof top power plant under Sustainable Development and CSR initiatives under Swachh Vidyalaya Abhiyan of REC.

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Your Company has been appointed as Project Implementing Agency for construction of solar roof top power plant at 16 Nos. of SC/ST residential Schools at Odisha under REC's Sustainable Development initiative.

Further, your company has also been appointed for construction of 508 kWp solar roof top power plant at Rashtrapati Bhawan and construction of toilets under REC's CSR initiative under Swachh Vidyalaya Abhiyan;

2.2. New Initiatives & Assignments ahead

During the financial year 2016-17 the Company has also undertaken new initiatives which includes the followings Projects:-

- (i) Project Management Consultancy for Installation of Rooftop Solar Panel for Rashtrapati Bhavan. The project was inaugurated and appreciated by Shri Pranab Mukherjee Hon'ble President of India on February 10, 2017 at Rashtrapati Bhavan Museum Complex, President's Estate, New Delhi.
- (ii) Project Management Consultancy (PMC) Services for Smart Grid Pilot Project under National Smart Grid Mission (NSGM) and Departmental Scheme for Chandigarh Electricity Department (CED) in the UT of Chandigarh.
- (iii) Rural Electrification Work of 895 Nos. of Off-Grid Villages in Arunachal Pradesh by installing 300Wp Solar Power Packs and 40Wp Solar Street Lights under Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY).
- (iv) Project Management Consultancy Service for implementation of Grid connected Roof Top Solar Power Plant in Assam with RECPDCL achieving the record rates much below against the MNRE benchmark rate of ₹75/Wp.
- (v) Consultancy Services for carrying out Commercial and Technical Analysis of Distribution System of Narsinghpur Circle (District) under East Discom i.e M.P. Poorv Kshetra Vidyut Vitaran Co. Ltd.

2.3. Renewable Energy/Solar Projects

To promote utilization of renewable energy and tap the potential of solar energy, your Company has been working on various solar power projects. Your Company has been accredited as "Empanelled Govt. Agency" under Ministry of New & Renewable Energy (MNRE), Govt. of India for Grid Connected Rooftop and Small Solar Power Plants Programme, on June 21, 2016, for a period of 2 years. For execution of Solar PV projects, your Company itself empanelled around 20 Solar agencies/EPC vendors.

During the Financial Year 2016-17, your Company had successfully completed the following Renewable Energy/Solar Projects:

- (i) Design, Supply, Installation, and Commissioning of Grid Connected Rooftop Solar PV plant of 508 kWp capacity at President's Secretariat, Rashtrapati Bhavan, New Delhi-110004. This project was funded by REC Ltd under 'CSR Initiatives'.
- (ii) Design, Supply, Installation, and Commissioning of Rooftop Solar PV power plants (Battery bank tied) of 5kWp capacity 16 nos. at 9 districts of Odisha state as on 21.09.2016. This project was funded by REC Ltd under 'CSR Initiatives'.
- (iii) Survey of 83 remote villages and preparation of Detailed Project Reports (DPR) of 76 remote villages of West Bengal which come under Off-Grid Decentralized Distributed and Generation (DDG) for West Bengal State Electricity Distribution Company Ltd (WBSEDCL), Kolkata as on December 9, 2016.
- (iv) Third Party Inspection of executed DDG Solar projects at Hamirpur, Lalitpur, Sonbhadra districts of Uttar Pradesh (UP) for Uttar Pradesh New & Renewable Energy Agency (UPNEDA).

Your Company is also working on the following Solar Power projects which are under implementation & in the pipeline includes:

Solar Projects under implementation

- Electrification of 895 Nos. of Off-Grid villages in Arunachal Pradesh by installing 13,179 Nos. of 300 Wp Solar power packs and 4184 Nos. of 40 Wp Solar Streets under Deen Dayal Upadhaya Gram Jyoti Yojana (DDUGJY).
- Setting up & installation of Rooftop Solar PV plant of capacity 10 MW in Assam for Assam Power Distribution Company Limited (APDCL). The capacity further be escalated to 250 MW by 2022.

Solar Projects in the pipeline

- Installation & Commissioning of Grid connected Rooftop Solar PV plant of total 231 kWp tentative capacity at 5 villages of District Gurgaon/Mewat of Haryana which are adopted by Hon'ble President of India.
- Installation & Commissioning of Grid connected Rooftop Solar PV plant of 490 kWp tentative capacity at Cantonment Board, Ambala, Haryana.
- Installation & Commissioning of Solar Power plants at various Govt. Buildings of Ministry of Environmental, Forest, and Climate Change (MoEFCC) on CAPEX & RESCO mode.
- Implementation of Energy Efficiency and Smart Metering projects at various locations of President's Estate, Rashtrapati Bhavan, New Delhi.
- Installation & Commissioning of Grid connected Rooftop /Ground Mounted Solar PV Plant of total 2186.31 kWp tentative capacity at various buildings of Jawahar Lal University (JNU), New Delhi.

2.4. Swachh Vidyalaya Abhiyan

Rural Electrification Corporation Limited (Holding Company) again appointed REC Power Distribution Company Limited (RECPDCL) as Project Implementing & Monitoring Agency under CSR initiative under Swachh Vidyalaya Abhiyan in response to Prime Minister's call to the nation for monitoring of work relating to construction of 194 Nos. of additional toilets in Ghazipur district in U.P. State in line with the same terms & conditions on which toilets have been constructed in Balia (U.P.). Thus the total estimated cost of 7,290 Nos. of toilets (inclusive of previous financial year) i.e. (7096 Nos. + 194 Nos.) is around ₹113 Cores. Your company got a consultancy fee @ 10% of estimated consultation cost plus applicable tax.

2.5. Information Technology Initiative

As an Information Technology initiative, an internal portal has been created for online storage of the data/reports related to the Swachh Vidyalaya Abhiyan and monitoring of milestone wise payment to the contractors against the construction of toilets in different states. Your Company has also implemented the backup policy for maintaining the regular back up of important data to various storage disks at different locations in order to minimize the risks.

2.6. Monitoring of Electrification of Un-Electrified Villages (UEV).

The Hon'ble Prime Minister had announced on August 15, 2015, that all remaining 18,452 Un-Electrified (UE) villages in the country would be electrified within 1,000 days. Accordingly, Ministry of Power (MoP) has decided to take electrification of all 18,452 Un-Electrified (UE) villages on Mission Mode. MoP has appointed REC as Nodal Agency to monitor the progress of electrification work of UE villages and further REC has awarded the work to RECPDCL for day to day monitoring, website maintenance & updation, to develop RE mobile application (GARV App), control room-setup, call center and quality surveillance checks during electrification of UE villages, etc.

(i) Grameen Vidyut Abhiyantas (GVAs)

During the financial year 2015-16, your Company has appointed 340 young and Grameen Vidyut Abhiyantas (GVAs) at Blocks/Districts level and 75 District Vidyut Abhiyantas (DVAs) at District level. The GVAs are responsible for monitoring of the villages and uploading the infrastructure data and photograph on "GARV" application on daily basis. Further, GVAs are also involved in Impact Assessment, Urja Utsav, Independence Day celebration etc. Impact Assessment evaluates the changes in livelihoods of people in rural areas after the village is being energised. GVAs visit the

electrified villages capturing the electrical infrastructure, improvement in livelihoods of villagers, other aspects of electrification such as improvement in healthcare, education etc. in order to show how electricity has benefitted the lives of the people of the rural India.

(ii) Launch of GARV Mobile Application & Portal

To ensure transparency in implementation of rural electrification programme and to provide real time data of all six lakh villages of the country, your Company had launched mobile application and portal named 'GARV App'. Further, GARV App has been updated with new features to provide household electrification data in respect of implementation of rural electrification in around six lakh villages of the country and to enhance the participation of public, it also provides citizen engagement window 'SAMVAD' for providing their feedback and suggestions which shall automatically alert the concerned officials of DISCOMs through SMS & Email on their dashboard.

(iii) Achievements

During the Financial Year 2016-17, 6,015 No. of UE villages were electrified by REC (Holding Company) as compared to 7108 Nos. in previous financial year. Upto April 28, 2017, total 13,328 Nos. of UE villages have been electrified against a target of 18,425 UE villages. The brief details of the UE villages are mentioned below:

Sl. No	Total UE villages	Electrified villages			Un-habitated villages	To be electrified villages	Under progress villages
		FY 2015-16	FY 2016-17	Total Electrified Villages as on date			
1	18452	7108	6015	13,328	844	4301	4106

2.7. Energy Efficiency Sector

Your Company has already taken a step forward in the sector of Energy Efficiency and is working on various projects as follows:

- (i) Lead Implementing Agency for managing BEE's Partial Risk Guarantee Fund for Energy Efficiency. The PRGFEE Rules 2016 has been notified by Ministry of Power and Operation Manual approved by BEE.
- (ii) Project Consultancy Services for carrying out Commercial and Technical Analysis of Distribution System of Narsinghpur Circle (District) under East DISCOM of M.P and to prepare an action plan based on the analysis of the project.
- (iii) Signed a MoU with EESL for working as a PMC and AMC for installation of LED street lights across India

3. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

3.1 Board of Directors

Your Company is headed by Chairman and Managing Director (CMD) of Rural Electrification Corporation Limited (holding Company of RECPDCL) as ex-officio Part-time Chairman and does not have any Executive Director on its Board. As on March 31, 2017, your Company has five Directors on its Board, as detailed below:

Sl. No.	Name	Designation	DIN	Date of appointment / re-appointment
1.	Dr. P V Ramesh	Non-Executive Director & Chairman	02836069	05.01.2017
2.	Shri Sanjeev Kumar	Non-Executive Director	03464342	12.10.2015

	Gupta			
3.	Shri Sanjiv Garg	Non-Executive Director	00891755	01.09.2014
4.	Shri T.S.C.Bosh	Non-Executive Director	02772316	28.09.2016
5.	Shri Rajiv Sood	Non-Executive Director	07626537	28.09.2016

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

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

During the year the following changes have occurred in composition of the Board:

1. Shri Rajeev Sharma (DIN: 00973413) was the Chairman & Director of the Company upto September 30, 2016 and he was relieved from services of the Company w.e.f October 1, 2016, upon relinquishment of charge of CMD, REC.
2. Shri Bhagwati Prasad Pandey (DIN: 01393312), Special Secretary, Ministry of Power was holding the additional charge of Chairman & Director REC initially for a period of three months from October 1, 2016 to December 31, 2016 vide order No.46/8/2011-RE dated September 30, 2016 issued by Ministry of Power. Subsequently, his tenure was extended till January 4, 2017, vide order dated January 2, 2017.
3. Dr. P.V. Ramesh, IAS (AP: 1985) took over the charge of Chairman & Director w.e.f. January 5, 2017, in pursuance of Communications No. 36/02/2016-EO (SM-1) dated December 5, 2016 issued by Department of Personnel and Training, Ministry of Personnel, Public Grievances and Pensions, Government of India, MoP Order No. 46/8/2011- RE dated February 16, 2017.
4. Shri T.S.C. Bosh and Shri Rajiv Sood appointed as Additional Directors on the Board of the Company w.e.f. September 28, 2016, resignation as Additional Directors w.e.f. August 15, 2017.
5. Shri. Ajeet Kumar Agarwal was appointed as Additional Director on the Board of Company w.e.f. August 14, 2017. Profile of Shri Ajeet Kumar Agarwal is annexed to the notice.

Further, as per the provisions of the Companies Act, 2013, Shri Sanjeev Kumar Gupta (DIN: 03464342), shall retire by rotation at the 10th Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his reappointment as Director, his brief resume is annexed to the Notice of the Annual General Meeting.

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

The meetings of the Board are generally held at the Registered Office of the Company and are scheduled well in advance. During the financial year 2016-17, four (4) meetings of Board of Directors of the Company were held on (i) May 18, 2016; (ii) July 29, 2016; (iii) September 28, 2016; and (iv) January 25, 2017.

Annual General Meeting:- The last Annual General Meeting of the Company was held on September 19, 2016.

For the financial year 2016-17, the details of Directors' attendance at Board Meetings, last Annual General Meeting (AGM) and number of other Directorships held by Directors are tabled below:-

Sl. No.	Name of Director	Board Meetings			Attendance at Last AGM (held on September 19, 2016)	No. of other Directorships as on March 31, 2017
		Held during the tenure	Attended	Percentage of Attendance		
1.	Dr. P V Ramesh (w.e.f. January 5, 2017)	1	1	100	N.A	2
2.	Shri Rajeev Sharma (upto 30 September, 2016)	3	3	100	Present	3
3.	Shri Sanjeev Kumar Gupta	4	4	100	N.A	2
4.	Shri Sanjiv Garg	4	4	100	Present	3
5.	Shri T.S.C.Bosh (w.e.f. September 28, 2016)	1	1	100	N.A	NIL
6.	Shri Rajiv Sood w.e.f. (September 28, 2016)	1	1	100	N.A	NIL

Note: During the period from October 1, 2016 to January 4, 2017, Shri B. P. Pandey, Special Secretary, Ministry of Power was assigned additional charge of Chairman of RECPDCL. However, no meeting of the Board was held during his tenure.

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

Report for Quarter ended	Date of submission of report
June 30, 2016	July 11, 2016
September 30, 2016	October 13, 2016
December 31, 2016	January 12, 2017
March 31, 2017	April 7, 2017
Annual Report for Financial Year 2016-17	May 17, 2017

3.3 Key Managerial Personnel

In accordance of the provisions of the Section 203(1) of Companies Act 2013 read with the Companies Rules, 2014 relating to appointment of Key Managerial Personnel which is not applicable to your Company and hence, your Company has not appointed any Key Managerial Personnel.

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

Sl. No.	Name	Designation
1.	Shri T.S.C. Bosh	Chief Executive Officer (CEO)
2.	Shri Salil Kumar	Additional CEO
3.	Shri R.P. Vaishnav	Chief Financial Officer (CFO)
4.	Shri M.L. Kumawat	Company Secretary
5.	Shri Ajay Kumar	Chief Technical Officer (CTO)
6.	Shri N.B. Nautiyal	Deputy General Manager (DGM Tech.)

4. GENERAL BODY MEETINGS

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

Meeting No.	Financial Year	Date	Time	Venue	Whether any Special Resolution passed
7 th	2013-14	September 1, 2014	11.30 A.M	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003	No
8 th	2014-15	September 10, 2015	4.00 P.M		Yes
9 th	2015-16	September 19, 2016	3.00 P.M		No

No Extraordinary General Meeting was held during the year. Further, no resolution was passed by Postal Ballot during the year.

General Shareholder Information

The details of Annual General Meeting for the Financial Year 2016-17 is as under:

Day and Date	Time	Venue
Monday, September 19, 2017	05.00 P.M.	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003

5. HUMAN RESOURCES

RECPDCL is not having any manpower on its own roll except some experienced professionals on fixed tenure basis to render value added consultancy services in power sector across the country with the highest quality standards to its valued clients. However, for operational convenience and managing day to day affairs, holding company of your Company has deployed various officials on part-time/full time basis, who are having rich and varied experience in the respective fields. Further, the Company has also engaged Engineering Graduates and other professionals on Contract basis through manpower agencies for implementation of various projects across the country. The details of total manpower of your Company at the end of Financial Year 2016-17 vis-a-vis 2015-16 are as under:

Sl. No	Particulars	No. of Employees	
		FY 2016-17	FY 2015-16
1	Regular Employees deployed by REC on secondment basis	23	21
2	Employee on Fixed Tenure & Contract basis	31	21
3	Outsourced staff on Contract basis through Manpower Agencies	1027	1085
	Total	1081	1127

6. TRAINING & DEVELOPMENT:

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

7. MoU RATING:

The performance of your Company in terms of MoU signed with the holding company i.e. Rural Electrification Corporation Limited (REC) for the financial year 2015-16 has been rated as "Excellent" by the Department of Public Enterprises (DPE), Government of India. For the financial year 2016-17 also the Company is poised to receive "Excellent" rating.

8. AWARDS & ACCOLADES

During the Financial Year 2016-17, your Company has received "Excellent Rating" in terms of MoU signed with the holding company Rural Electrification Corporation Limited for the financial year 2015-16 by the Department of Public Enterprises (DPE), Government of India. For the financial year 2016-17 also the performance of the Company is poised to receive "Excellent" rating.

Your Company has been consistently receiving recognitions in various spheres of its activities. During the financial year 2016-17, your Company had been conferred with the award of "SKOCH Technologies for Growth Awards 2016", "National E-Governance Award 2016-17- Gold Award", Digital India Awards 2016 for "GARV-Grameen Vidyutikaran App" and World HRD Congress Awards-2017.

9. SHIFTING OF CORPORATE OFFICE

Keeping in view the consistent growth by the company the Corporate Office of the Company has been shifted from Nehru Place, New Delhi to new address at 4th Floor, KRIBHCO Bhawan, Sector-1, A-10, Noida-201301 (Uttar Pradesh) w.e.f. 28th February, 2017.

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

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

- a) in the preparation of the annual accounts for the period ended March 31, 2017, the applicable Accounting Standards have been followed and no material departures have been made from the same;
- b) such accounting policies have been selected and applied consistently (except for changes in Accounting Policies as disclosed in the Notes to Accounts to the Financial Statements) and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit and loss of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

11. RIGHT TO INFORMATION ACT, 2005.

During the financial year 2016-17 one application has been received under "Right to Information Act, 2005 (RTI)", wanting the information relating to the Construction of Toilets under "Swachh Bharat Abhiyan" scheme, which has been duly provided.

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

Being a wholly owned subsidiary Company of REC, your Company is following the procurement guidelines of the holding company. The procurement guidelines are also available on REC's website at the link: <http://recindia.nic.in/images/pdf-files/Public Procurement Policy.pdf>. The details of transactions under Micro, Small and Medium Enterprises Development Act, 2006 is given in Note No. 27.2 of Notes to Accounts.

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

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During the financial year 2016-17, there was no complaint received of sexual harassment in the Company with the provisions of 'Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013'.

14. EXTRACT OF ANNUAL RETURN

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

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES.

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

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

There are no significant particulars relating to conservation of energy, technology absorption under the Companies (Accounts) Rules, 2014, as the Company does not own any manufacturing facility. However, a web portal for managing Material Inspections is developed in-house which is helping in-call scheduling, attending calls and overall MIS report generation. No earnings or outgo in foreign exchange was made during the financial year 2016-17.

17. COMMITTEE OF BOARD OF DIRECTORS

The Board functions either as full Board or through various Committees constituted to oversee specific operational areas. Each Committee of the Board is guided by its terms of reference, which defines the composition, scope and powers of the Committee. The Committees meet at regular intervals and focus on specific areas and make informed decisions within the authority delegated to them. As on March 31, 2017, the Board had the following committees;

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

(i) Audit Committee

During the financial year 2016-17, the Board of your company has constituted Audit Committee of Directors with following Directors as its members:

1. Shri Sanjeev Garg, Director – RECPDCL, Chairman of the Committee
2. Shri T.S.C. Bosh, Director - RECPDCL, Member of the Committee
3. Shri Rajiv Sood, Director – RECPDCL, Member of the Committee

During the Financial Year under review the Audit Committee met once i.e. on March 27, 2017.

Details of directors' attendance in meetings of the Audit Committee as on March 31, 2017 are given below:

Name of the Directors	Position in the Committee	No. of Meeting held during the tenure	No. of Meetings attended
Shri Sanjiv Garg,	Chairman	1	1
Shri T.S.C Bosh	Member	1	1
Shri Rajiv Sood	Member	1	1

MCA vide notification dated July 13, 2017, has amended the Companies (Meetings of Board and its Powers) Rules, 2014 and *inter-alia* your Company being a Wholly Owned Subsidiary

Company is exempted from the requirement of Audit Committee. However, considering size of operations, growth prospects of the Company and consequent to change in composition of the Board of Directors of the Company on account of cessation of directorship of Shri T. S. C Bosh & Shri Rajiv Sood w.e.f. August 15, 2017 and appointment of Shri Ajeet Kumar Agarwal as an Additional Director w.e.f. August 14, 2017, the '**Audit Committee**' is re-constituted with following Directors as Members:

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

17.1 Corporate Social Responsibility (CSR) Committee

As per the provisions of the Companies Act, 2013 & Rules made there under and DPE Guidelines on Corporate Social Responsibility and Sustainability, your company has a Corporate Social Responsibility Committee as on March 31, 2017, comprising of the following Board Members:

1. Dr. P.V. Ramesh, Chairman of the Committee
2. Shri T.S.C. Bosh, Member of the Committee
3. Shri Rajiv Sood, Member of the Committee

During the financial Year under review the CSR Committee met two times on July 29, 2016 and January 25, 2017.

Details of Directors' attendance in meetings of the CSR Committee as on March 31, 2017 are given below:

Name of the Directors	Position in the Committee	No. of Meeting held during the tenure	No. of Meetings attended
Dr. P V Ramesh (w.e.f. January 5, 2017)	Chairman	1	1
Shri Rajeev Sharma (upto 30 September, 2016)	Chairman	1	1
Shri Sanjeev Kumar Gupta	Member	1	1
Shri Sanjiv Garg,	Member	1	1
Shri T.S.C Bosh (w.e.f. September 28, 2016)	Member	1	1
Shri Rajiv Sood (w.e.f. September 28, 2016)	Member	1	1

Note : Shri Bhagwati Prasad Pandey (DIN: 01393312), Special Secretary, Ministry of Power was holding the additional charge of Chairman & Director REC initially for a period of three months from October 1, 2016 to December 31, 2016 vide order No.46/8/2011-RE dated September 30, 2016 issued by Ministry of Power. Subsequently, his tenure was extended till January 4, 2017, vide order dated January 2, 2017 and no meeting of the Board was held during his tenure.

Further, consequent to change in composition of the Board of Directors of the Company on account of cessation of directorship of Shri T. S. C Bosh & Shri Rajiv Sood and appointment of Shri Ajeet Kumar Agarwal as an Additional Director, the '**Corporate Social Responsibility (CSR) Committee**' is re-constitution w.e.f. August 14, 2017, with following Directors as Members:

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

Further, as a social responsible corporate entity, your Company has endeavored to serve the Society at large. During the Financial Year 2016-17, CSR initiatives were pursued actively and the Company has extended financial assistance for the projects that provide energy, Water and Sanitation facilities, health to the communities, support to "Differently abled persons" with the intention to make contribution to inclusive growth and integrated development in society through education, capacity building measures, empowerment of the marginalized and underprivileged sections/communities.

The Board of your Company in its 55th meeting held on July 29, 2016 has approved allocated CSR expenditure Budget of ₹2,00 Lakh for financial year 2016-17. However, The 2% of average net profit for last three Financial year (2013-14, 2014-15 & 2015-16), as per Companies Acts 2013, works out to ₹1,18 Lakh. Out of sanctioned CSR expenditure budget of ₹2,00 Lakh, financial assistance amounting to ₹149 lakhs was sanctioned by the Board for nine projects. The major project areas included were health, education, differently abled children, vocational training and measures the benefits of armed forces veterans, war windows and their dependents. The total amount disbursed towards CSR activities was ₹50.33 Lakh, as per details appearing in the "Annual Report on CSR Activities" forming part of this Annual Report.

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

The information in respect of CSR projects including thematic areas, location, sanction & disbursement and justification for shortfall in spending the minimum required amount, during the financial year 2016-17, are given in the Report on Corporate Social Responsibility and Sustainability Activities, annexed to this Report.

18. AUDITORS

18.1 STATUTORY AUDITORS

M/s ASAP & Associates, Chartered Accountants (Firm Reg. No. 005713N), New Delhi was appointed as Statutory Auditors of the Company for the Financial Year 2016-17 by the Comptroller & Auditor General of India. The Statutory Auditors have audited the Financial Statements of the Company for the Financial Year ended March 31, 2017 and have issued Independent Auditors Report on the financial statements of the Company as on March 31, 2017 without any adverse remark/ observations/ qualification.

18.2 COST AUDITORS

In terms of Provisions of the Companies Act, 2013, your Company has appointed M/s K.L. Jaisingh & Co., Cost Accountant (Firm Reg. No. 00812) as Cost Auditor for the financial year 2016-17. The Cost Auditor have conducted Cost Audit and as prescribed under the Companies (Cost Records and Audit) Rules, 2014. The Cost Auditors have issued Cost Audit Report of the Company by for the Financial Year 2016-17, without any adverse remark/observations/qualification.

19. COMMENTS OF C&AG OF INDIA

The Comptroller and Auditor General (C&AG) of India, vide letter dated July 5, 2017 has given 'Nil' Comments on the Audited Financial Statements of the Company for the year ended March 31, 2017 under Section 143 (6) (a) of the Companies Act, 2013. The Comments of C&AG for the financial year 2016-17, have been placed along with the report of Statutory Auditors of the Company elsewhere in this Annual Report.

20. STATUTORY DISCLOSURES

- a) There was no change in the nature of the business of the Company during the financial year 2016-17.

- b) *The Company has not accepted any public deposits during the financial year 2016-17.*
- c) There was no material change occurred, affecting the financial position of the Company which has occurred between the end of the financial year i.e. March, 31, 2017 and the date of this report;
- d) There were no significant and material orders, penalties or strictures imposed on the Company by any statutory authority during the last three years impacting the going concern status and Company operation in future. However, only one case was registered against the Company under the Competition Commission of India (CCI) vide its prima-facie order dated January, 13, 2015 which is closed in favour of the Company. However no fines and penalties imposed on the Company and or any other action initiated against the Company or its directors during the period.
- e) In pursuance to DPE Guidelines on Corporate Governance for CPSEs, 2010, Compliance Reports were submitted to MoP/DPE within the prescribed time period from the end of quarter(s)/year;
- f) The Company ensures proper compliances of all statutory laws applicable to the Company and all returns/reports were filed within stipulated time with the concerned authorities;
- g) The Company does not have any subsidiary/Joint Venture/Associate Companies.
- h) The Company has not entered into any material, financial or commercial transaction with the Directors or the Management or their relatives or the companies and firms etc. in which they are either directly or through their relatives interested as Directors and/or Partners. However, your Company is executing the assignment received from its holding company, where Directors of your Company are working as Directors/Senior Officials;
- i) The Directors/Senior Officials of your Company, being the employees of the holding Company i.e. REC, have made the required disclosures to the Board of holding Company relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large (e.g. dealing in Company shares, commercial dealings with bodies which have shareholding of management and their relatives etc.)
- j) The provision of the Companies Act, 2013 related to constitution of Risk Management Committee is not applicable on the Company, hence the Company has no Risk Management Committee. However, the Board and Senior Management of your Company monitors various risks likely to arise and reviews the various risks and initiate action for mitigation of any risk arising in the operation and other related matters of the Company;
- k) The particulars of contract or arrangement with related parties as referred in sub-section (1) of Section 188 of Companies Act, 2013 are disclosed in prescribed Form AOC-2, annexed to this Report.
- l) Adequate internal financial controls are exercised in the Company, keeping in view the size of operations of the Company. The Company has appointed a firm of Practicing Chartered Accountants as Internal Auditor for conducting the Internal Audit;
- m) The Company has provided loan, guarantees or investments under Section 186 of the Companies Act, 2013. The details of investments are given at Note No. 11 and Note No.18 of Notes to Accounts to financial statements.
- n) Since the provisions of Section 197 of the Companies Act, 2013 and Rules made thereunder are not applicable to Government Companies, therefore no disclosure are being made;
- o) The Company has not issued any stock options to the Directors or any employee of the Company;
- p) The Board of the Company in its 41st Meeting held on April 7, 2014 has approved that being a wholly owned subsidiary Company of REC, the policies adopted by REC shall be applicable mutatis-mutandis on RECPDCL also. The same is adhered to by the Company;

- q) There is no expenditure debited in Books of accounts, which is not for the purpose of the business. There are no expenses incurred, which are personal in nature or incurred for the Board of Directors or Top Management; and
- r) The Company is a Wholly Owned Subsidiary of Rural Electrification Corporation Limited and accordingly Presidential Directives issued by the Central Government, if any, applicable to holding company shall apply to the Company, to the extent applicable.

21. STATUTORY AND OTHER INFORMATION REQUIREMENTS

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

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

22. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors



(P.V. Ramesh)
Chairman
DIN: 02836069

Place: New Delhi
Date : 19.09.2017

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017
 [Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- (i) CIN: U40101DL2007GOI165779
- (ii) Registration Date: July 12, 2007
- (iii) Name of the Company: REC Power Distribution Company Limited
- (iv) Category/Sub-Category of the Company: Company limited by Shares/ Wholly owned subsidiary of Rural Electrification Corporation Limited, A Government of India Enterprise
- (v) Address of the Registered Office and Contact Details: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003
Phone No.- 011-43091506 Fax No.- 011-24365815
- (vi) Whether Listed Company: No
- (vii) Name, Address and Contact Details of Registrar and Transfer Agent, if any: Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON 31st MARCH, 2017

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

Shareholding of Promoters

Si. No.	Shareholding of Promoters Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2016)			Shareholding at the end of the year (as on 31st March 2017)			% 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	Rural Electrification Corporation Limited	49994	99.988	0	49994	99.988	0	0
2	Shri Sanjiv Garg*	1	0.002	0	1	0.002	0	0
3	Shri Thangarajan Subhash Chandira Bosh*	1	0.002	0	1	0.002	0	0
4	Dr. Dinesh Arora*	1	0.002	0	1	0.002	0	0
5	Shri G. S. Bhati*	1	0.002	0	1	0.002	0	0
6	Shri C.P.Bhatia*	1	0.002	0	1	0.002	0	0
7	Shri Sunil Kumar*	1	0.002	0	1	0.002	0	0
	Total	50000	100	0.00	50000	100.000	0.00	0.00

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

** 1 share held by Dr. Dinesh Arora has been transfer to Shri Ajeet Kumar Agarwal.

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

Si. No.	Particulars	Shareholding at the beginning of the year (as on 1st April 2016)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the
1	At the beginning of the year (Held by Promoter and its Nominees	50000	100	50000	100
1	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	No Change			
2	At the end of the year (or on the date of separation, if separated during the year)	50000	100	50000	100

REC Power Distribution Company Limited

SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)										
IV SI. No.	(i) Category-wise Share Holding CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2016			NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2017			% CHANGE DURING THE YEAR		
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL		TOTAL	% OF TOTAL SHARES
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)		(ix)	(x)
(A)	PROMOTERS									
(1)	INDIAN									
(a)	Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	50000	50000	100.00	0	50000	50000	100.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (1) :	0	50000	50000	100.00	0	50000	50000	100.00	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total shareholding of promoter (A)=A(1)+A(2)	0	50000	50000	100	0	50000	50000	100	0.00
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions /Banks	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	0	0	0	0.00	0	0	0	0.00	0.00
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	(i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
	(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total Public Shareholding (B)=B(1)+B(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total (A+B) :	0	50000	50000	100.00	0	50000	50000	100.00	0.00
(C)	Shares held by custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	0	50000	50000	100.00	50000	50000	50000	100.00	0.00

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year (as on 1st April 2016)		Cumulative shareholding during the year (as on 31st March 2017)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Shri Penumaka Venkata Ramesh, Chairman (w.e.f. January 5, 2017) *				
	At the beginning of the year	0	0.00	0	0.00
	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	0.00
	At the end of the year	0	0.00	0	0.00
2	Shri Sanjeev Kumar Gupta, Director				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	0	0.00	0	0
	At the end of the year	0	0.00	0	0.00
3	Shri Sanjiv Garg, Director				
	At the beginning of the year	1 Equity Share of ₹ 10/- each as Nominee of REC	0.00	1 Equity Share of ₹ 10/- each as Nominee of REC	0.00
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	0	0.00	0	0.00
	At the end of the year	1 Equity Share of ₹ 10/- each as Nominee of REC	0.00	1 Equity Share of ₹ 10/- each as Nominee of REC	0.00
4	Shri T.S.C.Bose, Director				
	At the beginning of the year	1 Equity Share of ₹ 10/- each as Nominee of REC	0.00	1 Equity Share of ₹ 10/- each as Nominee of REC	0.00
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	0	0.00	0	0.00
	At the end of the year	1 Equity Share of ₹ 10/- each as Nominee of REC	0.00	1 Equity Share of ₹ 10/- each as Nominee of REC	0.00
5	Shri Rajiv Sood (Director) DIN No.07626537				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	0	0.00	0	0.00
	At the end of the year	0	0.00	0	0.00

Notes:

During the financial year 2016-17, Dr. Penumaka Venkata Ramesh had been appointed as Chairman and Managing Directors of REC in the place of Shri Rajeev Sharma w.e.f. January 5, 2017 and as per Article 115 of Articles of Association of Company, the Chairman & Managing Director of REC is the Ex-officio part time Chairman on the Board of the Company.

Shri Bhagwati Prasad Pandey (IAS), Special Secretary, Ministry of Power, was holding the additional charge as Chairman and Managing Director (CMD) of the Company during the period October 1, 2016 to January 4, 2017; and he was holding 'NIL' equity shares of the Company.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Article 119 of the Articles of Association of the Company, Shri T.S.C Bosh, Executive Director-REC and Shri Rajiv Sood, GM (F&A)-Treasury-REC, is appointed as an Additional Director on the Board of the Company with effect from September 28, 2016.

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

Note: Company has tied-up with Banks for non-fund based BG limit of ₹ 85 crore and as on March 31, 2017, Company has availed BGs of ₹35.32 crore and three charges has been created (ID 10603670, 10573864 & 10381249) on current assets of the Company.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Whole-time Director

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

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

Note: There were no significant and material orders, penalties or strictures imposed on the Company by any statutory authority during the last three years impacting the going concern status and Company operation in future. However, the Competition Commission of India (CCI) had ordered an investigation against the Company. Now CCI has disposed off the case in favour of the company while observing that no contravention of the provisions of CCI Act, 2002 has been made against RECPDCL and the matter is ordered to be closed.



(P.V.Ramesh)
Chairman
DIN: 02836069

Place: New Delhi
Date: 19.09.2017

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 including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188.
Rural Electrification Corporation Limited(Holding Company of RECPDCL)	Day to day monitoring of UE villages.	Around 3 years	Day to day monitoring, website maintenance & RE update, control application, call room-setting, call center and quality surveillance checks during electrification of 18,452 UE villages .	Due to urgency, national importance of the assignment and excellent performance of RECPDCL in monitoring of Swachh Vidyalaya Abhiyan, the contract was awarded by REC to RECPDCL on nomination basis, since the same approach is to be used in monitoring of electrification of UE villages.	-----	NIL	As per the provision of Companies (Meetings of the Board and its Powers) Rules, 2014 the Special Resolution passed by the Holding Company shall be sufficient for the purpose of entering into transactions between wholly owned subsidiary and Holding company. In view of the above, Special Resolution is not required to be passed by RECPDCL, since REC Holding Company of RECPDCL has already obtained shareholders approval in this regard on September 16, 2015.
Rural Electrification Corporation Limited(Holding Company of RECPDCL)	Survey work for identification of schools for building of toilets in Ghazipur District, Uttar Pradesh		Survey work in Ghazipur, UP, in 111 Nos. of schools in two blocks i.e. Sadat and Saidpur, Ghazipur, Uttar Pradesh.	In view of the time bound schedule and experience of RECPDCL in the implementation of Swachh Vidyalaya Abhiyan, the project was awarded by RECPDCL on nomination basis.	-----		As per the provision of Companies (Meetings of the Board and its Powers) Rules, 2014 the Special Resolution passed by the Holding Company shall be sufficient for the purpose of entering into transactions between wholly owned subsidiary and Holding company. In view of the above, Special Resolution is not

Rural Electrification Corporation Limited(Holding Company of RECPDCL)	Installation of Power Panel in President Estate	18 Months	Total Cost of the Project is ₹6 Crore plus PMC charges and Taxes	Installation of Power Panel in President Estate				required to be passed by RECPDCL, since REC Holding Company of RECPDCL has already obtained shareholders' approval in this regard on September 16, 2015.
Rural Electrification Corporation Limited(Holding Company of RECPDCL)	Installation of Roof Top Solar PV Power Plant of 5 KWP in Odisha State	--	Installation of Roof Top Solar PV Power Plant of 5 KWP in Odisha State	Installation of Roof Top Solar PV Power Plant of 5 KWP in Odisha State				As per the provision of Companies (Meetings of the Board and its Powers) Rules, 2014 the Special Resolution passed by the Holding Company shall be sufficient for the purpose of entering into transactions between wholly owned subsidiary and Holding company. In view of the above, Special Resolution is not required to be passed by RECPDCL, since REC Holding Company of RECPDCL has already obtained shareholders approval in this regard on September 16, 2015.

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

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board, if any	Amount paid as advance, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188.
Rural Electrification Corporation Limited (Holding Company of RECPDCL)	Apportionment of Employee and administration expenses incurred on behalf of the subsidiary.	On-going transaction	Payment of employee cost and administration expenses on actual basis of ₹4,95,58,730/- (including Service Tax) for the Year ended March 31, 2017.	In reference to provide support to the Subsidiary Company for managing the affair of the Company.	-----	Nil	Nil
	Income from rendering of Service	For the Year ended as on March 31, 2017	Consultancy Services of ₹38,91,345./- (including Service Tax) for the Year ended as on March 31, 2017.	Contract has been awarded through open tendering basis.		Nil	Nil



(P V Ramesh)
Chairman
DIN: 02836069

Place: New Delhi
Date : 19.09.2017

ANNUAL REPORT ON CSR ACTIVITIES DURING FINANCIAL YEAR 2016-17

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

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

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

As on March 31, 2017, the composition of CSR Committee of the Company is as follows;

- a) Dr. P.V. Ramesh, Chairman of the Committee
- b) Shri T.S.C. Bosh, Member of the Committee
- c) Shri Rajiv Sood, Member of the Committee

Further, consequent to change in composition of the Board of Directors of the Company, the 'Corporate Social Responsibility (CSR) Committee' is re-constitution w.e.f. August 14, 2017, with following Directors as Members:

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

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

The Board has constituted the sub-committee on CSR consisting of officials of the Company to evaluate and appraise the CSR proposals before it is put up for recommendation / approval of CSR Committee of Directors / Board of Directors.

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

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

	(Amount in ₹)
Financial Year 2013-14	52,33,11,572
Financial Year 2014-15	55,47,49,961
Financial Year 2015-16	59,79,08,695
Total	167,59,70,228

Average net profit	55,86,56,743
2% of average net profit (Round off)	1,11,74,000

5. Prescribed CSR Expenditure (Two percentage of the amount as in item 3 above):

2% of average net profit of the RECPDCL, for last three Financial Year as per Company Acts 2013 was ₹1,11,74,000/-. However the Board of Directors in its 55th meeting held on July 29, 2016 approved the CSR expenditure budget of ₹2,00,00,000/- for financial year 2016-17.

6. Details of CSR Expenditure spent during the financial year 2016-17

	(Amount in ₹)
a) Total amount of CSR budget approved by the Board to be spent for the financial year 2016-17	2,00,00,000/-
b) Total amount of CSR projects sanctioned by the Board for financial year 2016-17	1,48,80,913/-
c) Total amount of CSR fund disbursed during financial year 2016-17	48,91,467/-
d) Unspent Amount for the financial year 2016-17 likely to be released during financial year 2017-18:	99,89,446/-

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

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

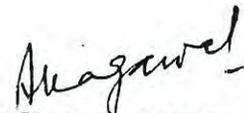
During the financial year 2016-17, the Company has sanctioned 7 CSR projects aggregated amount of ₹1,48,81,538/- and disbursed CSR assistance amounting to ₹48,91,467/- till March 31, 2017, which are linked with achievement of predefined milestones as per sanction terms and are required to be completed in the time span of 3 months to 5 years. Since implementing agencies could not achieved physical progress in the prescribed time frame, the disbursement could not be effected. The undisbursed amount commensurate with physical progress of ₹99,89,446/- shall be achieved in subsequent years as per milestones.

8. Responsibility statement of the CSR Committee:

The implantation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the company.



(Sanjiv Garg)
Director



(Ajeet Kumar Agarwal)
Chairman CSR Committee

CSR AMOUNT SPENT DURING THE FINANCIAL YEAR 2016-17

Annexure-A to CSR Report
(Amount in ₹)

(1) Sl. No.	(2) CSR Project or Activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken #	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs		(7) Cumulative expenditure up to the reporting period (6A + 6B)**	(8) Amount spent: Direct or through implementing agency
					Direct expenditure on projects or Programs (A)	Over heads (B)		
1	CSR assistance for setting up 3 Nos. of Solar Powered Community Water Centre for brining safe drinking water for the villages of Bhadhohi and Allahabad districts, Uttar Pradesh.	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Kaulaour & Kaida Bhadhohi Uttar Pradesh Chhattona, Allahabad, Uttar Pradesh	49,16,000	Tender is in process	-	-	Through implementing agency (To be select)
2	CSR assistance to AIIMS, Delhi for conducting 2 years study program on 'Age Specific Normograms of Anti-Mullerian Hormone (AMH) and Antral Follicle Counts (AFC) in Infertile and Fertile Indian Women'		AIIMS, Ansari Nagar New Delhi	49,93,238	12,48,310	-	12,48,310 (6 months of sanction amount)	Through implementing agency
3	CSR assistance to RAWA Academy for Girl Orphan Home 'Aadruta' for shortfall of funds towards education, food, clothing, health, house rent, staff salary etc.	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans	Bhubaneswar, Odisha	10,89,000	8,16,750	-	8,16,750 (75% of sanction amount)	Through implementing agency
			Sub Total (A)	1,09,98,238	20,65,060	-	20,65,060	

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(Amount in ₹)

(1) Sl. No.	(2) CSR Project or Activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken #	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs		(7) Cumulative up expenditure up to the reporting period (6A + 6B)**	(8) Amount spent: Direct or through implementing agency
					Direct expenditure on projects or Programs (A)	Overheads (B)		
4	CSR assistance to Protection of the Rights of Differently Abled Children (PORDAC), Delhi for the running their school 'Parivartan' at Delhi for physically challenged children with autism,		Vasant Kunj, New Delhi	2,68,000	2,01,000	-	2,01,000 (75% of the sanction amount)	Through implementing agency
5	CSR assistance to Shiv Shakti Sewa Sansthan, Sasaram, Bihar for Skill development project for one year free computer training education and English speaking course for 50 unemployed youth belonging from EWS/PBI sections of	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Sasaram, Bihar	4,02,000	1,34,000	-	1,34,000 (4 months of sanction amount)	Through implementing agency
5	CSR assistance to Chandra Bhusan Singh Memorial Mahila Bal Evam Shraavan Viklang Shiksha Evam Punarvas Sansthan, Delhi for construction of one school room (Testing Lab) at Sector-13, Dwarka, New Delhi for physically		Sector - 13, Dwarka New Delhi	10,00,000	5,00,000	-	5,00,000 (50% of the sanction amount)	Through implementing agency
			Sub Total (B)	16,70,000	8,35,000	-	8,35,000	

(Amount in ₹)

(1) Sl. No.	(2) CSR Project or Activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken #	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs		(7) Cumulative expenditure up to the reporting period (6A + 6B)**	(8) Amount spent: Direct or through implementing agency
					Direct expenditure on projects or Programs (A)	Overheads (B)		
7	CSR assistance to Deputy Commissioner Longding District, Govt. of Arunachal Pradesh for procurement of 1 Advanced Life Saving Ambulance for Longding District.	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Longding district Arunachal Pradesh.	22,12,675	19,91,407	-	19,91,407 (90% of the sanction amount)	Through implementing agency
			Sub Total (C)	22,12,675	19,91,407	-	19,91,407	
			Grand Total (A+B+C)	148,80,913	48,91,467	-	48,91,467	

Note: Apart from above projects, under its CSR activities, RECPDCL has also conducted Multi-Specialty Health Check-up, Testing & Free Medicine Distribution Camps in 10 different villages of Hathras and Firozabad districts of Uttar Pradesh from 27th September, 2016 to 7th October, 2016.

Management Discussion and Analysis Report

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

1. Business Environment

The Ministry of Power is the apex body responsible for the development of electrical energy in India. India is 4th largest energy consumer in world, accounting for 3.4% of global energy consumption. The total demand for electricity in India is expected to cross 950,000 MW by 2030. India is the sixth largest in terms of power generation. Apart from an extensive transmission system network at 500kV HVDC, 400kV, 220kV, 132kV and 66kV which has developed to transmit the power from generating station to the grid substations, a vast network of sub transmission in distribution system has also come up for utilization of the power by the ultimate consumers.

With the initiative of the Government of India and Government of States, the Accelerated Power Development & Reform Programme (APDRP) was launched in 2001. APDRP meant to upgrade the distribution system, minimize transmission and distribution losses, improve metering and assign responsibility for the realization of user charges.

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

The Investments being made by the Power Sector CPSEs is mainly directed towards the development of Ultra Mega Solar Power Projects along with investments in Transmission and Distribution systems and equipment. Investment opportunities are expected to be around USD 110 billion in Transmission and around USD 190 billion in Distribution sector. The power and distribution transformers market in India is projected to grow at a CAGR of over 10% till 2020.

2. Industry Structure and Development

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

3. Threats, Risks & Concerns

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

- a) Delay in project closures
- b) Non-release of funds from vendors and parent company as well timely
- c) Insufficient permanent and expertise manpower for different areas of work
- d) Maximum employees hired from outsourced agencies
- e) Work without any extra fee in case of project extension
- f) Long realization period of dues
- g) Company's paid-up equity capital is too low
- h) Financial distress on DISCOMs
- i) Slow progress on private sector participation

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Therefore, mobilization of funds and resources at a low cost, ensuring deployment of these funds in avenues offering best returns and having permanent expert staff for different areas of operation would be the key factors for the company's sustainable growth and profitability.

4. Opportunities

RECPDCL is looking forward to get more diversified business opportunities in the distribution sector in the near future. In order to explore new business opportunities and tap the available resources, the Company intends to expand its working by endeavoring in the various fields of its operation in the following segments.

- a) Potential opportunities in Distribution Franchisee business
- b) Aboard Assignment in Asian and African countries as being empanelment with EXIM Bank, ADB and World Bank etc. are upcoming opportunities for us.
- c) Implementation of AMI (Advanced Metering Infrastructure) projects
- d) PMC & PIA of Solar Off-grid & on-grid projects
- e) Implementation of upcoming Smart cities
- f) Nodal agency for Central Government schemes
- g) IT enabled Third Party Monitoring work of Departmental schemes of DISCOMs.
- h) Opportunities in Business Process Outsourcing (Billing, EA, Power Management, GIS Maintenance)
- i) Rural Feeder Monitoring work will be there.
- j) Project Implementing Agency (PIA) for Implementation of Smart Grid projects
- k) Third Party Inspection (TPI) services under DDG Schemes for DISCOMs
- l) National Quality Monitoring Service for quality inspection of RE component of DDUGJY Scheme

There is strong growth opportunity in power generation led by exponential growth in economy, which would lead to power distribution to increase in propensity for electricity consumption. The huge capacity addition plan by Government of India also offers opportunity for developing evacuation capacities and supply related OEMs like conductor manufacturing, insulator manufacturing, tower fabrication and EPC. Government of India is offering a number of incentives to renewable energy developers to accelerate investments in renewable energy space. In the XII Five Year Plan, India has planned to add close to 75 GW of power generation capacities. The Government of India has set a target of achieving 175 GW capacity generations in renewable energy sector by 2022.

5. Product wise and Segment wise performance

RECPDCL works under Electricity Distribution Sector and was incorporated in 2007 with specific focus on developing and investing in electricity distribution and its related activities. Our main objectives are to Promote, Develop, Construct, Own, Operate, Distribute and Maintain 66 KV and Below Voltage class Electrification/Distribution Electric Supply Lines/Distribution System, to Promote, Develop, Construct, Own and Manage Decentralized Distributed Generation (DDG) and Associated Distribution System, Consultancy/Execution of Works in the above Areas for other Agencies/Government Bodies in India and Abroad.

For strengthening the Power Distribution Sector, the Government of India is investing and emphasizing implementation of many of its projects under different areas i.e. DDUGJY (Deen Dayal Upadhyaya Gram Jyoti Yojana), IPDS (Integrated Power Development Scheme), NEF (National Electricity Fund), UDAY (Ujwal DISCOM Assurance Yojana), R-APDRP (Restructured Accelerated Power Development and Reforms Programme) Smart Grid task force etc. Moreover renewable energy sources, National Solar Mission, Rural Electrification Policy are also involved.

During the financial year 2016-17, RECPDCL has not only excelled in its core business viz Preparation of Detailed Project Report (DPR), Third Party Inspection (TPI), Material Inspection & Project Management Consultancy (PMC) Services, but also marked its footprint in very new business arena viz Project Implementation (PIA) under R-APDRP Part A scheme, Enhancement of Energy Efficiency mission and execution of turnkey works. RECPDCL has gained rich experience and

expertise by TPI works of RGGVY/HVDS schemes for more than 29000 villages and 2000 Nos. of 11 KV Feeders.

6. Strengths of RECPDCL

- Pan India Presence
- Expertise in capturing reliable primary data and In-house analysis
- Creating awareness
- Completion of task within stipulated timeframe
-
- Demographic Dividend: 90% of workforce is in the age-group of 22-24 yrs
- Use of technology to bring all stake holders in same platform while being a perfect example of implementing e-governance
- Confidence Builder: Successful implementation of ongoing UE project leading towards target of 100% household electrification
- Handling queries of citizens and other stake holders in social media platforms successful

7. Memorandum of Understanding (MoU) rating

The performance of your Company in terms of MoU signed with the holding company i.e. Rural Electrification Corporation Limited (REC) for the financial year 2015-16 has been rated as "Excellent" by the Department of Public Enterprises (DPE), Government of India. For the financial year 2016-17 also the Company is poised to receive "Excellent" rating.

8. Internal Control System and their Adequacy

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

9. Financial and Operational Performance

The Financial Performance of the Company is on the fast trajectory growth path. During the FY 2016-17, the Company's total revenue has increased by 26.42% to ₹19,157 Lakh as compared to the previous year revenue of ₹15,154 Lakh. The Profit Before Tax (PBT) has increased by 9% to ₹6,067 Lakh as compared to ₹5,544 Lakh in the previous year. Further, the Profit after Tax (PAT) has also increased by 11% to ₹4,033 Lakh from ₹3,617 Lakh during the previous year. Earnings per Share (EPS) for the FY Ended March 31, 2017 was ₹8,066 per share of ₹10/- each as against ₹7,233 in the previous year. Net Worth of the Company as on March 31, 2017 has increased by 34% to ₹15,784 Lakh from ₹11,750 Lakh to the previous year.

10. Human Resources and Industrial Relations

RECPDCL is not having any manpower on its own roll except some experienced professionals on fixed tenure contract basis to render value added consultancy services in power sector across the country with the highest quality standards to its valued clients. However, for operational convenience and managing day to day affairs, holding Company of your Company has deployed various officials on part-time/full time basis, who are having rich and varied experience in the respective fields. Further, the Company has also engaged Engineering Graduates and other professionals on Contract basis through manpower agencies for implementation of various projects

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across the country. In order to enhance the innovation quotient among the workforce of the Company and gain knowledge to ensure compliances and awareness, the Company conduct orientation programs on regular basis for new recruits, and other contract employees.

11. Corporate Social Responsibility and Sustainable Development

As a socially responsible corporate entity, RECPDCL has endeavored to serve the Society at large. During the FY 2016-17, CSR initiatives were pursued actively and the Company has extended financial assistance for the projects that provide energy, Water and Sanitation facilities, health to the communities, support to "Differently abled persons" with the intention to make contribution to inclusive growth and integrated development in society through education, capacity building measures, empowerment of the marginalized and underprivileged sections/communities.

Accordingly, the Board of the Company in its 55th meeting held on July 29, 2016 has approved allocated CSR expenditure Budget of ₹2,00 Lakh for financial year 2016-17. However, The 2% of average net profit for last three FY (2013-14, 2014-15 & 2015-16), as per Companies Acts 2013, works out to ₹1,12 Lakh.

Out of sanctioned CSR expenditure budget of ₹2,00 Lakh, financial assistance amounting to ₹149 lakhs was sanctioned by the Board for seven projects. The major project areas included were health, education, differently abled children, vocational training and measures the benefits of armed forces veterans, war windows and their dependents. The total amount disbursed towards CSR activities was ₹48.33 Lakh, as per details appearing in the "Annual Report on CSR Activities" forming part of this Annual Report.

Cautionary Note

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

PRANAV KUMAR & ASSOCIATES

COMPANY SECRETARIES

Mobile : +91-9810793994 • Ph : +91-120-4126564
E-mail : services@pranavkumar.com • www.pkacs.in



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TO WHOMSOEVER IT MAY CONCERN

This is to certify that during the financial year 2016-17, REC Power Distribution Company Limited has, complied with the provisions of Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), issued by Department of Public Enterprises vide O.M.No. 18(8)/ 2005- GM dated 14th May, 2010, to the extent applicable except related to the composition of Board of Directors and Committees thereof, of the Company.

This certificate is issued on the representation of officials of the company and verification of the compliance documents on test check basis.

For Pranav Kumar & Associates,
Company Secretaries

Arpita

Arpita Saxena
Membership No. 23827
COP No. 11962



Place: Ghaziabad
Date: May 25, 2017

Company Law • Fema • Due Diligence • Society / Trust • Legal Service

GHAZIABAD • NOIDA • PATNA • BHOPAL

HEAD OFFICE : 3F CS 70, Third Floor, Ansal Plaza, Sector-1, Vaishali, Ghaziabad - 201010(U.P.)

NOIDA : Drishtee Development & Communication Limited, Knowledge Boulevard, Tower B,
8th Floor, Plot No. A-8 A, Sector 62, (Near Shipra Mall), Noida - 201301, U.P. India

BHOPAL : 10, Sector-2, Shanti Niketan, Gautam Nagar, Near Chetak Bridge, Bhopal-23 (M.P.)

PATNA : Kunti Sadan, Mahatma Buddh Path, Road No.14, Veer Kunwar Singh, Chowk, Patna (Bihar)

REC Power Distribution Company Limited
Balance Sheet As at March 31, 2017

(All the figures are in ₹ Lakhs)

Particulars		Note No.	As at March 31, 2017	As at March 31, 2016
A	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
	(a) Share Capital	3	5.00	5.00
	(b) Reserves and Surplus	4	15,778.61	11,745.43
2	Non-Current Liabilities			
	(a) Other Long-Term Liabilities	5	85.32	43.46
	(b) Long-Term Provisions	6	20.72	22.95
3	Current Liabilities			
	(a) Trade Payables	7	4,384.04	5,065.49
	(b) Other Current Liabilities	8	2,799.30	3,195.51
	(c) Short-Term Provisions	9	5.51	1,545.29
	TOTAL		23,078.51	21,623.14
B	ASSETS			
1	Non-Current Assets			
	(a) Fixed Assets	10		
	(i) Tangible Assets		325.61	113.88
	(ii) Intangible Assets		1.29	1.51
	(b) Non-Current Investments	11	1,543.51	1,543.51
		12	90.49	287.39
	(d) Long-Term Loans and Advances	13	1,140.53	811.92
	(e) Other Non-Current Assets	14	205.02	212.55
2	Current Assets			
	(a) Inventories	15	4.48	1,711.13
	(b) Trade Receivables	16	16,464.93	13,969.37
	(c) Cash and Bank balances	17	1,401.10	2,347.11
	(d) Short-Term Loans and Advances	18	1,116.93	572.51
	(e) Other Current Assets	19	784.62	52.26
	TOTAL		23,078.51	21,623.14
	Significant Accounting Policies	2		
	See accompanying notes forming part of the financial statements	3 to 28		

In terms of our report attached.

For ASAP & Associates

Chartered Accountants

Firm Registration No. 005713N

For and on behalf of the Board of Directors

REC Power Distribution Company Limited

CA Anil Jain

Partner

Membership No. 084559



R. V. Ramesh
Chairman

DIN - 02836069

Sanjeev Kumar Gupta
Director

DIN - 03464342

Sanjiv Garg
Director

DIN - 00891755

Place : New Delhi

Date : May 19, 2017

REC Power Distribution Company Limited
Statement of Profit & Loss for the year ended March 31, 2017

(All the figures are ₹ in Lakhs)

Sr No.	Particulars	Note No.	For the Year ended March 31, 2017	For the Year ended March 31, 2016
1	Revenue			
	(a) Revenue from Operations	20	18,268.37	14,796.72
	(b) Other Income	21	888.70	357.30
	Total Revenue		19,157.07	15,154.03
2	Expenses			
	(a) Cost of Services Consumed	22.a	8,840.21	6,494.59
	(b) Cost of Goods Consumed	22.b	1,312.57	3,241.94
	(c) Changes in Inventories Work-in-Progress	22.c	1,706.64	(1,711.13)
	(d) Employee Benefits Expense	23	257.90	196.40
	(e) Depreciation and Amortisation Expense	10	66.34	54.96
	(f) Corporate Social Responsibility Expense	28.10	50.33	83.34
	(g) Other Expenses	24	757.64	578.91
	(h) Provisions and Contingencies	25	83.87	632.76
	Total Expenses		13,075.50	9,571.77
3	Profit before Prior Period Adjustments		6,081.57	5,582.25
4	Prior Period Items (Net)	26	14.49	38.66
5	Profit Before Tax		6,067.08	5,543.59
	(a) Current tax		1,837.00	2,053.80
	(b) Deferred tax		196.90	(126.90)
6	Profit for the Year		4,033.18	3,616.69
7	Earnings Per Share (Basic & Diluted - in Rs.)	28.5		
	(a) Basic		8,066.35	7,233.38
	(b) Diluted		8,066.35	7,233.38
	Significant Accounting Policies	2		
	See accompanying notes forming part of the financial statements	3 to 28		

In terms of our report attached.

For ASAP & Associates

Chartered Accountants

Firm Registration No. 005713N

CA Anil Jain

Partner

Membership No. 084559

Place : New Delhi

Date : May 19, 2017



For and on behalf of the Board of Directors

REC Power Distribution Company Limited

P. V. Ramesh

Chairman

DIN - 02836069

Sanjeev Kumar Gupta

Director

DIN - 03464342

Sanjiv Garg

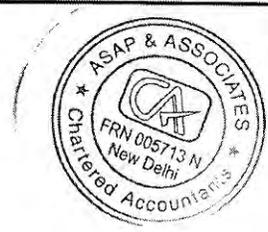
Director

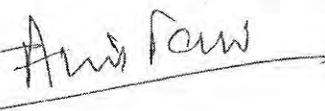
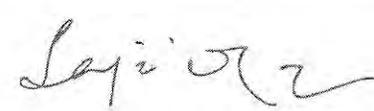
DIN - 00891755

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

Notes forming part of the Financial Statements

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



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

Notes forming part of the Financial Statements

Note	Particulars												
2.6	<p>Depreciation and Amortisation</p> <p>Pursuant to the Companies Act, 2013 being effective from April 1, 2014 the Company has continued the same policy as adopted in the previous year except some changes in policies. The depreciation charged to the Profit & Loss Statement during the year on straight line method as per Useful life adopted differently, based on Technical assessment in Compliance with provision of Part C of Schedule II of the Companies Act, 2013 and considering residual value to be 5% is hereunder:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Class of Assets</th> <th style="text-align: center;">Useful Life as per Schedule-II</th> <th style="text-align: center;">Useful life adopted by the Company</th> </tr> </thead> <tbody> <tr> <td>Tangible Assets :</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Mobile/Tablet/Cameras/GPS/Other hand held Wireless Devises etc.</td> <td style="text-align: center;">5 Years</td> <td style="text-align: center;">2 Years</td> </tr> <tr> <td style="padding-left: 20px;">Furniture & Fixtures etc.</td> <td style="text-align: center;">10 Years</td> <td style="text-align: center;">5 Years</td> </tr> </tbody> </table> <p>Note:</p> <p>a. Fixed assets individually costing ₹5,000 or less are capitalized and fully depreciated in the same financial year.</p> <p>b. The capitalization of Lease Hold Improvement cost, relating to Leased office space by the company is fully amortised over the lease period.</p>	Class of Assets	Useful Life as per Schedule-II	Useful life adopted by the Company	Tangible Assets :			Mobile/Tablet/Cameras/GPS/Other hand held Wireless Devises etc.	5 Years	2 Years	Furniture & Fixtures etc.	10 Years	5 Years
Class of Assets	Useful Life as per Schedule-II	Useful life adopted by the Company											
Tangible Assets :													
Mobile/Tablet/Cameras/GPS/Other hand held Wireless Devises etc.	5 Years	2 Years											
Furniture & Fixtures etc.	10 Years	5 Years											
2.7	<p>Revenue Recognition</p> <p>a. Revenue is recognized based on proportionate completion method as per clause 7.1(i) of AS-9.</p> <p>b. Revenue from Contracts is recognised to the extent it is probable that the economic benefits will flow to the Company and revenue can be reliably measured. Depending on the nature of the contract, revenue is recognised as follows:</p> <p style="padding-left: 20px;">(i) In Cost Plus Contracts - revenue is recognised by including eligible contractual items of expenditures plus proportionate margin as per contract;</p> <p style="padding-left: 20px;">(ii) In Fixed Price Contracts - revenue recognised on the basis of contractual price break-up of deliverables and in absence of same, at the cost of work performed on the contract plus proportionate margin using the percentage of completion method;</p> <p>c. Revenue does not include Sales Tax/VAT/WCT/Service Tax etc.</p>												
2.8	<p>Other Income</p> <p>Interest income is accounted for on a time proportion basis taking into account the amount outstanding and the rate applicable. Further, other income also include Reimbursement income, Liquidated Damages, Provisions Written Back etc.</p>												
2.9	<p>Borrowing Costs</p> <p>Borrowing cost related to acquisition or construction of the qualifying fixed assets for the period up to the completion of their acquisition or construction are included in the book value of the respective assets and other borrowing costs are charged to Statement of Profit and Loss.</p>												
2.10	<p>Fixed Assets</p> <p>Tangible Assets</p> <p>Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes other incidental expenses incurred in relation thereto.</p> <p>Intangible Assets</p> <p>Intangible assets represents computer software and website and are stated at their cost of acquisition/ development, inclusive of incidental expenses incurred in relation thereto. Their costs are amortized in 3 Years using straight line method. The useful life of the asset is reviewed by the Management at each balance sheet date.</p>												
2.11	<p>Investments</p> <p>Investments that are readily realizable and intended to be held not for more than year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments.</p>												

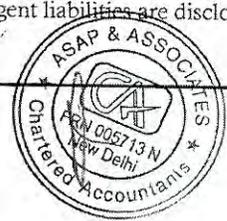


A. J. Singh

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

Notes forming part of the Financial Statements

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



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

Notes forming part of the Financial Statements

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



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

(All the figures are in ₹ Lakhs)

Note 3 Share Capital

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	Amount	Number of Shares	Amount
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	2,00,00,000	2,000.00	2,00,00,000	2,000.00
(b) Issued				
Equity shares of ₹ 10 each with voting rights	50,000	5.00	50,000	5.00
(c) Subscribed and fully paid up				
Equity shares of ₹ 10 each with voting rights	50,000	5.00	50,000	5.00
Total	50,000	5.00	50,000	5.00

Notes:

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

Particulars	Opening Balances	Closing Balances
<u>Equity Shares with voting rights</u>		
Year Ended March, 2017		
Number of Shares	50,000	50,000
Amount(₹)	5,00,000	5,00,000
Year Ended March, 2016		
Number of Shares	50,000	50,000
Amount(₹)	5,00,000	5,00,000

The rights, powers & preferences attached to Equity Shares

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

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

Name of Shareholders	No of Shares	As at March 31, 2017	As at March 31, 2016
49,994 Equity Shares held by Rural Electrification Corporation Ltd (Holding Company) and balance 6 Equity Shares through other nominee of REC Ltd. ₹ 10 each fully paid. (Previous Year 50,000 Equity Shares)	50,000	100%	100%



Signature

Note 4 Reserves and Surplus

Particulars	As at March 31, 2017	As at March 31, 2016
General Reserve		
Opening Balance	3,988.55	3,988.55
Add : Transfer from Surplus	-	-
Closing Balance	3,988.55	3,988.55
Surplus in Statement of Profit and Loss:		
Opening Balance	7,756.88	5,446.09
Add: Profit for the year	4,033.18	3,616.69
Less : Depreciation Adjustment	-	-
Surplus available for appropriation	11,790.06	9,062.77
Less : Appropriations:		
- Transfer to General Reserve	-	-
- Proposed Dividend [#]	-	1,085.01
-Tax on Proposed dividend	-	220.89
	11,790.06	7,756.88
Closing balance	15,778.61	11,745.43
Total	15,778.61	11,745.43

The Board of Directors, have recommended dividend of ₹ 2,421/- per equity share to the equity share holders. The dividend will be paid after the approval of the shareholders At the ensuring Annual General Meeting. During the previous year, the Company had made a provision for the Dividend declared by the Board of Directors as per the requirement of Pre-Revised Accounting Standard 4 -'Contingencies and Events Occuring after the Balance Sheet date'. However, as per the requirement of Revised AS 4 which is applicable with effect from 1st April 2016, the Company is not required to provide for the dividend proposed/declared after the Balance Sheet date. Consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors for the year ended 31st March 2017. Had the Company continued with creation of provision for proposed dividend, as at the Balance Sheet date, its Surplus in Statement of Profit and Loss Account would have been lower by ₹ 1456.93 Lakhs and short term provision would be higher by ₹ 1456.93 Lakhs (including Dividend Distribution tax of ₹ 246.43).

Note 5 Other Long-term Liabilities

Particulars	As at March 31, 2017	As at March 31, 2016
Security Deposit - EMD	85.32	43.46
Total	85.32	43.46

Note 6 Long-Term Provisions

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for Employee Benefits: (Refer Note No. 28.1)		
(i) Loyalty Bonus	9.74	7.89
(ii) Leave Liability	10.97	15.06
Total	20.72	22.95



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(All the figures are in ₹ Lakhs)

Note 7 Trade Payables

Particulars	As at March 31, 2017	As at March 31, 2016
Trade payables other than acceptances:		
(i) Dues to micro and small enterprises (Refer Note No. 27.2)	30.28	420.88
(ii) Dues to others [#]	4,353.76	4,644.61
Total	4,384.04	5,065.49

[#] Include Related Party outstanding of ₹ 107.48 Lakh (Previous Year ₹ 122.3 Lakh) (Refer Note No. 28.3)**Note 8 Other Current Liability**

Particulars	As at March 31, 2017	As at March 31, 2016
Security Deposits	49.13	108.64
Statutory Dues (includes PF, Withholding Tax, VAT, CST etc.)	469.90	558.32
Others Liabilities for Expenses	1,447.57	386.25
Advances from Customers [#]	832.69	2,142.30
Total	2,799.30	3,195.51

[#] Includes Related Party outstanding of ₹ 599.10 Lakh (Previous Year ₹ 681.25 Lakh) (Refer Note No. 28.3)**Note 9 Short-Term Provisions**

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits: (Refer Note No. 28.1)		
(i) Loyalty Bonus	4.28	7.02
(ii) Leave Liability	1.23	0.74
Provision for: (Refer Note No. 28.6)		
(i) Contingencies of Project Cost Revision	-	228.89
(ii) Proposed Dividend	-	1,085.01
(iii) Tax Payable on Proposed Dividend	-	220.89
(iv) CSR - Expenses	-	2.74
Total	5.51	1,545.29



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

(All the figures are in ₹ Lakhs)

Fixed Assets	Gross Block				Accumulated Depreciation/Amortisation/Impairment				Net Block		
	As at 1st April, 2016	Additions	Deletions	As at March 31, 2017	As at 1st April, 2016	Adjustment due to Change in Policy	Additions	Deletions	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Tangible Assets											
Furniture and Fixtures	15.58	3.36	0.04	18.90	5.28	-	4.16	0.04	9.41	9.49	10.30
Office equipment	77.44	11.46		88.90	50.51	4.69	18.21		73.41	15.49	26.93
Lease Hold Improvements	-	215.41		215.41	-		3.07		3.07	212.34	-
Computers	117.24	47.21		164.46	40.60		35.57		76.17	88.29	76.65
Total	210.26	277.44	0.04	487.67	96.39	4.69	61.02	0.04	162.06	325.61	113.88
<i>Previous Year</i>	<i>112.39</i>	<i>102.14</i>	<i>4.27</i>	<i>210.26</i>	<i>50.74</i>	<i>-</i>	<i>49.86</i>	<i>4.21</i>	<i>96.39</i>	<i>113.88</i>	<i>61.65</i>
Intangible Assets											
Computer Software's	7.49	0.40	-	7.89	5.98	-	0.63	-	6.61	1.29	1.51
Total	7.49	0.40	-	7.89	5.98	-	0.63	-	6.61	1.29	1.51
<i>Previous Year</i>	<i>1.42</i>	<i>6.07</i>	<i>-</i>	<i>7.49</i>	<i>0.87</i>	<i>-</i>	<i>5.10</i>	<i>-</i>	<i>5.98</i>	<i>1.51</i>	<i>1.82</i>
Grand Total	217.75	277.85	0.04	495.56	102.36	4.69	61.65	0.04	168.66	326.90	115.39
<i>Previous Year - Total</i>	<i>113.81</i>	<i>108.21</i>	<i>4.27</i>	<i>217.75</i>	<i>51.61</i>	<i>-</i>	<i>54.96</i>	<i>4.21</i>	<i>102.37</i>	<i>115.39</i>	<i>63.47</i>

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



(All the figures are in ₹ Lakhs)

Note 11 Non-Current Investments

Particulars	As at March 31, 2017	As at March 31, 2016
Non-Trade investments (Quoted) (valued at cost unless stated otherwise)		
(a) Investment in Tax Free Bonds (in Holding Company)		
<i>(i) Rural Electrification Corporation Limited</i> <i>(15 Years Secured Redeemable Tax Free Bonds @8.46%, 50000 Bonds of face value of ₹ 1000/- each, fully paid)</i>	500.00	500.00
<i>(ii) Rural Electrification Corporation Limited</i> <i>(15 Years Secured Redeemable Tax Free Bonds @8.63%, 20000 Bonds of face value of ₹ 1000/- each, fully paid)</i>	200.00	200.00
<i>(iii) Rural Electrification Corporation Limited</i> <i>(20 Years Secured Redeemable Tax Free Bonds @7.18%, 34351 Bonds of face value of ₹ 1000/- each, fully paid)</i>	343.51	343.51
(b) Investment in Tax Free Bonds in other		
<i>(i) Housing and Urban Development Corporation Ltd</i> <i>(20 Years Secured Redeemable Tax Free Bonds @8.76%, 50000 Bonds of face value of ₹ 1000/- each, fully paid)</i>	500.00	500.00
Total	1,543.51	1,543.51
Aggregate Market Value of Quoted Investments-REC Tax Free Bonds	1,201.06	1,156.37
Aggregate Market Value of Quoted Investments-HUDCO Tax Free Bonds	633.01	582.50

Note 12 Deferred Tax Assets (Net)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance of Deferred Tax Assets	287.39	160.49
Deferred tax assets		
On Doubtful debts	87.57	202.38
On employees' retirement benefits	9.08	10.63
On Contingencies of Project Cost Revisions	-	79.21
Lower depreciation/amortisation on fixed assets under the Income Tax Act, 1961	-	-
Gross Deferred Tax Assets	96.65	292.23
Deferred tax liabilities		
Excess of depreciation on Fixed Assets under the Income Tax Act, 1961	6.16	4.84
Gross Deferred Tax Liabilities	6.16	4.84
Net Deferred Tax Assets/(Liabilities)	90.49	287.39
Net Deferred Tax Assets/(Liabilities) for the Year	(196.90)	126.90



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(All the figures are in ₹ Lakhs)

Note 13 Long-Term Loans and Advances

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good		
Security Deposits	5.39	5.97
Retention Money - Customer	80.10	106.20
Advances to Supplier	109.48	109.48
Income Tax Payments (Advance Tax & TDS - Net of provisions)*	945.57	590.28
Total	1,140.53	811.92

*TDS Recoverable as accounted in FY 2016-17 is subjected to the reconciliation with 26AS.

Note 14 Other Non-Current Assets

Particulars	As at March 31, 2017	As at March 31, 2016
Deposits on lien with Bank against BG with maturity more than 12 Months	205.02	212.55
Total	205.02	212.55

Note 15 Inventories

Particulars	As at March 31, 2017	As at March 31, 2016
Work-in-Progress		
IT- Hardware	4.48	1,711.13
Desktop	-	
Network Cable	-	
Other Hardware	4.48	
Router	-	
Server	-	
Storage Hardware	-	
Switches	-	
IT - Software	-	-
Total	4.48	1,711.13



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(All the figures are in ₹ Lakhs)

Note 16 Trade Receivables

Particulars	As at March 31, 2017	As at March 31, 2016
(i) Outstanding for a period exceeding six months from the date they were due		
- Unsecured, considered good	4,943.21	5,220.88
- Unsecured, considered doubtful (Refer Note No 28.6.2)	253.05	587.46
Less : Provision for Doubtful Debt	253.05	587.46
	4,943.21	5,220.88
(ii) Others		
- Unsecured, considered good	11,521.72	8,748.49
Total	16,464.93	13,969.37

Include Related Party outstanding of ₹ 509.05 Lakh (Previous Year ₹ 1377.86 Lakh) (Refer Note No. 28.3)

Note 17 Cash and Bank Balances

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and Cash Equivalents		
<i>Balances with banks*</i>		
(i) In current accounts	261.66	626.56
(ii) Deposites with original maturity of less than 3 Months	563.83	1,093.20
Cheques in Hand	-	-
Sub-Total (a)	825.49	1,719.76
Other bank balances#		
Deposit with Bank having original maturity period more than 3 Months but Less than 12 Months	548.69	81.05
Deposit with Bank having original maturity period more than 12 Months	231.94	758.85
Sub-Total (b)	780.63	839.90
Total Cash & Cash Balances (a) + (b)	1,606.12	2,559.66
Less : Amount Disclosed under Non-current Assets#	205.02	212.55
Total	1,401.10	2,347.11



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(All the figures are in ₹ Lakhs)

Specified Bank Notes(SBN)

The details of specified Bank Notes held and transacted during the period from Nov. 08, 2016 to Dec. 30, 2016 is as follows:

Particulars	SBN	Other Denomination Notes
Closing Cash in hand as on Nov. 08, 2016	-	-
(+) Permitted Receipts	-	-
(-) Permitted Payments	-	-
(-) Amount Deposited in Banks	-	-
Closing Cash in hand as on Dec. 30, 2016	-	-

It is to mention that there is no Cash Transaction during the above mentioned period. Transaction is done through the Company's Current Account only.

* The earmarked balances with bank on behalf of REC Ltd amounting to ₹ 599.10 Lakhs (Previous Year ₹ 785.65 Lakhs) can be utilised only for the specific purposes.

Lien with the banker against Bank Guarantee amounting to ₹ 205.02 Lakh (Previous Year ₹ 212.55 Lakhs)

Note 18 Short-Term Loans and Advances

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good		
Loans and Advances to:		
(ii) Employees	4.25	29.77
(iii) Other Trade/Commercial Advances	44.48	283.45
Security deposits [#]	47.99	59.15
Prepaid expenses	31.63	2.94
Service tax credit receivable (Net of Liabilities)	988.57	197.20
Total	1,116.93	572.51

Include Related Party outstanding of NIL (Previous Year ₹ 1 Lakh) (Refer Note No. 28.3)



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(All the figures are in ₹ Lakhs)

Note 19 Other Current Assets

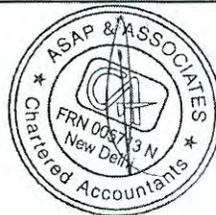
Particulars	As at March 31, 2017	As at March 31, 2016
Interest Accrued on Tax Free Bonds		
REC Tax- Free Bonds	29.43	26.26
HUDCO Tax- Free Bonds	9.60	9.60
Interest Accrued on Deposits	6.05	16.40
Income Accrued but not due (Unbilled Revenue)	739.54	-
Total	784.62	52.26

Note 20 Revenue from Operations

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Execution of IT Implementation Project	6,729.20	3,096.05
Consultancy Engineering Services	8,055.91	9,717.68
Income from REC - SVA Project	49.30	938.34
Income from REC - UE Village Project	2,560.07	1,044.65
Supply & Installaion_REC Project	134.36	-
WIP Income (Unbilled Revenue)	739.54	-
Total	18,268.37	14,796.72

Note 21 Other Income

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Interest Income - Fixed Deposits	192.23	239.88
Interest Income - Tax Free Bonds	129.38	114.89
Reimbursement Income	200.71	-
Other Non-Operating Income:		
Liabilities no longer payable written back	141.85	2.30
Miscellaneous Income	68.96	0.23
Liquidate Damage	10.88	-
Provisions Written Back	144.69	-
Total	888.70	357.30



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(All the figures are in ₹ Lakhs)

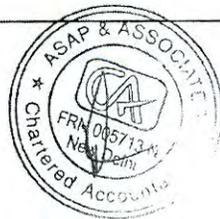
Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Interest Income Comprises:		
Interest from Deposits	177.83	239.88
Interest on Income Tax Refund	14.40	-
Total	192.23	239.88

Note 22.a Cost of Services Consumed

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Project Technical Services - PMC/PMA/DPR	2,772.50	2,140.56
Project Technical Services - IT Execution	1,297.01	674.27
Project Outsourced Manpower	3,871.24	2,355.12
REC - SVA Project Expenditure	3.45	391.28
REC - UE Village Project Expenditure	567.34	933.36
REC-Solar Expenditure	127.96	-
Reimbursement Expenses	200.71	-
Total	8,840.21	6,494.59

Note 22.b Purchase of Goods#

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Equipment - IT implimentation Services		
IT- Hardware	2,450.29	2,652.00
Desktop	313.11	
Network Cable	4.05	
Other Hardware	333.96	
Router	60.69	
Switches	18.18	
IT - Software	573.41	589.94
IT - Software-Prior Period Expenses	9.19	
Total	3,032.89	3,241.94



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(All the figures are in ₹ Lakhs)

Note 22.c Changes in Inventories

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<u>Work-in-Progress at the end of the year</u>		
IT- Hardware	4.48	1,711.13
Other Hardware	4.48	
	4.48	1,711.13
<u>Work-in-Progress at the beginning of the year:</u>		
IT- Hardware	1,711.13	-
IT - Software	1,711.13	-
Net (increase)	1,706.64	(1,711.13)

#Cost of Goods Consumed amounting to ₹1321.57 Lakhs includes Purchase of Goods minus WIP of ₹ 1711.13 Lakhs minus Prior period Expenses of ₹9.19 Lakhs.

Note 23 Employee Benefits Expense

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Salaries and Wages	204.97	128.32
Contributions to Provident and Other Funds (Refer Note No. 28.1)	13.40	10.49
Staff Welfare Expenses	39.53	57.60
Total	257.90	196.40



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Note 24 Other Expenses

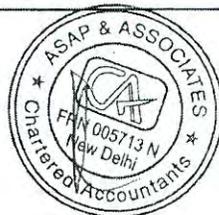
Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Rent		
: Office Premises	153.00	80.88
: Machinery	49.50	54.09
Rates and Taxes	80.62	0.17
Repairs and Maintenance:		
: Buildings	36.49	16.05
: Others	7.79	5.99
Power and Fuel	18.22	11.24
Advertisement and Business Promotion	64.27	66.05
Communication Cost	16.62	17.44
Insurance	0.26	0.78
Printing and Stationary	16.09	22.65
Travelling and Conveyance	148.20	117.52
Legal and Professional Charges	145.95	144.81
Auditor's Remuneration	2.30	2.30
Loss on sale/Disposal of Fixed Assets (Net of Profit on Sale of Assets)	-	0.07
Bank Charges	8.29	15.93
Miscellaneous Expenses	10.04	22.94
Total	757.64	578.91

Note No 24 Contd.. (Auditors Remunerations)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Payments to the auditors comprises:		
As auditors - statutory audit	1.50	1.50
For tax audit	0.80	0.80
Total	2.30	2.30

Note 25 Provisions & Contingencies

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Provision for Doubtful Debts	83.87	336.82
Provision for Contingencies of Project Cost Revision	-	295.93
Total	83.87	632.76



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(All the figures are in ₹ Lakhs)

Note 26 Prior Period Adjustment

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Cost of Services Consumed	5.30	38.66
Material Consumed-IT Software	9.19	-
Total	14.49	38.66



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Note	Particulars		
Note 27 Additional Information to the Financial Statements			
27.1	Contingent Liabilities & Commitments:		
	In compliance of the Accounting Standard - 29 on "Provisions, Contingent Liabilities, and contingent Assets" issued by the Institute of Chartered Accountant of India, Contingent Liabilities and Provisions for the current year, are disclosed as below:		
	Contingent Liabilities	As at March 31, 2017 Amount	As at March 31, 2016 Amount
	(a) Disputed Income Tax Liability on account of certain addition for AY 2010-11	-	0.33
	(b) Contested interest demand U/s 234 (B) for AY 2010-11 adjusted by Tax Authorities against refund due	-	82.28
	(c) Income Tax Demand against Notice U/s 245 of Income Tax Act for AY 2011-12	20.88	-
	(d) Income Tax Demand against Notice U/s 245 of Income Tax Act for AY 2012-13	0.18	-
	(e) Un-expired Performance Bank Guarantees	3,531.75	2,803.97
(f) Committed Liability against Corporate Social Responsibility	100.49	-	
	3,653.31	2,886.58	
27.2	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
	The information given hereunder is based on the confirmations obtained from suppliers by the company, who have registered themselves under MSMED Act, 2006:		
	Particulars	As at March 31, 2017 Amount	As at March 31, 2016 Amount
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	30.28	420.88
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	6.24	13.79
	(iii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
	(iv) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	11.20
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year;	6.24	13.79	



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

(All the figures are in ₹ Lakhs)

Note	Particulars
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Note 28 Disclosures under Accounting Standards

28.1 AS-15 Employee Benefit Plans

Defined Contribution Plans

The Company makes contributions to the Provident Fund for all eligible employees. Under the plan, the Company is required to contribute a specified percentage of payroll costs. Accordingly, the Company has recognised ₹ 13.40 Lakhs as expense in the statement of profit and loss during the current year. (Year ended 31 March, 2016 ₹ 10.49 Lakhs).

Defined Benefit Plans

The Company offers the following employee benefit schemes to its employees:

i. Loyalty Incentive

The Loyalty Benefit to the employees is payable after completion of three years of continuous service only, except in case of separation due to death. The payment of dues to outgoing employee is released at the time of separation. The liability for the same is recognised on the basis of actuarial valuation.

ii. Leave Encashment

The Employees are entitled for Leave Encashment after completion of one year of service only and amount is paid in full, at the time of separation. The liability for the same is recognised on the basis of actuarial valuation.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	For the Year ended March 31, 2017		For the Year ended March 31, 2016	
	Loyalty Incentive	Leave Encashment	Loyalty Incentive	Leave Encashment
Components of Employee Expense				
Current service cost	-	7.38	6.11	6.62
Interest cost	-	1.26	-	0.71
Expected return on plan assets	-	-	-	-
Curtailment cost / (credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Past service cost	-	-	-	-
Actuarial losses/(gains)	-	(9.84)	-	(0.37)
Total Expense Recognised in the Statement of Profit and Loss	-	(1.19)	6.11	6.96
Net Asset/(Liability) Recognised in the Balance Sheet				
Present value of Defined Benefit Obligation	14.91	12.20	14.91	15.80
Fair Value of Plan Assets	-	-	-	-
Funded Status [Surplus / (Deficit)]	(14.91)	(12.20)	(14.91)	(15.80)
Unrecognised past Service Costs	-	-	-	-
Net Asset/(Liability) Recognised in the Balance Sheet	(14.91)	(12.20)	(14.91)	(15.80)



Signature

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

(All the figures are in ₹ Lakhs)

Note	Particulars			
Particulars	For the Year ended March 31, 2017		For the Year ended March 31, 2016	
	Loyalty Incentive	Leave Encashment	Loyalty Incentive	Leave Encashment
Change in defined benefit obligations (DBO) during the year				
Present value of DBO at Beginning of the year	14.91	15.80	8.80	8.85
Current Service Cost	-	7.38	6.11	6.61
Interest Cost	-	1.26	-	0.71
Curtailment Cost/(credit)	-	-	-	-
Settlement Cost/(credit)	-	-	-	-
Plan Amendments	-	-	-	-
Acquisitions	-	-	-	-
Actuarial (Gains)/Losses	-	(9.84)	-	(0.37)
Past Service Cost	-	-	-	-
Benefits Paid	-	(2.40)	-	-
Present value of DBO at the end of the year	14.91	12.20	14.91	15.80
Actuarial assumptions				
Discount Rate	7.54%	7.54%	8.00%	8.00%
Expected Return on Plan Assets	NA	NA	NA	NA
Salary Escalation	6.00%	6.00%	6.00%	6.00%
Attrition*	NA	NA	NA	NA
Actuarial Gain/(Loss) due to change on Assumptions	-	5.79	(10.53)	40.50
			For the Year ended March 31, 2017	For the Year ended March 31, 2016
Actuarial assumptions for long-term compensated absences				
Method Used			PUCM	PUCM
Discount rate			7.54%	8.00%
Expected return on plan assets			NA	NA
Salary escalation			6%	6%
Attrition			NA	NA
The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary takes into account the inflation, seniority, promotion, increments and other relevant factors.				
28.2	AS-17 Segment Reporting :			
<p>The Company majorly operates in two business areas i.e. Execution of IT Implementation Services (Turnkey contracts) and Consultancy Engineering Services. The Company has chosen business segment as its primary segment, after considering the dominant source of nature of risks/returns, internal organisation and management structure and therefore secondary segmentation on geographical basis is not considered desirable. A brief description of the business areas is given hereunder:</p> <p>(i) Execution of IT Implementation: The Company is engaged in IT implementation work covering consumer indexing, GIS Mapping, automated meter reading and automated data login for all distribution transformers/feeders under RAPDRP Part-A scheme for Electricity Department of Goa.</p> <p>(ii) Consultancy Engineering Services: The Company is engaged in providing Project Management Consultancy (PMC), Project Management Agency (PMA), Detailed Project Report (DPR) and Third Party Inspection (TPI) work under various schemes of Govt. of India.</p> <p>Segment Revenue and Expense: Revenue directly attributable to the segments is considered as Segment revenue. Expenses directly attributable to the segments are considered as Segment Expenses.</p> <p>Segment Assets & Liabilities: Segment assets includes all operating assets in respective segment & similarly segment liabilities include operating liabilities and provisions.</p> <p>The disclosure requirement as per Accounting Standard 17 - Segment Reporting is as follows:</p>				



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Note	Particulars				
Particulars	For the Year ended March 31, 2017				
	Business Segments				Total
	Execution of IT Service	Consultancy Engineering Services	Unallocable		
	₹	₹	₹	₹	
Segment Revenue	FY2017	6,764.12	11,939.53	453.42	19,157.07
	FY2016	3,096.05	11,702.97	355.00	15,154.03
Segment Result	FY2017	2,052.44	4,770.37	(755.74)	6,067.08
	FY2016	704.77	5,379.65	(540.83)	5,543.59
Income Taxes	FY2017				2,033.90
	FY2016				1,926.90
Profit After Tax (PAT)	FY2017				4,033.18
	FY2016				3,616.69
Segment Assets	FY2017	3,227.74	16,181.78	3,668.98	23,078.50
	FY2016	5,245.51	11,682.31	4,695.31	21,623.14
Segment Liabilities	FY2017	1,364.70	5,456.23	468.92	7,289.84
	FY2016	3,480.86	4,699.41	386.55	8,566.82
Capital Expenditure	FY2017	0.09	-	277.76	277.85
	FY2016	10.23	-	97.99	108.22
Depreciation and Amortisation	FY2017	0.02	-	66.32	66.34
	FY2016	2.78	-	52.18	54.96
28.3	AS - 18 Related Party Transactions				
	Details of Related Parties:				
Description of relationship	Names of related parties				
Holding Company	Rural Electrification Corporation Limited				
Fellow Subsidiaries	REC Transmission Projects Company Limited (RECTPCL)				
Key Managerial Personnel (KMPs)	Dr. P.V Ramesh Chairman & Managing Director Mr. Sanjiv Garg, Director Mr. Sanjeev Kumar Gupta, Director Mr. TSC Bosh, Director Mr. Rajiv Sood, Director Dr. Dinesh Arora, Chief Executive Officer				
Companies under Common Control :	Details of the subsidiaries of RECTPCL is as follows:				
REC Transmission Projects Company Limited (RECTPCL) is under common control.	1. Dingchang Transmission Limited 2. Ghatampur Transmission Limited 3. WR-NR- Power Transmmission Limited 4. ERSS XXI Transmmission Limited 5. Nellore Transmission Limited (Stuck off) 6. Baira Siul Sama Transmission Limited (Stuck off)				
<i>Note: Related parties are as identified by the Management and relied upon by the auditors.</i>					



Signature

Note	Particulars			
	Details of related party transactions during the year ended 31st March, 2017 and balances outstanding as at 31st March, 2017:			
	Particulars	Holding Company	Fellow Subsidiaries	KMP
	Transactions			
	Services Rendered	FY2016-17 <i>FY2015-16</i>	509.05 1,408.01	- -
	Services Obtained	FY2016-17 <i>FY2015-16</i>	- -	68.17 -
	Reimbursement of Expenditure on behalf of the Company	FY2016-17 <i>FY2015-16</i>	3,706.28 1,709.23	- -
	Remuneration to KMP's (through Holding Company)	FY2016-17 <i>FY2015-16</i>	- -	10.73 11.00
	Investment in Tax Free Bonds	FY2016-17 <i>FY2015-16</i>	- 343.51	- -
	Reimbursement of Expenditure incurred by the Company	FY2016-17 <i>FY2015-16</i>	1120.37 9,133.44	- -
	Interest Income from Investment in Tax Fee Bonds	FY2016-17 <i>FY2015-16</i>	85.58 90.76	- -
	Proposed Dividend on Equity Shares	FY2016-17 <i>FY2015-16</i>	0.00 1,085.01	- -
	Advance for REC- CSR (SVA Project)	FY2016-17 <i>FY2015-16</i>	1,009.17 8,107.28	- -
	Balances outstanding at the end of the year			
	Trade Payables	FY2016-17 <i>FY2015-16</i>	107.48 72.59	- 49.71
	Trade Receivables	FY2016-17 <i>FY2015-16</i>	545.16 1,377.86	- -
	Short-term Loans & Advances	FY2016-17 <i>FY2015-16</i>	- 1.00	- -
	Non-current Investment	FY2016-17 <i>FY2015-16</i>	1043.51 1,043.51	- -
	Other Current Liabilities	FY2016-17 <i>FY2015-16</i>	599.10 681.25	- -
	<i>Note: Figures in italics relate to the Previous year</i>			



Signature

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

(All the figures are in ₹ Lakhs)

Note	Particulars			
28.4	AS-19 Disclosure under Leases		For the Year ended March 31, 2017	For the Year ended March 31, 2016
	Details of leasing arrangements			
	As Lessee			
	The Company has entered into various operating lease arrangements, which are usually renewable on mutually agreed terms and also cancellable subject to fulfillment of certain contractual terms. The lease rentals pertaining to the year, is charged to Statement of Profit and Loss.*		202.50	134.96
	Future minimum lease payments #			
	not later than one year		107.95	2.16
	later than one year and not later than five years		350.10	8.24
	later than five years		42.00	-
	* Include Lease rental paid for the Office Premises & Machinery during the year.			
	# Reported for Office Premises having Lease term more than three years and Lease Term for Machinery is less than 12 Months, hence not reported.			
28.5	AS- 20 Earnings per Share			
	Particulars	Units	For the Year ended March 31, 2017	For the Year ended March 31, 2016
	Net Profit/(loss) for the year (Numerator)	Rupees in Lakhs	4,033.18	3,616.69
	Weighted average number of equity shares (Denominator)	Numbers	50,000	50,000
	Par value per share	Rupees	10.00	10.00
	Basic Earning Per Equity Share	Rupees	8,066.35	7,233.38
	Diluted Earning Per Equity Share	Rupees	8,066.35	7,233.38
	Note: There are no dilutive potential equity shares and hence, no quantification is made of diluted earnings per equity share.			
28.6	Movement of Provision			
	Particulars	As at 1st Apr, 2016	Additions made during the year	Utilised during the year
				As at 31st Mar, 2017
	Provision for Contingencies for Project Cost Revision	228.89	36.44	265.33
	Provision for Doubtful Debts	587.46	83.87	418.29
	Provision for Earned Leave	15.80	-	3.59
	Provision for Loyalty Bonus	14.91	-	0.89
	Provision for CSR Expenses	2.74	50.33	53.07
	Proposed Dividend	1,085.01	-	1,085.01
	CDT	220.89	-	220.89
	Total	2,155.70	170.64	2,047.06
	Notes:			
28.6.1	The Company has changed its existing policy of making general provision for contingencies @ 2% of the annual turnover and started recognizing debit/credit, due to actual revision in the individual project cost, on prudence basis. Consequently, the amount of ₹ 265.33 lacs is reversed in the current year and the net debit of ₹ 36.44 lakhs is recognised and effected in statement of profit and loss.			
28.6.2	The Company has changed its existing policy of making percentage based provision for doubtful debts to Actual provision on prudence basis, during the current year. Consequently, the existing provision of ₹ 587.46 is reduced to ₹ 253.05 at the close of the current year, after bad debts written off amounting to ₹ 418.29 lacs.			
28.7	AS- 28 Impairment of Assets			
	In the opinion of management, there is no impairment of the assets of the Company in terms of AS-28. Accordingly, no provision for impairment loss has been made.			



Signature

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

(All the figures are in ₹ Lakhs)

Note	Particulars		
28.8	Trade Payables & Trade Receivables		
	The letters for balance confirmation as on 31st March, 2017 were issued to all trade receivables/ payables with a negative assertion as referred to in standard of auditing (SA 505-revised). The confirmations have been obtained to the extent of 88%, as per records available with the company. Therefore, the respective amounts stated in the financial statements, have been treated as good except the specific provisions for doubtful debts/bad debts written off.		
28.9	Changes in Accounting Policies		
	The Company has revised the estimated useful life of following class of assets based on the technical estimates made by the management. Accordingly, due to change in the life of assets the net impact in the Depreciation is ₹ 4.69 Lakhs.		
	Class of Assets	FY 2016-17	FY 2015-16
	Cameras/GPS/Other hand held Wireless Devises etc.	2 Years	5 Years
28.10	Disclosure on CSR Expenses U/s 135 of the Companies Act, 2013		
	(a) Gross Amount to be spent by the Company during the FY 2016-17- ₹114.48 Lakhs		
	Particulars	In Cash	Yet to be paid in cash
	CSR Expenditure for the FY 16-17	53.07	0
	CSR Expenditure for the FY 15-16	164.01	2.74
	In accordance with Section 135 of the Companies Act, 2013, the company has incurred expenses on Corporate Social responsibility (CSR) aggregating to ₹ 111.74 Lakh (previous year ₹ 83.34 Lakh).		
	Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
	Opening Balance at the beginning of the year	2.74	83.41
	Add:		
	a) Gross amount required to be spent by the Company during the year	50.33	83.34
	Less:		
	b) Amount spent during the year on the following :		
	-Contribution towards Clean Ganga Fund (145 Lakhs)*	-	145.00
	-Contribution towards Education	4.16	19.01
	-Contribution towards Study & Research (AIIMS) (49.93 Lakhs)*	12.48	-
	-Contribution towards Girl Orphan Home (10.89 Lakhs)*	8.17	-
	-Contribution towards Protection of Rights of Differently Aabled Children (2.68 Lakhs)*	2.01	-
	-Contribution towards Skill Development (4.02 Lakhs)*	1.34	-
	-Contribution towards Construction of Schools (10 Lakhs)*	5.00	-
	-Contribution towards Procurement of Life Saving Ambulance (22.13 Lakhs)*	19.91	-
	Closing Balance at the yend of the year	-	2.74
	*Sanctioned Amount for CSR Activities Identified as per Section 135 of the Companies Act, 2013.		



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

(All the figures are in ₹ Lakhs)

Note	Particulars				
28.11	Advances/Dues from Directors & Other Officers of the Company:				
	Designation Category Officer	As at 31st Mar, 2017	Maximum amount outstanding for the year ended March 31, 2017	As at 1st Apr, 2016	Maximum amount outstanding for the year ended March 31, 2016
	Chairman	NIL	NIL	NIL	NIL
	Company Secretary	NIL	NIL	NIL	NIL
28.12	Income from Operations: The income recognized in statement of profit and loss is based on the invoices raised by the company and accepted by the customers and not reconciled with 26AS, as the TDS returns by the respective customers have not been filed/revised, as yet. However, the same is taken as correct, as all the customers are government departments/institutions only.				
28.13	Advance from REC: An amount of ₹599.10 lacs is shown as advance from REC, is kept deposited in flexi bank account and the same is earmarked for the specific project of REC. However, the interest earned thereon is not separable and accordingly is shown as interest income from fixed deposit.				
28.14	Prior Period Adjustments: The amount does not include individual prior period expenses of less than ₹ 5,00,000/-, as the same is not identified and accounted for, in the books of accounts. The same is taken as insignificant on the basis of MRL.				
28.15	Information regarding foreign currency transactions disclosure as required under Schedule III of the Companies Act, 2013 is NIL.				
28.16	As per the Provision of Companies Act, 2013 the Figures have been rounded off to the nearest of Lakhs and decimal thereof.				
28.17	The Previous year figures have been regrouped and reclassified, wherever necessary to conform to the current year presentation.				

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

CA Anil Jain
 Partner
 Membership No. 084559
 Place : New Delhi
 Date : May 19, 2017



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

[Signature]
 P V Ramesh
 Chairman
 DIN - 02836069

[Signature]
 Sanjeev Kumar Gupta
 Director
 DIN - 03464342

[Signature]
 Sanjiv Garg
 Director
 DIN - 00891755

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REC Power Distribution Company Limited
Cash Flow Statement for the year ended March 31, 2017

(All the figures are ₹ in Lakhs)

Particulars	For the Year ended March 31, 2017		For the Year ended March 31, 2016	
	A. Cash flow from Operating Activities			
Net Profit before Extraordinary Items and Tax		6,067.08		5,543.59
<u>Adjustments for:</u>				
Depreciation and amortisation	66.34		54.96	
Liabilities no longer required written back	(141.85)		(2.30)	
(Profit)/ Loss on Sale of Fixed Assets	-		0.07	
Provision for doubtful trade and other receivables	83.87		336.82	
Provision for Gratuity & Leave Encashment	-		13.07	
Provision for Contingencies	-		295.93	
Provision for CSR Expenses	-		2.74	
Interest income on Fixed deposit	(192.23)		(239.88)	
Interest income on Tax Free Bonds	(129.38)	(313.25)	(114.89)	346.52
Operating Profit Before Working Capital Changes		5,753.83		5,890.11
<u>Changes in working capital:</u>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	1,706.64		(1,711.13)	
Trade receivables	(2,579.42)		(6,932.88)	
Short-term loans and advances	(544.41)		(318.34)	
Long-term loans and advances	26.68		(107.04)	
Other current assets	(732.36)		322.36	
Other non-current assets	7.53		97.45	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(539.59)		3,470.07	
Other current liabilities	(396.21)		382.02	
Short-term provisions	(233.89)		(368.95)	
Long-term provisions	(2.23)			
Other Long-Term Liabilities	41.86	(3,245.42)	41.26	(5,125.17)
Cash generated from operations		2,508.41		764.94
Net Income Tax (Paid) net of Refunds		(2,192.29)		(2,016.85)
Net Cash Flow from / (used in) Operating Activities (A)		316.12		(1,251.91)
B. Cash Flow from Investing Activities				
Capital Expenditure on Fixed Assets	(277.85)		(108.22)	
Proceeds from Sale of Fixed Assets				



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REC Power Distribution Company Limited
Cash Flow Statement for the year ended March 31, 2017

(All the figures are ₹ in Lakhs)

Deposit with Bank having original maturity period more than 3 Months but Less than 12 Months	-467.64		479.98	
Deposit with Bank having original maturity period more than 12 Months	519.39		33.79	
Interest income on Fixed deposit	192.23		239.88	
Interest income on Tax Free Bonds	129.38		114.89	
Investment in Tax Free Bonds	-	95.50	(343.51)	416.82
Net Cash Flow from/(used in) Investing Activities (B)		95.50		416.82
C. Cash Flow from Financing Activities				
Dividends paid	(1,085.01)		(50.00)	
Tax on dividend	(220.89)	(1,305.89)	(10.18)	(60.18)
Net Cash Flow from/(used in) Financing Activities (C)		(1,305.89)		(60.18)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		(894.27)		(895.27)
Cash and Cash Equivalents at the Beginning of the Year		1,719.76		2,609.06
Cash and Cash Equivalents at the End of the Year		825.49		1,713.79

Components of Cash & Cash Equivalents as at the end of the year: (All the figures are ₹ in Lakhs)

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2017
(a) Cash on Hand	-	-
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In Current Accounts	261.66	626.56
(ii) In Term Deposits	1,344.46	1,933.10
Cash & Bank Balances	1,606.12	2,559.66
Less : Deposits having maturity of more than 3 Months	780.63	839.90
Cash & Cash Equivalent at the end of the year	825.49	1,719.76

Significant Accounting Policies 2
See accompanying notes forming part of the financial statements 3 to 28

Notes:
 # The earmarked balances with bank on behalf of REC Ltd can be utilised only for the specific purposes.

In terms of our report attached.

For ASAP & Associates
 Chartered Accountants
 Firm Registration No. 005713N

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

CA Anil Jain
 Partner
 Membership No. 084559
 Place : New Delhi
 Date : May 19, 2017

P.V. Rangesh
 Chairman
 DIN - 02836069

Sanjeev Kumar Gupta
 Director
 DIN - 03464342

Sanjiv Garg
 Director
 DIN - 00891755



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF REC POWER DISTRIBUTION COMPANY LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **REC Power Distribution Company Limited** (A wholly owned subsidiary of Rural Electrification Corporation Limited), which comprise the Balance Sheet as at **31st March, 2017**, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rule issued thereunder.
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, and operating effectiveness of such control refer to our separate Report in "Annexure A" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigations as at 31st March 2017.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2017.



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- iv. The Company do not transact into cash and hence did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Refer Note 33 to the standalone financial statements.

- 2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

- 3. As per direction issued by the Controller & Auditor General of India under section 143(5) of the companies Act 2013 for the year ended 31st March 2017, we report that:
 - a. The Company do not have any freehold or leasehold Land.
 - b. The Company have neither given nor taken any loans, borrowings or debts to/from any financial institution, banks, government or debenture holders during the year.
 - c. There is no inventories lying with third parties. Further, as explained to us and to the best of our knowledge the company has not received any assets as gift/grant from the Government or other authorities.



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

Anil Kumar Jain

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

Place: Delhi
Date: May 19, 2017

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

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

We have audited the internal financial controls over financial reporting of "REC Power Distribution Company Ltd" as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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.



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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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

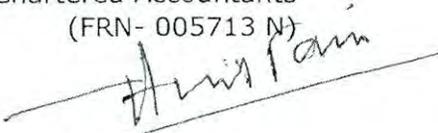
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".



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


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

Place: Delhi
Date: May 19, 2017

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ANNEXURE "B" TO THE AUDITORS' REPORT

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

- (i) (a). The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
(b). The fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c). The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at year end and no material discrepancies were noticed in physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees under Section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (IV) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company does not have any outstanding deposits and has not accepted any deposits from public during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:



(a). The Company has been regular in depositing undisputed statutory dues, including Provident fund, Income tax, Value added tax, Service Tax, Cess and other material statutory dues applicable with the appropriate authorities.

(b). There were no undisputed amounts payable in respect of Provident fund, Income tax, Service tax, Cess and other material statutory dues in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

(c). Details of dues of Income-tax, which have not been deposited as on December 31, 2016 on account of disputes are given below:

Name of the Statue	Nature of Dues	Amount (Lakhs)	Period to which it relates	Forum where dispute is pending
Income Tax	Income Tax Demand against Notice U/s 245 of Income Tax Act	20.88	AY 2011-12	Commissioner of Income Tax (Appeal)
Income Tax	Income Tax Demand against Notice U/s 245 of Income Tax Act	0.18	AY 2012-13	Commissioner of Income Tax (Appeal)
Total		21.06		

- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, reporting under clause (viii) of the Order is not applicable.
- (ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) As explained to us, the Company has not appointed any managerial personnel under Section 196 of the Companies Act, 2013, hence reporting under clause (xi) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.



- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



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

A handwritten signature in black ink, appearing to read "Anil Kumar Jain", written over a horizontal line.

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

Place: Delhi
Date: May 19, 2017

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**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF REC POWER DISTRIBUTION COMPANY LIMITED FOR THE
YEAR ENDED 31 MARCH 2017**

The preparation of financial statements of REC Power Distribution Company Limited for the year ended 31 March 2017 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 19 May 2017.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of REC Power Distribution Company Limited for the year ended 31 March 2017 under Section 143(6)(a) of the Act.

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

Ritika Bhatia

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

Place: New Delhi
Dated: 05 July 2017

REC Power Distribution Company Limited

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

CIN: U40101DL2007GOI165779

Tel.: +91 11 43091506 Fax: +91 11 24365815

Email: co.delhi@recpdcl.in Website: www.recpdcl.in

PROXY FORM (Form No. MGT-11)

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

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

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

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

or failing him / her

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

or failing him / her

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 10th Annual General Meeting of the Company, to be held on will be held on Tuesday, 19th September, 2017 at 5.00 P.M at the Core-4, SCOPE Complex, 7, Lodhi Road, New-Delhi-110003 and at any adjournment thereof in respect of such businesses as are indicated below:

Sl. No	Particulars
Ordinary Business	
1.	To receive, consider, approve and adopt the audited financial statements of the Company for the financial year ended March 31, 2017 along with the Reports of the Board of Directors and Auditors thereon.
2.	To declare Dividend on equity shares of the Company for the financial year 2016-17.
3.	To appoint a Director in place of Shri Sanjeev Kumar Gupta (DIN: 03464342), who retires by rotation and being eligible, offers himself for re-appointment.
4.	To fix the remuneration of Statutory Auditors for the financial year 2017-18.
Special Business	
5.	Appointment of Dr. P V Ramesh (DIN 02836069), as Director of the Company.
6.	Appointment of Shri Ajeet Kumar Agarwal (DIN: 0231613), as Director of the Company.
7.	Ratification of remuneration of Cost Auditors for the financial year 2016-17.

Signed this..... day of..... 2017

Signature of ShareholderSignature of Proxy holder(s)

Affix Revenue Stamp of ₹1/-

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ATTENDANCE SLIP

10TH ANNUAL GENERAL MEETING TO BE HELD ON, TUESDAY, 19TH SEPTEMBER, 2017 AT 5.00 P.M AT CORE-4, SCOPE COMPLEX, 7, LODHI ROAD, NEW DELHI-110003.

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

I/We, hereby record my/our presence at the 10th Annual General Meeting of the Company held on Tuesday 19th September 2017, at 5.00 P.M at the Core-4, SCOPE Complex, 7, Lodhi Road, New-Delhi-110003

Signature of Member/ Proxy

NOTES:

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

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

