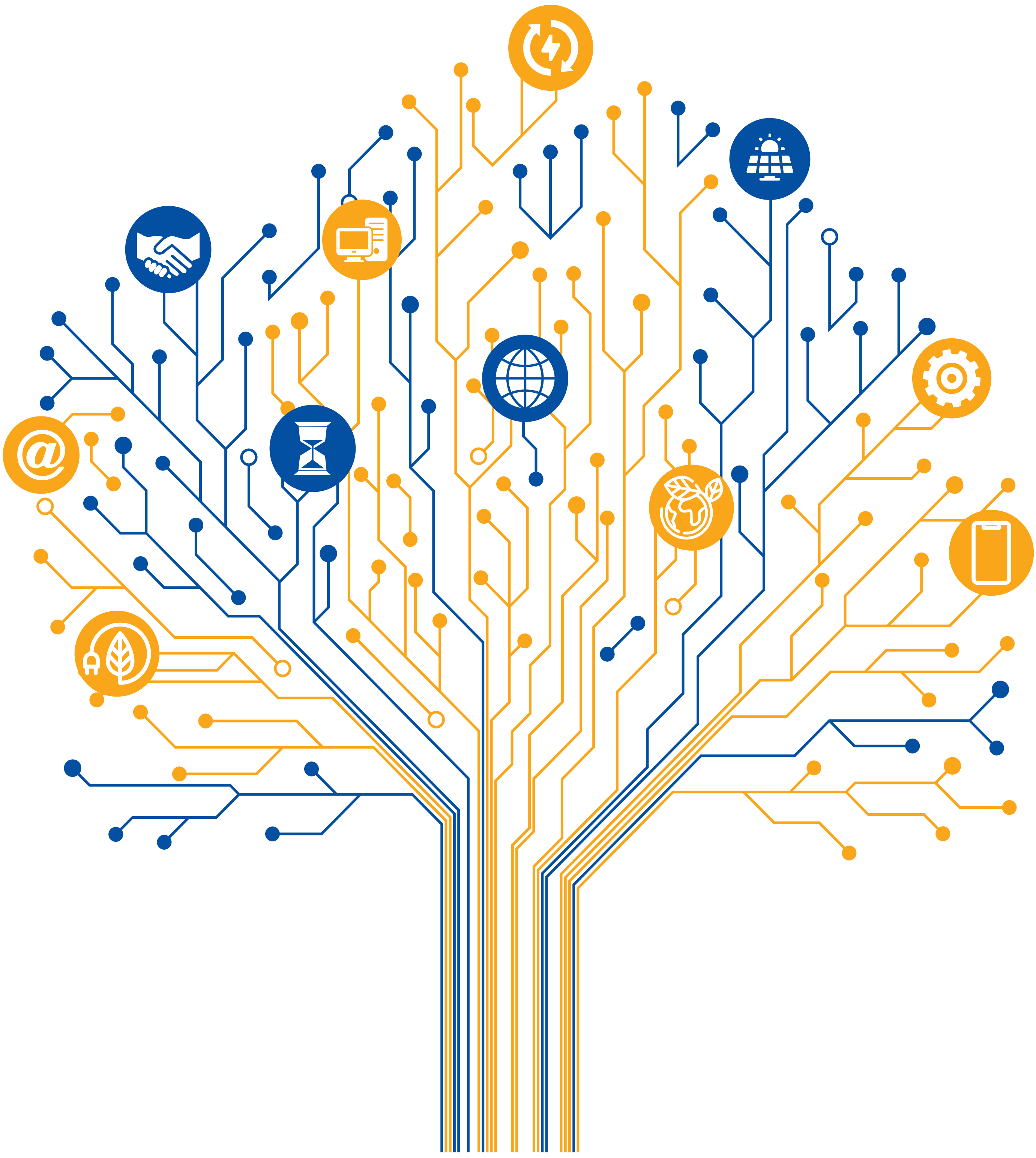
CONNECTING POWER, PROGRESS AND SUSTAINABILITY

15TH ANNUAL REPORT 2021-22



MISSION/VISION AND OBJECTIVES

MISSION/VISION:

- To facilitate availability of electricity for accelerated growth and for enrichment of quality of life of rural and semi-urban population.
- To act as a competitive, client-friendly, development-oriented organization for promoting projects covering power generation, power conservation, power transmission and power distribution network in the country.
- To facilitate smooth and rapid development of transmission and distribution capacity in the country and for accelerated growth of power sector & enrichment of quality of life of all segments of population.

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.
- To plan, promote, develop, design, engineer, construct, operate and maintain "electricity system" as defined under Section 2(25) of the Electricity Act, 2003.
- To promote organize or carry on the business of consultancy services and/or project implementation in any field of activity relating to generation & transmission, distribution of electricity or other related activities thereto in India and abroad.
- Procurement of transmission services, including all activities relating to survey, / detailed project report formulation, arranging finance, project management, obtaining right of way, necessary clearances, site identification, land compensation, design, engineering, equipment, material, construction, erection, testing and commissioning.
- To undertake transmission activities, to apply for requisite licences and to do all things incidental to such activities which is, in the opinion of the Board of Directors, necessary for fulfillment of the objects of the Company.
- To promote and undertake the formation of project specific company/ies, or the formation of any institution, subsidiary company or companies for the purpose of carrying out the aforesaid activities and for the furtherance of transmission services.
- To enter into Joint Ventures or merge any Company or any of the, companies/subsidiaries formed by the Company in pursuance of its objects as aforesaid.

CONTENTS

CORPORATE INFORMATION

Board of Directors	**Shri Vivek Kumar Dewangan, IAS, Chairman** Non-Executive Director **Shri Ajoy Choudhury** Non-Executive Director **Shri V.K.Singh** Non-Executive Director **Shri Sanjay Kumar** Non-Executive Director
Chief Executive Officers	Shri. R. Lakshmanan, IAS, CEO Shri T.S.C. Bosh, Joint CEO
Key Officials	Shri S.C. Garg, Additional CEO Shri P.S. Hariharan, Additional CEO Shri K.K. Pandey, Chief General Manager (HR) Shri M. L. Kumawat, Company Secretary Shri Shambhu Shankar Gupta, Additional CEO Shri Sahab Narain, Chief Finance Officer
Registered Office	Core-4, SCOPE Complex,7, Lodhi Road, New Delhi-110003, India. Tel. No.: 011- 43091500
Corporate Office	Plot No. I-4, Sector-29, Gurugram, Haryana-122001, India Tel. No.: 0124-4441300
Corporate Website & Email	www.recpdcl.in | co@recpdcl.in
Corporate Identification Number (CIN)	U40101DL2007GOI165779
Holding Company	REC Limited (CIN : L40101DL1969GOI005095)
Statutory Auditors	M/s A.K. Batra & Associates, Chartered Accountants, (Firm Registration No. 003499N) A-36, First Floor, Ring Road, Rajouri Garden, New Delhi – 110027.
Internal Auditors	M/s B.D. Gupta & Associates, Chartered Accountants, (Firm Registration No. 016041N) 217, Dhruv Apartment, 4, I.P. Extension, Patparganj, Delhi-110092.
Bankers	Bank of Baroda ICICI Bank IndusInd Bank State Bank of India HDFC Bank IDFC Bank Punjab National Bank The Jammu & Kashmir Bank

BOARD OF DIRECTORS

Shri Vivek Kumar Dewangan, IAS
Chairman

Shri Ajoy Choudhury
Non-Executive Director

Shri V.K. Singh
Non-Executive Director

Shri Sanjay Kumar
Non-Executive Director

CEO & JOINT CEO

Shri R. Lakshmanan, IAS
Chief Executive Officer

Shri T.S.C. Bosh
Joint Chief Executive Officer

KEY OFFICIALS

Shri S.C. Garg
Addl. Chief Executive Officer

Shri P.S. Hariharan
Addl. Chief Executive Officer

Shri K.K. Pandey
Chief General Manager (HR)

Shri M. L. Kumawat
Company Secretary

Shri S. S. Gupta
Addl. Chief Executive Officer

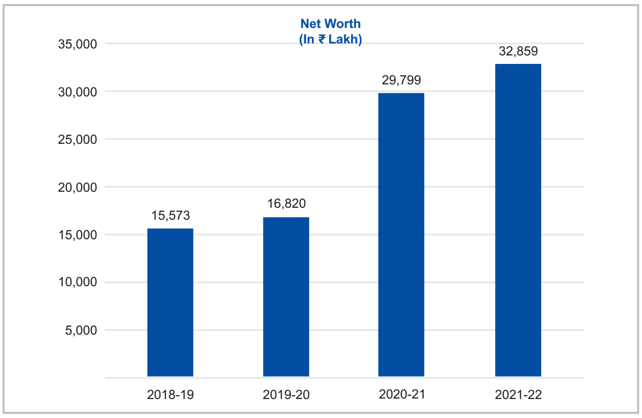
Shri Sahab Narain
Chief Financial Officer

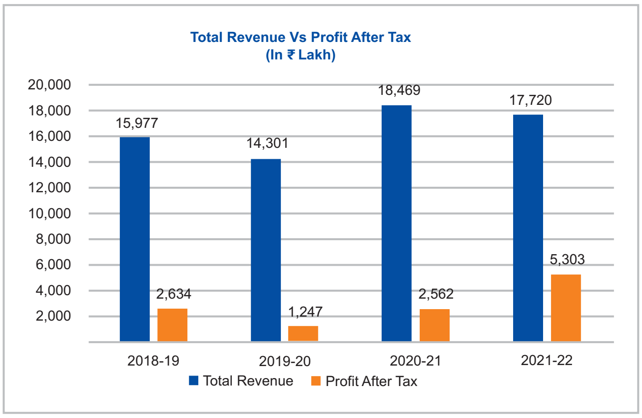
FINANCIAL HIGHLIGHTS

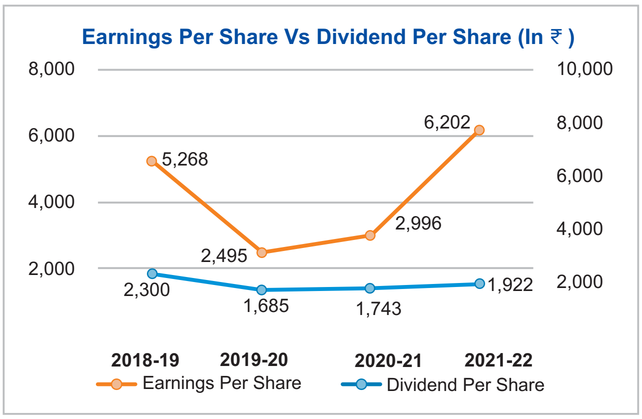
(₹ in lakh except EPS and Dividend)

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Shareholders' Fund (at the end of the year)										
Equity Share Capital	**8.55**	8.55	5	5	5	5	5	5	5	5
Reserves & Surplus	**32,850**	29,791	16,815	15,568	15,652	15,779	11,745	9,435	6,018	2,747
Net Worth	**32,859**	29,799	16,820	15,573	15,657	15,784	11,750	9,440	6,023	2,752
Financial Results										
Total Revenue	**17,720**	18,469	14,301	15,977	20,695	19,158	15,154	8,776	7,516	3,061
Profit Before Tax	**6,887**	3,262	2,034	4,101	5,469	6,067	5,544	5,252	5,018	1,598
Profit After Tax	**5,303**	2,562	1,247	2,634	3,494	4,033	3,617	3,477	3,301	1,081
Earnings Per Share (in ₹)	**6,202**	2,996	2,495	5,268	6,988	8,066	7,233	6,955	6,601	2,162
Dividend per share (in ₹)	**1,922***	1,743	1,685	2,300	2,210	2,421	2,170	100	50	10

**The dividend per share includes the amount of interim dividend paid during FY 2021-22 (₹ 880/- per equity share) as per Board Meeting held on February 3 , 2022 . Further the Final Dividend @ ₹ 1042/- per equity share, as recommended by Board of Directors in its meeting held on May 11, 2022, 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 members (REC) or their mandates whose names appear in the register of Members of the Company.*







CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

It is indeed my privilege to present to you the 15th Annual Report of your Company. Electricity is one of the most critical components of infrastructure, crucial for the economic growth and welfare of any nation in the modern world. Indian power sector is highly diversified with conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power on one hand and renewable energy sources such as solar power, wind power and agriculture & domestic waste, on the other hand. Of late, there has been a greater thrust of the Central Government to shift towards renewable energy sources, owing to the climate challenges and India's commitment in the global forums.

Even though global economy faced major challenges in year 2022 like high inflation rates and supply chain disturbances owing to covid crisis and war between Ukraine and Russia, India still managed well and is currently being looked upon as a major positive for the otherwise lackluster global economy.

India is the third largest producer and consumer of electricity in the world. Even though the pandemic has hit the power sector, the global electricity demand grew by 6% in 2021, which is a healthy sign of economic recovery. The total installed generation capacity in India has crossed the 400 GW mark. Record increase in transmission lines and additions to renewable energy space are taking place rapidly.

Transmission & Distribution are important elements in the power delivery value chain. However, not all the electricity is produced evenly across the country due to various reasons. Hence, even though India on a consolidated basis is surplus in electricity, there are regions in the country which are power deficit regions. This emphasizes the need of strong transmission and distribution network. Strengthening of the transmission system network, enhancing the Inter-State power transmission system and augmentation of the National Grid are required. The role of your company in the Transmission and Development sector has been vital and the Central Government has assigned many critical roles to the Company in these areas.

The Government has been taking several policy measures for improvement of the power transmission sector of the country. In addition, the Government is rolling out several reforms to strengthen the distribution sector. Revamped Distribution Sector Scheme (RDSS), the recently launched scheme of the Government, is aimed to improve the quality, reliability and affordability of power supply to consumers, through a financially sustainable and operationally efficient distribution sector. The objectives of RDSS include reduction in Aggregate Technical and Commercial Losses (AT&C) losses to pan-India levels of 12-15% by 2024-25 and reduction in Average Cost of supply (ACS) – Average Revenue Realized (ARR) gap to zero by 2024-25, both extremely important milestones for the holistic growth of power sector. Your Company is providing several consultancies under the scheme, particularly in the smart metering.

Your company has also been playing an active role in enhancing the distribution and transmission network of India's electricity sector. RECPDCL is providing consultancy and other services in the areas of rural electrification, AT&C Loss reduction strategies, IT implementation work including setting up of Data Centre, Customer care centre, etc. with Gas Insulated Switchgear (GIS) integration, Implementation of Smart Grid Projects covering Smart Metering with Advanced Metering Infrastructure (AMI) as project implementation agency, Construction of Solar PV Plants, Supervisory Control and Data Acquisition (SCADA) implementation, Meter Reading Instrument (MRI) /Automatic Meter Reading (AMR) based meter reading & billing works, Detailed Project Report (DPR) preparation & Project Management Consultancy for Power Distribution projects, Strengthening works of Power Distribution, Energy Efficiency projects and Quality & Quantitative Surveillance/ Inspections of the works executed. In addition, RECPDCL has so far successfully transferred 40 SPVs (approx. worth ₹54,350 crore) and Bid Process is ongoing for - 17 Inter-State projects of approx. ₹19,300 crore & one Intra State project of approx. ₹800 crore under Tariff based Competitive Bidding route. RECPDCL has also implemented Rural Feeder Monitoring Scheme (RFMS) which is being upgraded to National Feeder Monitoring System (NFMS).

FINANCIAL PERFORMANCE

During the financial year 2021-22, your Company has achieved a total revenue of ₹177.20 crore against previous year's revenue of ₹184.69 crore and Profit after Tax of ₹53.03 crore against the previous year's Profit after Tax of ₹25.62 crore.

As on March 31, 2022, the net worth of the Company was ₹328.59 crore as compared to ₹297.99 crore in the previous year. Earnings per Share (EPS) for the financial year ended March 31, 2022 was ₹6,202 as against ₹2,996 in the previous year.

Your Company paid interim dividend of ₹880/- (Rupees Eight Hundred and Eighty Only) per equity share (on the face value of ₹10/- each). Further, the Board of Directors of your Company have recommended final dividend of ₹1,042/- (Rupees One Thousand and Forty Two Only) per equity share (on the face value of ₹10/- each), subject to the approval of Shareholders of the company in this Annual General Meeting and the total dividend pay-out (interim and final) for the financial year 2021-22 would be ₹1,922/- per equity share amounting to ₹16.43 crore.

CORPORATE GOVERNANCE

Your Company is being managed in an ethical and responsible manner. Your company is in compliance with the provisions of the Companies Act, 2013, DPE Guidelines on Corporate Governance, 2010, to the extent applicable. Your Company has received "Excellent" rating from DPE based on compliance of Guidelines on Corporate Governance issued by DPE. Further, M/s Rajat Khaneja & Associates, Practising Company Secretaries has issued the Certificate for compliance of conditions of Corporate Governance for the financial year ended March 31, 2022.

The Company is not required to appoint any Independent Directors/Women Director and also not required to constitute Audit Committee in terms of exemptions of MCA vide Notification dated July 5, 2017 and July 13, 2017.

CORPORATE SOCIAL RESPONSIBILITY

As a socially responsible corporate entity, RECPDCL has constantly endeavored to serve the Society at large. During financial year 2021-22, CSR initiatives were pursued and the Company has extended financial assistance for the projects that provide integrated development in society in the field of education, rural development, health services strengthening & empowerment of the marginalized and underprivileged sections/communities.

For the financial year 2021-22, RECPDCL has allotted a CSR budget of ₹167.95 lakh i.e. 2% of average net profit for last three financial years, as per Companies Act 2013 and CSR financial assistance amounting to ₹105.91 lakh was sanctioned by the Board for five project in the field of Education, Rural Development, Environment & Health sector. Total amount disbursed towards ongoing & new sanctioned CSR projects/activities was ₹167.95 lakh including set-off of excess spent in previous financial year as per the details appearing in the "Annual Report on CSR Activities" forming part of the Annual Report

THE PATH AHEAD

Your Company constantly explores and challenges itself to innovate and move forward to get into newer diversified business opportunities in development of transmission and distribution sector projects and also in new high-end technology consultancies, while consolidating its existing strengths. Ministry of Power, Government of India has always been entrusting your Company which has at forefront of leveraging technology in implementation of its flagship schemes and the company has been successfully achieving its assigned goals. We are working tirelessly as project Implementation Agency for implementation of smart metering projects in State discoms for about 1.4 crore smart prepaid meters. We are also executing the flagship program of Ministry of Power, the National Feeder Monitoring System (NFMS) to monitor and improve the reliability and quality of power supply to consumers. RECPDCL is also implementing Unified Billing Solutions (UBS) for State discoms which will prove to be a key application in managing billing issues of discoms. Our innovative solution in form of service models viz, SARTHI and SARTHAK have been instrumental in effective energy accounting and efficient billing, collection and customer care services for consumers of discoms. We will continue to implement such solutions and effective service models in more discoms to help achieving them power reliability as well as financial viability in the power distribution business and provide highest standards of consumer services.

Your Company is actively participating to develop Solar Projects under PM KUSUM (Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan) and Utility scale solar projects and also aspiring to become a Distribution Franchisee /Distribution licensee.

ACKNOWLEDGEMENTS

I take this opportunity to express my sincere gratitude to the Ministry of Power, Central Electricity Authority (CEA), Central Transmission Utility (CTU), DPE, REC Limited (holding Company), 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 Limited), Power Finance Corporation Limited, 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 unstinted support. With the continued support and goodwill of all stakeholders, I am confident that RECPDCL will grow from strength to strength and scale new heights in the times ahead.

With warm wishes,

(Vivek Kumar Dewangan)
Chairman
DIN: 01377212

Date : September 15, 2022
Place: New Delhi

NOTICE

Notice is hereby given that the Fifteenth (15th) Annual General Meeting (AGM) of REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited) ("RECPDCL" or "the Company") (CIN:U40101DL2007GOI165779) will be held on **Monday, September 19, 2022** at **5:00 P.M** at shorter notice 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, 2022 along with the Reports of the Board of Directors and Auditors thereon.
2) To confirm the payment of Interim Dividend for the financial year 2021-22 and to declare Final Dividend on equity shares of the Company for the financial year 2021-22.
3) To appoint a Director in place of Shri Sanjay Kumar (DIN: 08722752), who retires by rotation and being eligible, offers himself for re-appointment.
4) To fix the remuneration of Statutory Auditors for the financial year 2022-23.

SPECIAL BUSINESS

5) To appoint Shri Vivek Kumar Dewangan (DIN: 01377212) as Director of the Company, not liable to retire by rotation.

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 152, 160, 161 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) and as per the Articles of Association of the Company, Shri Vivek Kumar Dewangan (DIN: 01377212), who was appointed as Chairman of Company with effect from May 17, 2022 and holds office upto the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, and is not liable to retire by rotation"

By order of the Board of Directors
For REC Power Development and Consultancy Limited
(formerly REC Power Distribution Company Limited)

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

Date: September 14, 2022
Place: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003.

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 attendance slip of the Meeting is attached and will also be available on the Company's website i.e. www.recpdcl.in.

2. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of Special Business, as set out above is annexed hereto. The Board of Directors of the Company in its Meeting held on June 21, 2022 confirmed the decision taken by Directors by passing of resolution by circulation on June 8, 2022 regarding appointment as Chairman (Additonal Director). The item of Special Business at Sl. Nos. 5 of the Notice, being unavoidable in nature, shall be transacted at the 15th AGM of the Company

4. The Interim Dividend of ₹880/-per equity share has been declared by Board of Directors in its Meeting held on February 3, 2022. Further, Final Dividend @ ₹1042/- per equity share, as recommended by Board of Directors in its Meeting held on May 11, 2022, 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 members (REC) or their mandates whose names appear in the register of Members of the Company.

5. The Notice, together with the documents accompanying the same, is being sent to all the equity shareholders whose names appear in the register of members as on September 14, 2022.

6. A registered equity shareholder or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.

7. Corporate Members are requested to attach a duly certified copy of Authority Letter authorizing their representative to attend and vote on their behalf at the Annual General Meeting, along with the Proxy Form/Attendance Slip and deposit the same not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the equity shareholders of the Company.

8. In accordance 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. Accordingly, the shareholders in the 14th Annual General Meeting (AGM) of the Company held on September 27, 2021, had authorized the Board of Directors of the Company 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 2021-22. In view of the above, the Board of Directors in its Meeting held on May 11,2022 approved the payment of remuneration of ₹3,00,000/- (Rupees Three Lakh only) plus applicable GST inclusive of local travel expenses and other incidental out of pocket expenses to the Statutory Auditors, M/s A.K. Batra & Associates, Chartered Accountants, for the financial year 2021-22.

   Further, pursuant to Section 139(5) of Companies Act, 2013, Comptroller & Auditor General of India (C&AG) has appointed M/s A.K. Batra & Associates, Chartered Accountants as the Statutory Auditors of the Company for the financial year 2022-23. The members are requested to approve the remuneration as recommended by the Board of Directors of the Company in its meeting held on September 14, 2022.

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

10. The Register of Directors and 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

In terms of Articles of Association of the Company, Shri Vivek Kumar Dewangan (DIN: 01377212), was appointed as Ex-officio chairman on the Board of the Company w.e.f. May 17, 2022 and holds office upto the date of ensuing Annual General Meeting and eligible for appointment/re-appointment by the Company in ensuing Annual General Meeting. Further, in terms of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing from a member signifying his intention to propose him as a candidate for the office of Director of the Company and the same is available on the website of the Company. Accordingly, appointment of Shri Vivek Kumar Dewangan as Director may be considered by the shareholders at this AGM. Further, Shri Vivek Kumar Dewangan is not disqualified to be a Director of the Company in terms of the provisions of Section 164 of the Companies Act, 2013.

Relevant documents in respect of the above business 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. He is an authorized representative on behalf of REC Limited (Holding company) in respect of shareholding. Further, the brief resume of Shri Vivek Kumar Dewangan giving the nature of his expertise in specific functional areas, remuneration paid, number of meetings attended during the year etc. forms part of this Notice.

The Board of Directors of the Company in its meeting held on September 14, 2022 recommended his appointment as a Director for approval by the shareholders of the Company.

None of the Directors of the Company or their relatives except Shri Vivek Kumar Dewangan is in any way, concerned or interested, financially or otherwise, in passing of the said resolution set out at item No. 5 of the Notice except to the extent of holding shares as nominee of REC Limited.

In view of the above, you are requested to grant your consent to the Ordinary Resolution as set out at item no.5 of this Notice.

BRIEF RESUME OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE 15TH ANNUAL GENERAL MEETING.

Name	Shri Sanjay Kumar (DIN: 08722752)
Date of Birth	September 25, 1964
Date of Appointment	March 16, 2020
Qualifications	B.COM(H) from Delhi University and Fellow Member of the Institute of Chartered Accountants of India
Expertise in specific Functional area	Shri Sanjay Kumar is Director on the Board of RECPDCL since March 16, 2020. He has done B.Com (H) from Delhi University and is a Fellow Member of the Institute of Chartered Accountants of India. He is also holding the position of Executive Director in REC Limited since April 01, 2020 and heads the Domestic and International Resource mobilization and Treasury operations. Earlier, he has also looked after various Finance areas including International Finance, Corporate Accounts and Taxation, Asset Liability Management, Financial Policy and Concurrence, Resource Mobilisation and Treasury functions and was responsible for implementation of various systemic improvement guidelines including overall Resources and Treasury Management in REC Limited. He has been a member of core team for REC's Follow on Public Offering. Prior to joining REC on April 27, 2007, he has worked in NHPC Limited and Private Sector also.
Directorship held in other Companies	Nil
Membership/Chairmanship of Committees across all Public Companies other than RECPDCL	Nil
Number of Meetings attended by him during the year	8
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 and 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 APPOINTMENT AT THE 15TH ANNUAL GENERAL MEETING.

Name	Shri Vivek Kumar Dewangan , IAS (DIN: 01377212)
Date of Birth	April 14,1967
Date of Appointment	May 17, 2022
Qualifications	Shri Vivek Kumar Dewangan is the ex-officio Chairman of the Company pursuant to his appointment as CMD, REC. He is an Indian Administrative Service Officer of Manipur Cadre [1993 Batch]. He holds B.E. in Electronics from NIT, Bhopal and P.G. in Optoelectronics & Optical Communication from IIT, Delhi.
Expertise in specific Functional area	Shri Vivek Kumar Dewangan is Chairman and Director on the Board of RECPDCL since May 17, 2022. During his illustrious career as IAS officer, he has held various administrative positions in the areas of Finance, Power / Energy, Elections / Law & Justice, Commerce & Industries, Minister's Office (Corporate Affairs / Agriculture & Food Processing Industries) Education / Human Resource Development, Sericulture / Agriculture & Cooperation, Economic Affairs, Economics & Statistics, Petroleum & Natural Gas, District Administration (Surguja & Raipur District in Chattisgarh and Senapati District in Manipur) and Divisional Administration. Before his appointment in REC, he was serving as Additional Secretary in the Ministry of Power, Government of India.
Directorship held in other Companies	REC Limited
Membership/Chairmanship of Committees across all Public Companies other than RECPDCL	2
Number of Meetings attended by him during the year	Nil
Number of equity shares held in the Company	85494 Equity Shares as nominee on behalf of REC Limited
Remuneration paid	All the Non-Executive Directors on the Board of the Company are nominated by the holding company and 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

To
The Shareholders,

Your Directors have pleasure in presenting the Fifteenth (15th) Annual Report of your Company together with the Audited Financial Statements for the Financial Year ended March 31, 2022.

1. PERFORMANCE HIGHLIGHTS

1.1 The highlights of performance of the Company for the financial year 2021-22 were as under, with comparative position of previous year's performance

(₹ in Crore)

Financial Parameters	FY 2021-22	FY 2020-21
Revenue from Operations	**160.01**	170.39
Other Income	**17.19**	14.30
Total Revenue	**177.20**	184.69
Total Expenses	**108.33**	152.07
Profit before Tax	**68.87**	32.62
Tax expenses	**15.84**	7.00
Profit after Tax	**53.03**	25.62
Reserve & Surplus	**328.50**	297.91
Net Worth	**328.59**	297.99
Earnings Per Share (in ₹)	**6,202**	2,996

1.2 FINANCIAL PERFORMANCE

During the financial year 2021-22, your Company has achieved a total revenue of ₹177.20 crore against previous year's revenue of ₹184.69 crore and Profit after Tax of ₹53.03 crore against the previous year's Profit after Tax of ₹25.62 crore. As on March 31, 2022, the Net Worth of the Company is ₹328.59 crore as compared to ₹297.99 crore in the previous year. Earnings per Share (EPS) for the financial year ended March 31, 2022 was ₹6,202/- as against ₹2,996/- in the previous year.

1.3 SHARE CAPITAL

The Authorized Share Capital of the Company is ₹20.05 crore divided into 2,00,50,000 equity shares of ₹10/- each. Further, the Paid up Share Capital of the Company is ₹8,55,000 divided into 85,500 equity shares of ₹10/- each, held by holding Company i.e. REC Limited, a Government of India Enterprise and its nominees.

1.4 DIVIDEND

The Company has paid interim dividend of ₹880/- (Rupees Eight Hundred and Eighty Only) per equity share (on the face value of ₹10/-each). Further, the Board of Directors have proposed final dividend of ₹1,042/- (Rupees One Thousand and Forty Two Only) per equity share (on the face value of ₹10/-each), subject to the approval of shareholders of the Company in ensuing Annual General Meeting as against ₹1,743 per share in the previous year. Hence, the total dividend pay-out (interim and final) for the financial year 2021-22 will be ₹1,922/- per share amounting to ₹16.43 crore.

1.5 TRANSFER TO RESERVES

The Company has not made any transfer to General Reserve & Capital Reserve during financial year 2021-22.

2. REVIEW OF OPERATIONS

RECPDCL has been working with most of the DISCOMs/Power Departments/Co-operative Societies in the country across power value chain. During the financial year 2021-22, the performance of RECPDCL has been consistent in its core business viz. Bid Process Coordinator (BPC) for TBCB projects, Project Implementing Agency (PIA) for implementation of distribution infrastructure, Supervisory Control and Data Acquisition (SCADA) and Smart metering projects, Preparation of Detailed Project Reports (DPR), Third Party Inspection (TPI), Pre-dispatch Material Inspection, Project Management Consultant (PMC)/ Project Management Agency (PMA) under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme (IPDS)/other state funded schemes/ Government schemes. Details of key assignments are as under:

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

Your Company is engaged as Project Management Agency (PMA)/Project Management Consultant (PMC) under the scheme DDUGJY and IPDS for the 17 DISCOMs/Power Depts. and 1 Co-Operative Society in 15 States and 1 Union Territory, out of which, many are completed and rest are also under completion stage.

Further, existing PMA/PMC contract has also been extended in few discoms/power departments due to various reasons (e.g. change in bidding mechanism from partial Turnkey to Full turnkey method, delay in execution work by Turnkey contractors, RoW issues etc.) which are not attributable to RECPDCL.

(ii) PMC & AMC work of LED street light project.

Your Company has been working as Project Management Consultant (PMC) & Annual Maintenance Consultant (AMC) for M/s Energy Efficiency Services Limited (EESL) under Street Lighting National Programme (SLNP) Project in the States of Rajasthan, Chhattisgarh, Jharkhand, Punjab, Chandigarh, Maharashtra and Uttar Pradesh.

(iii) PIA & PMA works of distribution infrastructure projects in UT of J&K under PMDP, DDUGJY and IPDS/R-APDRP.

The Government of Jammu and Kashmir has assigned various works to your Company as PIA and PMA under flagship schemes of Government of India viz. Prime Minister Development Package (PMDP), (DDUGJY), (IPDS)/Restructed Accelerated Power Development and Reforms Programme(R-APDRP).

Your Company has been awarded tenders on full turnkey basis for PIA works and approved the required GTP/Drawings/documents required for successful implementation of the projects. Projects under IPDS & RAPDRP-Part B have been completed. Further, 90% progress has been achieved under PMDP (U) ongoing projects and 10% progress has been achieved under PMDP (U) additional projects as on March 31, 2022. Further, experienced team has been deployed for monitoring of the implementation works of various projects of J&K wherein RECPDCL has been appointed as PMA.

(iv) Other Project Implementing Agency (PIA) works for:

a) Smart Grid Pilot Project.

Your Company has been awarded the work of implementation of Smart Grid Project for Chandigarh Electricity Department (CED). The project includes Advanced Metering Infrastructure (AMI) for ~25,000 consumers and Sub-station Automation through SCADA in 6 sub-stations. The AMI IT Hardware & Software has been installed and commissioned at CED Data Center (DC). The communication network has been installed covering various sectors of CED. The 17490 Nos. Single Phase, 5943 Three Phase and 1308 Nos LTCT Smart Meters have already been supplied, installed and commissioned with successful data availability till Meter Data Management System (MDMS).

Further, the SCADA implementation is in its final phase of completion with End-to-End Testing at Substations. The IT Hardware, Software & Video Projection System has been installed and commissioned at SCADA Control Centre at Chandigarh and all major field equipments i.e. Bay Control Protection Unit (BCPU), Transformer Differential Relay (TDR) & Multi-Function Meters (MFM) have been installed on all feeders having motorized panels in Chandigarh. The network connectivity has already been established at SCADA Control Centre and 6 Nos. Substations.

b) AMI implementation of 1.155 lakh consumers in Jammu & Srinagar town in UT of J&K under PMDP(U)

Your Company has been awarded the work of installation of 2 lakh Smart Meters in Jammu & Srinagar towns (1 lakh each) for Jammu Power Distribution Corporation Limited & Kashmir Power Distribution Corporation Limited (erstwhile Jammu & Kashmir Power Development Department) under PMDP(U) Scheme. As per available sanctioned fund, the work has been awarded to M/s Techno Electric & Engineering Company Limited for 1,15,500 Nos. of Smart Meters. Under this project, IT hardware has been supplied & installed in Data Center at Srinagar and Data Recovery Center at Jammu. In total 60,000 Nos. of Smart Meters have been delivered at site, out of which nearly 50,000 Smart Meters have been installed at site as on March 31, 2022.

c) Implementation of National Feeder Monitoring System (NFMS)

Your Company has been awarded the work of Implementation of National Feeder Monitoring System with an objective of monitoring the reliability and quality of Power of all rural and urban feeders across the country. Under this project, NFMS Central IT Solution shall be developed wherein RECPDCL shall establish state-of-art central IT Solution comprising of Data ingestion, Data Processing, Data Storage and Data Analytics. The system shall provide key insights for different stakeholders i.e. Ministry of Power, Utilities, RECPDCL and the consumers.

d) Implementation of Smart Metering and Revenue Management System (RMS) for approx. 60,000 Consumers in UT of Ladakh

Your Company has been awarded the work of Implementation of Smart Metering along with deployment of Revenue Management System comprising of various modules i.e Metering, Billing, Collection, Connection, Disconnection, New connection etc. and Customer Call centre for entire consumer base of approx. 60,000 consumers. The scope includes consumer metering, DT & Feeder Metering. Further, for areas where network is yet to come, the project includes scope of spot billing and collection with an objective to have maximum billing and collection efficiency for the utility.

e) Transmission Projects.

Your Company is acting as Project Implementing Agency (PIA)/Project Management Agency (PMA) in various Transmission utilities across country by providing services in terms of Project Implementation and Project Management. The range of services include technical studies, preparation of detailed project report to meet the future requirement, conducting bidding process for selection of EPC Contractor, design, engineering, material inspection, site supervision and commissioning of High Voltage Transmission Lines as well as GIS & AIS substations.

At present, RECPDCL is implementing various transmission projects including 220 kV Extra high voltage (EHV) Transmission lines (TL) as well as modern Gas Insulated Substation in Nubra & Zanskar valley of Ladakh under PMDP-15 on behalf of Ladakh Power Development Department (LPDD). This Transmission Line may be regarded as a project which is being executed at the highest altitude in the country. The projects implemented by RECPDCL are prestigious and strategic in nature and completion of these projects will be helpful for overall socio-economic development of Ladakh region. RECPDCL was awarded the work on full Turnkey basis at an award cost of ₹1203.08 crore. The construction of transmission line shall connect the remotest regions of the country with the regional & national grid and evacuation of generated power. The interconnectivity will help to reduce dependence over DG set and accordingly decrease the overall Carbon footprint in the Ladakh region.

In addition to above, RECPDCL is acting as a Project Implementing Agency (PIA) for construction of 02 nos. 220/33 kV substations (GIS & AIS) in Kashmir & Jammu regions respectively. RECPDCL has completed and commissioned the 220/33 kV, 160 MVA GIS substation at Lassipora in Kashmir region. The GIS constructed at Lassipora is the first of its kind in the region. It is extremely useful in catering present & future energy demand and providing quality & reliable power (24 x7) to the entire region. Further, construction of 220/33 kV, 100 MVA AIS substation at Nagrota, Jammu along with associated 220 kV LILO transmission line (approx. 5 kms) is also under progress. This will enhance the interconnectivity with the Regional & National Grid and also provide quality & reliable power to the entire region.

(v) Management & Technical Consultancy Services for all 5 Discoms of Uttar Pradesh - under the project name "SARTHI."

Your Company has been awarded the work of providing Management & Technical Consultancy Services under the project name SARTHI for all 5 discoms of Uttar Pradesh by UPPCL for a period of 2 years from September 1, 2017 with total project cost of ₹ 31 crore. Upon completion of the initial contract period, UPPCL extended the contract period for another 24 months in three phases upto February 2022. Further, your Company is responsible for conducting Energy Audit of all feeders of UPPCL on monthly basis for identifying High loss areas, Feeder Wise Analysis for Key Commercial Parameters on monthly basis, Management of IT Infrastructure & development of Customized IT Application for UPPCL and its discoms, identify areas of application of IT for increasing consumer centric services and capacity building of officials of UPPCL. SARTHI Project has been closed on April 30, 2022 after 5th Extensions with revised total value including extensions of ₹58.78 crore.

(vi) Quality Monitoring Projects

Your Company has been working on various projects for quality monitoring RQM under DDUGJY New scheme in 14 states, RQM under DDUGJY RE-12th plan in 7 states, NQM under DDUGJY RE-12th Plan in 3 states, TPI projects under various schemes as awarded by REC Limited/state discoms under quality assurance mechanism of various schemes of GoI. Under the said work, RECPDCL carries out field inspection for villages/substations/feeders and pre-dispatch material inspection at manufacturer's premises. Further, RECPDCL has completed RQM work under DDUGJY-RE 12th plan in the 7 states, RQM works under DDUGJY new scheme is completed in 13 states and NQM work is completed under DDUGJY-RE 12th plan in 3 states.

Further, RECPDCL is also appointed to carry out the pre-dispatch inspection of material on behalf of WBSEDCL for the projects under DDUGJY.

(vii) O&M of Solar Projects already implemented.

Your Company has been working as PMA/PMC for the following solar power projects:

- Electrification of 55 un-electrified off grid villages through installation of 8010 Nos. of 200 Wp Solar Standalone Home lighting systems and 145 Nos. of Solar Street lights in 5 districts (Kishtwar, Kupwara, Bandipore, Leh, Kargil) in the State of Jammu & Kashmir. Your Company is responsible for maintenance of this project till November, 2024.

- Your Company was responsible for maintenance of Roof Top Solar PV Power Plant which was installed & commissioned and handed over to Rashtrapati Bhavan in 2016-17, till January 1, 2022.

- Your Company had set up Rooftop Solar PV Plant with battery backup at 16 residential schools owned by ST & SC Development Department, Government of Odisha in 9 backward districts of Odisha under RECs Sustainable Development (SD) initiatives. Further, Rooftop Solar PV Plant in these district had been installed & commissioned and handed over to respective school authorities in 2016-17. Your Company was responsible for maintenance of this project till September 22, 2021.

(viii) Other Distribution Infrastructure Work

a. PMA for conversion of LT bare conductor to AB cable (ADB funded project) in MVVNL, Uttar Pradesh.
b. PMC for "Conversion of 11kv/LT Overhead Line into UG/AB Cable & Laying of Optic Fibre Cable along with UG Cable and Other Capex Works" in Jayanagara,Hebbal, Indiranagar and HSR Division under BMAZ, BESCOM, Bangalore.

(ix) Tariff Based Competitive Bidding (TBCB)

Ministry of Power, Government of India/ State Government, allocates independent transmission projects from time to time to your Company to work as Bid Process Coordinator (BPC), for selection of developer as Transmission Service Provider (TSP) through Tariff Based Competitive Bidding Process (TBCB). In order to initiate development of each such transmission project, RECPDCL incorporates a project specific Special Purpose Vehicle (SPV) as Wholly Owned Subsidiary Company and after the selection of successful bidder through Tariff Based Competitive Bidding Process notified for transmission projects, the respective project specific SPV along with all its assets and liabilities is transferred to the successful bidder.

Sl No.	Name of Transmission Project	Name of project Specific SPV	Remarks
	INTER-STATE		
1.	Transmission system strengthening for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase II -Part B	Fatehgarh Bhadla Transco Limited	Project specific SPV transferred to M/s Power Grid Corporation of India Limited on June 4, 2021.
2.	Transmission system strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under phase-II- Part C	Sikar New Transmission Limited	

	Name of Transmission Project	Name of project Specific SPV	Remarks
	INTER-STATE		
3.	Transmission system for evacuation of power from RE projects in Osmanabad area (1 GW) in Maharashtra	Kallam Transmission Limited	Project specific SPV transferred to Consortium of M/s IndiGrid 1 Limited (Lead Member) & M/s IndiGrid 2 Limited on December 28, 2021.
4.	Transmission Scheme for Solar Energy Zone in Gadag (2500 MW), Karnataka - Part A	Gadag Transmission Limited	Project specific SPV transferred to M/s ReNew Transmission Ventures Private Limited on March 17, 2022.
	INTRA-STATE		
5.	Development of intra-state transmission work in M.P. through Tariff Based Competitive Bidding: PACKAGE- II	MP Power Transmission Package-II Limited	Project specific SPV transferred to M/s Adani Transmission Limited on November 1, 2021

After March 31, 2022, Rajgarh Transmission Limited has been transferred to M/s G R Infraprojects Limited on May 30, 2022. Further, Neemuch Transmission Limited, a project specific SPV for "Transmission system for evacuation of power from Neemuch SEZ" which was incorporated on April 12, 2022 has been transferred to M/s Power Grid Corporation of India Limited on August 24, 2022.

In addition to above, the bid process of the following Inter-State transmission projects is under progress and expected to complete in financial year 2022-23:

Sl No.	Name of Transmission Project	Name of project Specific SPV
1.	System Strengthening Scheme for Eastern and North Eastern Regions	ER NER Transmission Limited (U40108DL2021GOI387793)
2.	Transmission scheme for evacuation of 4.5 GW RE injection at Khavda P.S. under Phase-II – Part A	Khavda II-A Transmission Limited (U40200DL2022GOI396828)
3.	Transmission scheme for evacuation of 4.5 GW RE injection at Khavda P.S. under Phase-II – Part B	Khavda II-B Transmission Limited (U40106DL2022GOI397064)
4.	Transmission scheme for evacuation of 4.5 GW RE injection at Khavda P.S. under Phase-II – Part C	Khavda II-C Transmission Limited (U40106DL2022GOI397095)
5.	Transmission scheme for evacuation of 4.5 GW RE injection at Khavda P.S. under Phase-II – Part D	Khavda II-D Transmission Limited (U40108DL2022GOI397181)
6.	Establishment of Khavda Pooling Station-2 (KPS2) in Khavda RE Park	KPS2 Transmission Limited (U40106DL2022GOI397788)
7.	Establishment of Khavda Pooling Station-3 (KPS3) in Khavda RE Park	KPS3 Transmission Limited (U40109DL2022GOI397632)
8.	Transmission scheme for injection beyond 3 GW RE power at Khavda PS1 (KPS1)	KPS1 Transmission Limited (U40100DL2022GOI397888)
9.	Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part C1	Ramgarh II Transmission Limited (U40106DL2022GOI396994)
10.	Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part D	Sikar Khetri Transmission Limited (U40100DL2022GOI397891)
11.	Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part F	Beawar Transmission Limited (U40106DL2022GOI397400)
12.	Transmission Network Expansion in Gujarat associated with integration of RE projects from Khavda potential RE zone	Khavda RE Transmission Limited (U40100DL2022GOI397942)
13.	Transmission Scheme for Solar Energy Zone in Gadag (1500 MW), Karnataka: Part A-Phase-II	Gadag II-A Transmission Limited (U40100DL2022GOI399702)

Also, as per directions of CEA, bidding process of one already allocated transmission project namely, Transmission Scheme for Solar Energy Zone in Bidar (2500 MW), Karnataka has been put on hold and would be reinitiated after further direction from CEA.

In addition to above, RECPDCL is acting as Bid Process Coordinator for "Development of intra-state transmission work in M.P. through Tariff Based Competitive Bidding: PACKAGE- I" for the Madhya Pradesh state also.

Further, Chandil Transmission Limited, Dumka Transmission Limited, Mandar Transmission Limited and Koderma Transmission Limited had been incorporated as Special Purpose Vehicles (SPVs) to undertake activities for development of various elements covered under "Transmission System Strengthening in Jharkhand State (Package-1), (Package-2), (Package-3) & (Package-4)" respectively. However, as per directions of Jharkhand Urja Sancharan Nigam Limited (JUSNL), the bidding process with respect of these SPVs has been cancelled and shall be re-initiated upon receipt of necessary directions from JUSNL.

(x) Urja Mitra: Urja Mitra is an initiative of Ministry of Power, Government of India which provides Outage Management and Notification Platform for disseminating the outage information to power distribution consumers across India through SMS/email/push notifications. It also provides Pan-India integrated Mobile Application for Android and iOS platforms to enable citizen to access outage information. Power Consumers can also inform about power outage in their area through mobile app.

As on June 30, 2022, data of around 23.24 crore Rural/Urban/Mixed feeder consumers of 53 DISCOMs have already been linked on web portal and the application is live in 49 DISCOMs with consumer base of approximately 23.01 crore. Almost 530 crore SMS have been sent to the consumers.

(xi) Tarang: Tarang (Transmission App for Real-Time Monitoring and Growth) monitors the progress of transmission system in the country, both Intra State and Inter State Transmission Projects through Tariff Based Competitive Bidding as well as Regulated Tariff Mechanism. Tarang also shows the prospective upcoming Intra-State as well as Inter - State Projects along with NITs being floated by different Transmission Utilities Pan-India. Tarang provides advance information of upcoming transmission projects approved by Empowered Committee on Transmission helping bidders to gear up future transmission projects.

(xii) 11 kV Rural Feeder Monitoring Scheme: RECPDCL (erstwhile RECTPCL) has been appointed as the Implementing agency for "11 KV Rural Feeder Monitoring Scheme". The scheme aims to enable monitoring of energy input/power supply at feeder level and also to give an accurate picture of power supply in rural area of country to ensure achievement of "24x7 Power for All". Under the scheme, the distribution parameters viz. Power supply hours, outage, voltage, Current & PF, are captured. This scheme targets to develop a self-sustained, independent, web based automated system by installing Modem/DCUs for rural, agricultural and mixed (agriculture rural) feeders across country by acquiring various essential parameters of all the outgoing 11kV rural feeders and such 66/33 kV incoming feeders from where 11kV rural feeders are emanating and making the information available online for all stakeholders. Under the scheme, meter data of rural feeders is sent to central Meter Data Acquisition System (MDAS) for analysis and the same is then integrated with National Power Portal (NPP) to make it available for use of all stakeholders. These reports are useful in decision support for betterment of rural power supply status.

3. NEW INITIATIVES & ASSIGNMENTS AHEAD

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

(i) RDSS (Reform Distribution Sector Scheme)

a. Your Company has been appointed as PMA for preparation of Action plan and DPR by the following states: -

i. Arunachal Pradesh
ii. Meghalaya
iii. Chhattisgarh
iv. Telangana
v. GoA
vi. Puducherry
vii. Jammu & Kashmir
viii. Andaman & Nicobar
ix. Ladakh
x. Manipur
xi. West Bengal.

b. Your Company has received LoI for PIA for implementation of prepaid Smart Metering projects under RDSS from the states of Kerala, Jammu & Kashmir, Maharashtra (BEST), Gujarat and Ladakh.

(ii) Your Company is also venturing into new business opportunities i.e. Energy accounting upto Feeder/DT/Consumer level under the project name SARTHI 2.0, Distribution Franchises, Unified Billing Solution (UBS), Cyber Security, handholding and niche consultancy services to Discoms. Your Company is approaching various state owned stakeholders in this regard. Further, the Company is also exploring opportunities in international market to tap the huge potential available in the International Power Sector Business especially in African Countries, Bangladesh and Afghanistan etc.

4. BOARD OF DIRECTORS

4.1 Board of Directors

Your Company is headed by an ex-officio Chairman and has 3 other non- executive Directors on its Board. As on March 31, 2022, the composition of the Board was as under:

Sl. No.	Name	Designation	DIN
1.	Shri S.K.G Rahate	Chairman	05254178
2.	Shri Ajoy Choudhury	Non-Executive Director	06629871
3.	Shri Vijay Kumar Singh	Non-Executive Director	02772733
4.	Shri Sanjay Kumar	Non-Executive Director	08722752

Shri S.K.Gupta ceased to be director on the board of the Company w.e.f November 1, 2021 on account of superannuation from services of holding Company.

As per Articles of Association of the Company, the Chairman & Managing Director of REC is the Ex-officio part time Chairman on the Board of the Company, who shall not be liable to retire by rotation.

Ministry of Power vide Order No. 46/2/2019-RE dated May 18, 2022 has appointed Shri Vivek Kumar Dewangan, IAS (MN: 1993), Additional Secretary, MoP as CMD of REC Limited from the date he assumed charge of post. Shri Vivek Kumar Dewangan has assumed the charge of CMD, REC w.e.f. May 17, 2022 pursuant to communication dated May 13, 2022 of Appointments Committee of Cabinet, Ministry of Personnel, Public Grievances and Pensions, Department of Personnel and Training, Govt. of India read with MoP order dated May 18, 2022.

In terms of Articles of Association of the Company, Shri Vivek Kumar Dewangan has been appointed as Ex-officio chairman of the Company.

Prior to Shri Vivek Kumar Dewangan, Shri Ravinder Singh Dhillon (DIN:00278074) was holding additional charge as Chairman and Managing Director of REC Limited from May 10,2022 pursuant to office order No.46/2/2019-RE dated May 10,2022 of Ministry of Power and accordingly Shri Dhillon was Chairman of the Company from May 10, 2022 till May 16, 2022.

Shri S.K.G Rahate (DIN: 05254178) was Chairman of the Company from the period February 22, 2022 to May 10, 2022. Shri Sanjay Malhotra (DIN: 00992744) was holding charge as Chairman and director of the Company till February 10, 2022.

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

Further, as per the provisions of the Companies Act, 2013, Shri Sanjay Kumar (DIN: 08722752) being longest in office shall be eligible to retire by rotation at the 15th Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors recommend his re-appointment as director and his brief resume is annexed to the notice of this Annual General Meeting.

4.2 NUMBERS OF MEETINGS OF BOARD, DIRECTORS' ATTENDANCE AT BOARD MEETINGS AND LAST ANNUAL GENERAL MEETING (AGM).

The meetings of the Board are generally being held at the corporate office of the Company and are scheduled well in advance.As per business requirements, at times resolutions are also passed by circulation, which are noted in next Board Meetings. Meetings are also called at shorter notice, following prescribed procedure. During the financial year 2021-22, eight (8) meetings of Board of Directors of the Company were held on (i) May 24, 2021; (ii) June 11, 2021; (iii) August 04, 2021 (iv) September 14, 2021; (v) October 26, 2021 (vi) December 6, 2021; (vii) February 3, 2022, and (viii) March 19, 2022, respectively. The intervening gap between two Meetings was within the period prescribed under the Companies Act, 2013. The Company is also complying with DPE Guidelines on Corporate Governance for CPSEs and Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Board Meetings (SS-1) and General Meetings (SS-2), to the extent applicable.

The details of Directors' attendance at Board Meetings, last Annual General Meeting (AGM) held during the financial year 2021-22 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 27, 2021)	No. of other Directorships as on March 31, 2022
		Held during the tenure	Attended	Percentage of Attendance		
1.	Shri Sanjay Malhotra*	7	7	100%	Present	NA
2.	Shri S.K.G Rahate#	1	1	100%	N.A	1
3.	Shri Sanjeev Kumar Gupta@	5	5	100%	Present	NA
4.	Shri Ajoy Choudhury	8	8	100%	Present	1
5.	Shri Vijay Kumar Singh	8	7	87.5%	Present	2
6.	Shri Sanjay Kumar	8	8	100%	Present	Nil

** Shri Sanjay Malhotra was holding charge as Chairman and Director till February 10, 2022.*
#Shri S.K.G Rahate (DIN: 05254178) was Chairman of the Company from February 22, 2022 to May 10, 2022.
@ Shri S.K.Gupta ceased to be director on the board of the Company w.e.f November 1, 2021 on account of superannuation from services of holding Company.

5. COMMITTEE OF BOARD OF DIRECTORS

5.1 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE.

RECPDCL has endeavoured to serve the Society at large. During financial year 2021-22, CSR initiatives were pursued and the Company has extended financial assistance for the projects that provide integrated development in society in the field of education, rural development, health services strengthening & empowerment of the marginalized and underprivileged sections/communities.

As per the provisions of the Companies Act, 2013 & Rules made thereunder and DPE Guidelines on Corporate Social Responsibility, your Company has a Corporate Social Responsibility Committee and the composition of the committee as on March 31, 2022 is as under:

1. Shri Ajoy Choudhury, Chairman of the Committee;
2. Shri V.K. Singh, Member of the Committee; and
3. Shri Sanjay Kumar, Member of the Committee.

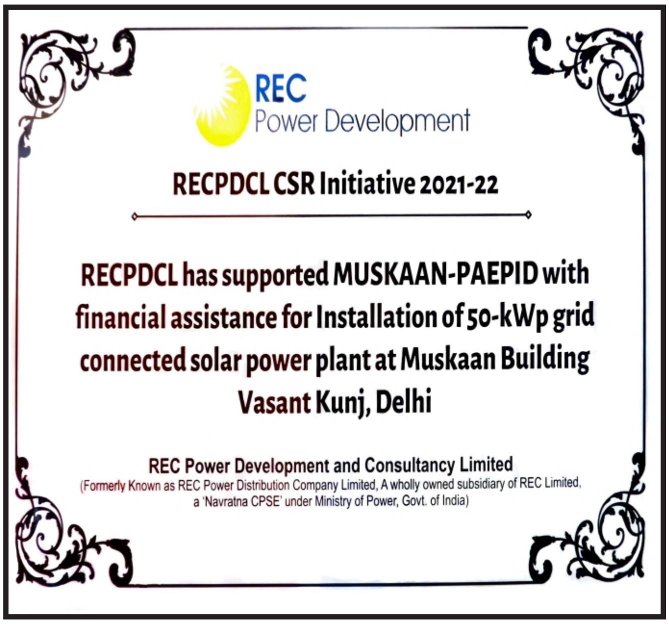
During the financial year under review the CSR Committee met thrice on May 24, 2021, August 13, 2021 and March 19, 2022 and details of Directors' attendance are given below:

Name of the Directors	Position in the Committee	No. of Meeting held during the tenure	No. of Meetings attended
Shri Ajoy Choudhury	Chairman	3	3
Shri V.K. Singh	Member	3	3
Shri Sanjay Kumar	Member	3	3

5.2 CSR BUDGET, EXPENDITURE & POLICY

Corporate Social Responsibility Policy is available at the website of the Company as under: https://www.recpdcl.in/csr.php

For the financial year 2021-22, RECPDCL has allocated a CSR Budget of ₹167.95 lakh i.e. 2% of average net profits for last three financial years, as per the Companies Act, 2013 and an amount of ₹118.40 lakh has been spent on projects under CSR for financial year 2021-22. Further, the amount set-off as excess spent in financial year 2020-21 is ₹49.55 lakh. Accordingly, total amount disbursed towards ongoing & new sanctioned CSR projects/activities was ₹167.95 lakh including set-off of excess spent in previous financial year as per the details appearing in the "Annual Report on CSR Activities" forming part of this Annual Report.



RECPDCL has supported MUSKAAN-PAEPID with financial assistance for Installation of 50 kWp grid connected solar power plant at Muskaan Building, Vasant Kunj, Delhi.

CSR Assistance to Healthy Aging India for providing Cost-Effective Living Facility to needy and less served Older Adults in Sriniwaspuri, Ashram, Delhi.

6. GENERAL BODY MEETINGS

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

Meeting No.	Financial Year	Date	Venue	Whether any Special Resolution passed
12th	2018-19	August 27, 2019	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003	No
13th	2019-20	September 22, 2020		No
14th	2020-21	September 27, 2021		No

During the Financial year 2021-22, One Extraordinary General Meeting for the purpose of name change of Company was held on June 25, 2021. Further, no resolution was passed by Postal Ballot during the year.

The details of 15th Annual General Meeting for the Financial Year 2021-22 is as under:

Day and Date	Time	Venue
Monday, September 19, 2022	5:00 PM	Core-4, SCOPE Complex, 7 Lodhi Road, New Delhi-110003.

7. KEY MANAGERIAL PERSONNEL

The provisions of the Section 203(1) of Companies Act 2013 read with the Companies Rules, 2014 relating to appointment of Key Managerial Personnel 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 i.e. REC Limited has deployed various officials on part-time/full time basis, who are having rich and varied experience in the respective fields.

Human Resources

The manpower composition of the Company includes regular employees deployed by REC, Fixed Tenure Employees hired on contract basis and Outsourced staff engaged through empaneled agencies to render value added consultancy services in power sector across the country with the highest quality standards to its valued clients for implementation of various projects across the country. The details of total manpower of your Company at the end of financial year 2021-22 vis-a-vis 2020-21 are as under:

Sl. No	Particulars	No. of Employees	
		FY 2021-22	FY 2020-21
1	Regular Employees deployed by REC	**51**	33
2	Fixed Tenure Employees & hired on Contract basis	**53**	49
3	Outsourced staff on Contract basis through Manpower Agencies	**882**	1040
	Total	**986**	**1122**

Further, 12 consultants have also been appointed during the year.

Training and Development:-

In order to enhance the innovation quotient among the workforce of the Company and provide knowledge to ensure compliances and awareness, your Company conducts in-house training programmes on regular basis for regular as well as contractual employees.

Performers of our Company felicitated by Hon'ble Minister of State for Power and Heavy Industries, Government of India on 16th Foundation Day Event

8. DIRECTORS' RESPONSIBILITY STATEMENT

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, 2022 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

b) such accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company 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.

9. RIGHT TO INFORMATION ACT, 2005

During the financial year 2021-22, Six RTIs under "Right to Information Act, 2005" have been received for which adequate reply has been submitted.

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

Being a wholly owned subsidiary Company of REC, the Company is following the procurement guidelines of the holding Company to the extent applicable. The procurement guidelines are also available on REC's website at the link: https://www.recindia.nic.in/uploads/files/PublicProcurementPolicy.pdf

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

The Company has formed a committee under chairmanship of senior woman official under "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013". During the financial year 2021-22, no complaint was received by the Company under POSH Act, 2013.

12. ANNUAL RETURN

The Annual Return of the Company for the financial year 2020-21 filed with the Ministry of Corporate Affairs (MCA); and the draft Annual Return for the financial year 2021-22, are available on the website of the Company at www.recpdcl.in. After filing of the Annual Return for financial year 2021-22 with MCA, the same will be uploaded on the website at the same weblink.

13. 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.

14. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & 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. No earnings or outgo in foreign exchange was made during the financial year 2021-22.

15. NAME CHANGE OF THE COMPANY

Pursuant to amalgamation of the Company, it was viewed that the name of the Company "REC Power Distribution Company Limited" captured the essence of its enlarged objects in a limited manner, since it gives an impression that the Company is mainly into the distribution business. Accordingly, the Board of Directors and Shareholders approved the proposal for name change of the Company to REC Power Development and Consultancy Limited.

After fulfillment of the statutory compliances, the Registrar of Companies has approved the change of name of the Company from REC Power Distribution Company Limited to 'REC Power Development and Consultancy Limited' and has issued fresh Certificate of Incorporation on July 16, 2021.

16. RISK MANAGEMENT

Presently a separate Risk Management policy for the Company has not been developed. However there is no such element of risk which in the opinion of the Board may threaten the existence of the Company. The Board and Senior Management of your Company monitors various risks likely to arise and reviews the various risks and initiates action for mitigation of any risk arising in the operation and other related matters of the Company.

17. AUDITORS

17.1 Statutory Auditors

M/s A.K Batra & Associates, Chartered Accountants, (Firm Regn. No. 003499N) New Delhi was appointed as Statutory Auditors of the Company for the Financial Year 2021-22 by the Comptroller & Auditor General of India (C&AG). The Statutory Auditors have audited the Financial Statements of the Company for the financial year ended March 31, 2022 and have issued their Standalone and Consolidated Report without any adverse remark/ observations/qualifications.

Further, pursuant to Section 139(5) of Companies Act, 2013, Comptroller & Auditor General of India (C&AG) has appointed M/s A.K. Batra & Associates, Chartered Accountants as the Statutory Auditors of the Company for the financial year 2022-23. The members are requested to approve the remuneration as recommended by the Board of Directors of the Company in its meeting held on September 14, 2022.

18. COMMENTS OF C&AG OF INDIA

The Comptroller and Auditor General of India, vide letters dated July 11, 2022 has given 'Nil' Comments on the Standalone and Consolidated Audited Financial Statements of REC Power Development and Consultancy Limited for the year ended March 31, 2022 under Section 143 (6) (b) of the Companies Act, 2013. The Comments of C&AG for the financial year 2021-22, have been placed along with the report of Statutory Auditors of the Company elsewhere in this Annual Report.

19. DETAILS OF SUBSIDIARY COMPANIES

As on March 31, 2022, the Company had 8 wholly owned subsidiary Companies:

1. Chandil Transmission Limited; (CIN: U40108DL2018GOI330905)
2. Dumka Transmission Limited; (CIN: U40300DL2018GOI331490)
3. Koderma Transmission Limited; (CIN: U40300DL2018GOI331192)
4. Mandar Transmission Limited; (CIN: U40101DL2018GOI331526)
5. Bidar Transmission Limited; (CIN: U40106DL2020GOI364498)
6. Rajgarh Transmission Limited; (CIN: U40106DL2020GOI364436)*
7. MP Power Transmission Package-I Limited; (CIN: U40108DL2020GOI367417)
8. ER NER Transmission Limited; (CIN: U40108DL2021GOI387793)

*Rajgarh Transmission Limited;(CIN:U40106DL2020GOI364436) has been transferred to M/s G R Infraprojects Limited on May 30, 2022.

During the financial year, following subsidiaries has been transferred namely:

- Fatehgarh Bhadla Transco Limited (CIN: U40108DL2020GOI364227) has been transferred to M/s Power Grid Corporation of India Limited on June 4, 2021
- Sikar New Transmission Limited (CIN: U40106DL2020GOI364672) has been transferred to M/s Power Grid Corporation of India Limited on June 4, 2021.
- MP Power Transmission Package-II Limited (CIN: U40100DL2020GOI368275) has been transferred to M/s Adani Transmission Limited on November 1, 2021
- Kallam Transmission Limited (CIN: U40106DL2020GOI364104) has been transferred to M/s IndiGrid 1 Limited (Lead member) on December 28, 2021.
- Gadag Transmission Limited (CIN: U40100DL2020GOI364213) has been transferred to M/s Renew Transmission Ventures Private Limited on March 17, 2022.

Further, during the financial year, one subsidiary Company has been incorporated on October 6, 2021 namely ER NER Transmission Limited. Also, during the financial year, one subsidiary Company namely Dinchang Transmission Limited (CIN U40300DL2015GOI288066), has been struck off from Register of Companies on August 17, 2021.

A report on the performance and financial position of each of such companies, which have become or ceased to be subsidiaries, during the financial year, as per the Companies Act, 2013 is provided in Form AOC-1 which forms part of this Annual Report.

Special Purpose Vehicles (SPVs) are subsidiary companies in terms of the provisions of Companies Act, 2013. However, these companies are managed as per the mandate from Government of India (GoI)/ State Governments and the Company does not have the ability to direct the relevant activities of these SPVs unilaterally. The Company therefore, considers its investment in respective SPVs as associates having significant influence.

20. STATUTORY DISCLOSURES

a) There was no change in the nature of the business of the Company during the financial year 2021-22.

b) The Company has not accepted any public deposits during the financial year 2021-22;

c) No material change affecting the financial position of the Company has occurred between the end of the financial year i.e. March 31, 2022 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 the Company's operations in future;

e) The Statutory Auditors have issued Report on the financial statements of the Company as on March 31, 2022 without any adverse remark/observations/qualification;

f) The Company ensures 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 has not entered into any material, financial or commercial transactions 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;

h) The Directors/Senior Officials of your Company, being the employees of the holding Company i.e. REC, have made the required disclosures, as applicable, 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.);

i) The administrative and office expenses for the financial year 2021-22 is ₹1099.62 Lakh as compared to ₹ 1020.23 Lakh during the financial year 2020-21. Further, during the financial year 2021-22, administrative and office expenses as a percentage of total expenses were 10.15% as compared to 6.71% during the previous year;

j) The Board and Senior Management of your Company monitors various risks likely to arise and reviews the various risks and initiates action for mitigation of any risk arising in the operation and other related matters of the Company;

k) 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 Auditors for conducting the Internal Audit;

l) The particulars of investments under Section 186 of Companies Act, 2013 are given in the notes to accounts to financial statement of the Company and as such form part of this Annual Report ;

m) The provisions of Section 197 of the Companies Act, 2013 and Rules made thereunder are not applicable to government companies;

n) The Company has not issued any stock options to the Directors or any employee of the Company;

o) 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;

p) 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;

q) The Company is a wholly owned subsidiary of REC Limited and accordingly Presidential Directives issued by the Central Government, for the financial year 2021-22 and during last three years preceding the financial years if any, shall apply to the Company, to the extent applicable and are being complied;

r) There is no vigilance case pending as on March 31, 2022;

s) The Company is complying with the requirement as stated in OM dated January 24, 2018 of Ministry of Parliament Affairs, Government of India, to the extent applicable;

t) The Central Government has not prescribed the maintenance of cost records for the products/services of the Company under Companies (Cost Records and Audit) Rules, 2014, read with Companies (Cost Records and Audit) Amendment 24 Rules, 2014 prescribed by the Central Government under Section 148 of the Companies Act, 2013. Accordingly, Cost Accounts and Records are not required to be maintained by the Company;

u) The provision relating to Audit Committee is not applicable to the Company. However the financial statements of the Company are being reviewed by audit committee of holding Company;

v) As on March 31, 2022, there was no application made or proceeding pending against RECPDCL, for initiation of Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. Further, details of difference between amount of valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions, are not applicable;

w) In pursuance of the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010, issued by DPE, quarterly Compliance Report is being submitted to the Ministry of Power within 15 days from the end of quarter and annual Compliance Report is being submitted by May 31, every year, as given below:

Report for Quarter ended	**Date of submission of report**
June 30, 2021	July 7, 2021
September 30, 2021	October 14,2021
December 31, 2021	January 7, 2022
March 31, 2022	April 7, 2022
Annual CG Report for Financial Year 2021-22	**April 7, 2022**

21. COMPLIANCE CERTIFICATE

As per Clause 8.2 of Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by DPE, the Certificate confirming the compliance of conditions of Corporate Governance for the financial year ended March 31, 2022, obtained from M/s Rajat Khaneja & Associates, Practicing Company Secretaries, is annexed to this Report.

22. 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**
Management Discussion and Analysis Report	**I**
Compliance Certificate on Corporate Governance	**II**
Annual Report on CSR Activities	**III**
Particulars of Contracts or Arrangements with Related Parties	**IV**

23. ACKNOWLEDGEMENTS

The Directors are grateful to the Ministry of Power, State Governments, State Electricity Boards, State Power Utilities, Central Electricity Authority, Central Transmission Utility, DPE, REC (holding Company) for their continued co-operation, support and guidance in effective management of the Company's affairs and showing trust in the Company. Further, Directors also place on record their sincere appreciation for the continued support and goodwill of the esteemed shareholders.

The Directors also thank M/s A.K. Batra & Associates, Chartered Accountants, Statutory Auditors, M/s B.D. Gupta & Associates, Chartered Accountants, Internal Auditors, M/s Singh Ray Mishra & Co., Chartered Accountants, M/s Rajat Khaneja & Associates, Company Secretaries in Practice and the Comptroller & Auditor General (C&AG) of India for their valuable contribution.

The Directors also sincerely appreciate and thank all the employees of the Company for their valuable contribution and dedicated efforts in steering the Company to great performance for yet another year in succession.

For and on behalf of the Board of Directors

(Vivek Kumar Dewangan)
Chairman
DIN:01377212

Date: September 14, 2022
Place: New Delhi

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

1. INTRODUCTION

Energy sector forms one of the critical elements of any nation's economic development. In the meantime, with growing urban population and rapid economic growth, the demand for electricity is going to grow in leaps and bounds. The increasing demand in electricity consumption calls for both public and private investment in overall power sector, especially in Power Distribution sector.

Ministry of Power, in past years, had taken massive initiatives to transform the country from power deficit to power surplus nation, connecting the whole nation into one grid, strengthening the distribution system and achieving universal village and household electrification. Government's continuous endeavor through implementation of energy efficiency programmes has resulted in reduction of energy intensity and hence reduction of CO_2 emission.

2. BUSINESS ENVIRONMENT

During the Financial Year 2021-22, the Peak Demand of electricity increased to 203.01 GW as against 190.19 GW in financial year 2020-21 and the Installed Generation Capacity is 399.49 GW with generation mix of Thermal (59.10%), Hydro (11.7%), Renewable (27.51%) and Nuclear (1.7%) as on March 31, 2022. During the financial year 2021-22, total 14,895 circuit kilometers (ckms) of transmission lines (220 kV and above) have been commissioned. Similarly, 78,982 MVA of transformation capacity of substations (220 kV and above) has been added during the financial year 2021-22.

Power Distribution remains the most critical link in the power sector value chain. It generates cash that feeds the entire value chain right upto power generation and fuel supply. The impact of any inefficiency or financial mismanagement within power distribution flows to all upstream players in the value chain, which adversely affects their operations and financial viability. Government of India has launched multiple schemes in the past to support States/Discoms to improve operational and financial efficiency which include Deen Dayal Upadhyaya Gram Jyoti Yojana(DDUGJY), Integrated Power Development Scheme (IPDS) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya). These Central Sector Schemes have helped Discoms in strengthening and augmenting of sub-transmission and Distribution network and IT enablement. As a result, the country achieved universal electricity access for the households with significant improvement in availability of Power supply in both rural and urban areas.

With these significant achievements, the focus of the Government has shifted to two major outstanding challenges in the Distribution Sector

(i) Addressing Financial sustainability of the Distribution Sector.
(ii) Increasing consumer centricity in the Distribution Sector.

3. INDUSTRY DEVELOPMENT

India is the third largest producer and consumer of electricity in the world, with total installed power capacity of over 399 GW as on March 31, 2022. Indian power sector is highly diversified with conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power on one hand; and renewable energy sources such as solar power, wind power and agriculture & domestic waste, on the other hand. The natural resources for electricity generation in India are unevenly dispersed and concentrated in just few pockets. Transmission & Distribution are important element in the power delivery value chain.

In order to meet efficient dispatch of power to deficit regions an extensive network of transmission lines has been developed over the years for evacuating power produced by different electricity generating stations and distributing the same to the consumers. The nominal Extra High Voltage lines in vogue are ± 800 kV HVDC & 765 kV, 400 kV, 230/220 kV, 110 kV and 66 kV AC lines.

The Government has taken several policy measures for improvement of the power transmission sector of the country. Several grid expansion programmes such as the Green Energy Corridor and cross-border links are underway to expand the physical grid infrastructure. Further, transmission utilities, at the central and state level are expected to invest significantly in new technologies to make grids more reliable, resilient, secure and smart. The sector is also expected to immensely benefit from major policy reforms, including the Electricity Act amendments and the Tariff Policy amendments.

Initiatives have been designed to tackle the longstanding financial and operational issues of Discoms relating to Aggregate Technical & Commercial (AT&C) losses, Average Cost of Supply-Average Revenue Realized (ACS-ARR) gap, corporate governance and financial liquidity; and changing their orientation to a service centered approach, with the consumer as the focus.

At the same time, equal emphasis has been given to modernize the Discoms with the use of technology like pre-paid smart metering, Supervisory Control and Data Acquisition (SCADA), billing solutions, digital payments and CRM systems. Further, GoI has taken multiple steps to create a conducive environment around ailing Discoms with the initiatives like introducing corporate governance in the day to-day operations of the companies; laying down prudential norms for funding agencies to be followed before sanction of working capital loans to power distribution companies; and bringing focus on segregation and solarization of agriculture feeders to minimize state government subsidy burden as well as reducing dependence of DISCOMs on subsidy receivables. The landmarks, reforms and achievements in Power sector, especially in Power Distribution Sector are as hereunder:

a) Revamped Distribution Sector Scheme (RDSS)

MoP had notified RDSS to provide reform-based result-linked financial assistance to DISCOMs to strengthen the supply infrastructure. This is a conditional scheme where funds will be released on meeting pre-qualifying criteria and achieving basic minimum benchmarks. RDSS has an outlay of ₹ 3,03,758 crore over 5 years i.e. financial year 2021-22 to financial year 2025-26. The outlay includes an estimated Government Budgetary Support (GBS) of ₹97,631 crore. The main objectives of RDSS are:

i. Reduction of AT&C losses to pan-India levels of 12-15% by financial year 2024-25.
ii. Reduction of ACS-ARR gap to zero by financial year 2024-25.
iii. Improvement in the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.
iv. Modernization of the Discoms through technology enhancement in the areas of asset management, customer experience and business operations.

Learning from the experience of previous schemes, RDSS has been developed to address state-specific needs. Each applicant DISCOM is required to prepare an Action Plan for strengthening its distribution system and improving its performance by way of various reform measures, which would result in improvement in their operational efficiency and financial viability as well as improve the quality and reliability of power supply to the consumers.

b) Additional Financial Accommodation

In line with the recommendations of the Fifteenth Finance Commission, Ministry of Finance (GoI) has launched a program in June 2021 to allow additional borrowing space to State Governments, over and above their revised RBN limits, provided specific reforms are undertaken and sustained by the State in the power sector. The extent of additional borrowing allowed to a State will be based on its performance against the defined eligibility conditions and the evaluation criteria. Additional borrowing upto 0.50% of GSDP will be allowed based on their score against the performance evaluation criteria, provided entry level conditions are met. The entry conditions and the evaluation criteria are related to the steps to be taken to make the DISCOMs viable. It is expected that the scheme will help in improving the financial performance of DISCOMs which will enable them to settle outstanding liabilities including GENCO dues.

c) Corporate Governance Guidelines

'Guidelines for Corporate Governance of State Power Distribution Utilities (DISCOMs)',in order to enable mechanisms for performance improvement and accountability. The guidelines have been prepared based on provisions of Companies Act 2013, DPE Guidelines, SEBI Regulations and best practices followed by private DISCOMs. It is anticipated that implementation of these Guidelines will result in better governance of DISCOMs leading to overall improvement in their operational and financial performance.

d) Privatization of power distribution in Union Territories

As part of the Aatmanirbhar Bharat Abhiyaan, the Government of India announced privatization of power departments & power distribution utilities in Union Territories. The main objectives behind privatization are to improve the quality, reliability of power supply, providing better services to consumers and to achieve global benchmarks in operational and financial efficiencies.

e) Liquidity Infusion Scheme

Covid 19 was a major disruptor in the smooth functioning of various Sectors including the Power sector.To alleviate the liquidity problems of the Discoms,a liquidity infusion scheme under Aatmanirbhar Bharat Abhiyan was announced by Government of India envisaging funding by REC and PFC to Discoms for clearance of their outstanding dues of CPSU GENCOs & TRANSCOs, IPP and RE Generators as on June 30, 2022. Till March 31, 2022, the amount sanctioned was ₹1.40 Lakh crore and the amount disbursed is ₹1.12 lakh crore.

f) Smart Metering

Ministry of Power has requested all the States to prepare a roadmap for shifting over to smart pre-payment meters/ pre-payment meters including timelines. Also, Ministry of Power vide notification dated August 17, 2021 has issued timelines for the replacement of existing meters with smart meters. The Electricity (Rights of Consumers) Rules, 2020 was notified on December 31, 2020 and as per this Rule, no connection shall be given without a meter and such meter shall be the Smart prepayment meter or pre-payment meter.

g) Other Initiatives

a) Separation of CTU from POWERGRID.
b) Revamping transmission planning process to facilitate Renewable Energy.
c) Revised Standard Bidding Documents (SBDs) for award of Transmission service on competitive bidding basis.
d) Bringing 33 kV system under Transmission for performance improvement of sub-transmission System.
e) Disaster Resilient Infrastructure.
f) Standard Specifications and Technical Parameters for Transformers and Reactors (66kV) and above voltage class.

4. WEAKNESS AND THREATS

The power sector is expected to face new problems like disruption of project execution schedules, migrant labour movement, pressure on finances and liquidity crunch. The Power Sector in itself has several high risks, with a plethora of common issues of infrastructure projects, longer time horizon, dynamic policy environment and intense competition. The Company is also concerned about poor financial health of State discoms, high AT&C losses, rising competition, uncertain business environment etc. Further, the average national PLFs have been low and the State discoms have a muted demand. The continuing impact of Covid-19 is having impact on projects execution progress of the company.

Apart from the consultancy works in power distribution, the sector has become more and more competitive in recent years and become broad due to entry of new & small players giving tough challenges to the company. Various threats in consultancy are as under:

a) The PMA/RQM/TPI projects are on the verge of completion leading to reduction in overall revenue generation from the same.

b) Inadequate experience in implementation projects in Distribution sector and shortage of skilled resources limit the scope of business diversification in other promising fields e.g. Distribution Franchisee or discom privatization works which are generally awarded through competitive bidding process.

c) Majority of employees are on Contract basis hired from outsourced agencies.

d) Solar Empaneled agencies are interested to work as turnkey EPC and want RECPDCL to invest or arrange fund. However, for smaller projects most of the agencies themselves are capable enough to bid on their own.

e) Strategic partnership with limited number of agencies restricts RECPDCL in venturing into new business areas as well as lesser leverage in technology intensive projects.

f) Financial health of discoms pose challenge in getting timely payment for our various services.

g) The concept of PMA came up with a budgetary support by the central government under the respective schemes. Discoms generally do not prefer to engage PMAs if the project is being implemented by their own funds.

5. OPPORTUNITIES

India is expected to remain one of the fastest growing emerging market economies in the world, despite challenging business environment. With key reforms on the block, India is seen as an engine of global growth. In the power sector, enhanced budget, faster implementation and continuation of reforms are expected to provide further impetus to growth. Considering low levels of per capita energy consumption in India vis-à-vis the world average; and the Government's strong efforts towards economic development, it is felt that the outlook for power sector remains strong in the long term. The recent developments in Power Distribution sector has opened up new avenues of business diversification for RECPDCL while creating opportunities for the company.

a) The Government has launched Revamped Reforms-Linked Results-Based Distribution Sector Scheme wherein Discoms have the provision of appointment of PMA as well as PIA of smart metering projects along with unified billing system across the DISCOMs of pan-India. Currently RECPDCL has the opportunity in Kerala, Gujarat, Maharashtra and Ladakh.

b) RECPDCL has the opportunity to showcase its flagship project across discoms while extending the energy accounting model upto consumer level.

c) The company plans to enter as a developer in green energy sector with participation in several bidding in the growing solar sector.

d) The company is also executing the transmission projects as PIA at strategic locations e.g Leh & Srinagar sectors.

e) The company is poised to provide Digital solutions for utilities like National Feeder Monitoring Scheme (NFMS), Smart Pre-paid metering, billing solutions, development of Utility scale solar projects and aspiring to become Distribution Franchisee /Distribution licensee also.

f) With an objective of monitoring the reliability and Quality of Power, RECPDCL is already working on setting up a National Feeder Monitoring System (NFMS) which comprises of Central IT Solution which shall integrate with all Feeder Monitoring Solutions of the country with a vision of monitoring 100% of rural and urban feeders centrally. Further, to expedite feeder monitoring, RECPDCL is also the PIA for installation of Smart Feeder Meters on feeders for discoms opting for it.

g) The company is developing Unified Billing Solution for DISCOM to bring all utilities on the same platform.

6. PRODUCT-WISE & SEGMENT-WISE PERFORMANCE

RECPDCL has been working with most of the DISCOMs/Power Departments/Co-operative Societies in the country across power value chain. During the financial year 2021-22, the performance of RECPDCL has been consistent in its core business viz. Bid Process Coordinator (BPC) for TBCB projects, Project Implementing Agency (PIA) for implementation of distribution infrastructure, SCADA and Smart metering projects, Preparation of Detailed Project Reports (DPR), Third Party Inspection (TPI), Pre-dispatch Material Inspection, Project Management Consultant (PMC)/ Project Management Agency (PMA) under DDUGJY / IPDS/ other state funded schemes/government schemes. Presently, the works undertaken by RECPDCL also include the following:

Urja Mitra App

Urja Mitra is an initiative of Ministry of Power, Government of India which provides Outage Management and Notification Platform for disseminating the outage information to power distribution consumers across India through SMS/email/push notifications. It also provides Pan-India integrated Mobile Application for Android and iOS platforms to enable citizen to access outage information. Power Consumers can also inform about power outage in their area through mobile app.

As on June 30, 2022, data of around 23.24 crore Rural/Urban/Mixed feeder consumers of 53 DISCOMs have already been linked on web portal and the application is live in 49 DISCOMs with consumer base of approximately 23.01 crore. Almost 530 crore SMS have been sent to the consumers.

11 kV Rural Feeder Monitoring Scheme

RECPDCL (erstwhile RECTPCL) has been appointed as the Implementing agency for "11 KV Rural Feeder Monitoring Scheme". The scheme aims to enable monitoring of energy input/power supply at feeder level and also to give an accurate picture of power supply in rural area of country to ensure achievement of “24x7 Power for All”. Under the scheme, the distribution parameters viz. Power supply hours, outage, voltage, Current & PF, are captured. This scheme targets to develop a self-sustained, independent, web based automated system by installing Modem/DCUs for rural, agricultural and mixed (agriculture rural) feeders across country by acquiring various essential parameters of all the outgoing 11kV rural feeders and such 66/33 kV incoming feeders from where 11kV rural feeders are emanating and making the information available online for all stakeholders. Under the scheme, meter data of rural feeders is sent to central Meter Data Acquisition System (MDAS) for analysis and the same is then integrated with National Power Portal (NPP) to make it available for use of all stakeholders. These reports are useful in decision support for betterment of rural power supply status.

Tarang (Transmission App for Real-Time Monitoring and Growth)

Tarang monitors the progress of transmission system in the country, both Intra State and Inter State Transmission Projects through Tariff Based Competitive Bidding (TBCB) as well as Regulated Tariff Mechanism. Tarang also shows the prospective upcoming Intra-State as well as Inter - State Projects along with NITs being floated by different Transmission Utilities Pan-India. Tarang provides advance information of upcoming transmission projects approved by Empowered Committee on Transmission helping bidders to gear up future transmission projects.

Implementation of National Feeder Monitoring System (NFMS)

Your Company has been awarded the work of Implementation of National Feeder Monitoring System with an objective of monitoring the reliability and quality of Power of all rural and urban feeders across the country. Under this project, NFMS Central IT Solution shall be developed wherein RECPDCL shall establish state-of-art central IT Solution comprising of Data ingestion, Data Processing, Data Storage and Data Analytics. The system shall provide key insights for different stakeholders i.e. Ministry of Power, Utilities, RECPDCL and the consumers.

7. STRENGTHS OF RECPDCL

- RECPDCL has core expertise as Bid Process Coordinator (BPC) and successfully transferred 40 SPVs of Transmission projects playing the role as a BPC.
- RECPDCL having “Expertise in preparation of DPR for distribution infrastructure work".
- Company has been working for more than 10 years as PMA for DPR preparation and Third party Inspection Agency work .
- RECPDCL has presence in lot of states and Union Territories. Further, the core competency of the company lies in capturing reliable primary data and In-house analysis in almost all the states and therefore has a clear understanding of the state specific business environment and probable challenges.
- Being a subsidiary of Nodal Agency for flagship programmes e.g. DDUGJY, Saubhagya, RDSS provides high probability of getting business opportunities.
- The company operates in entire span of Transmission & Distribution sector.

8. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a system of Internal Control including suitable monitoring Policies & Procedures to ensure the methodical and efficient conduct of its business, safeguarding its assets, the prevention and detection of swindles and errors, accurate and timely completion of the Accounting records and preparation of reliable Financial Information.

The Management of the organization reviews the problems being faced by the employees in day to day operations, non-compliance with the corporate policies and various professional codes, or violations of policies, standards, practices and procedures periodically. In performance management activities the employees take part in all compliance and performance data collection and processing activities as they are part of various organizational units and are also responsible for various compliance and operational-related activities of the organization.

Suitable delegation of power, adequate checks and balances and guidelines for accounting have been issued to ensure that internal control systems are in order and regular & exhaustive Internal Audit of business operations are conducted by external professional audit firms. The Internal Audit covers all the major areas of operations including identified such as Statutory Compliances, IT Security Guidelines and Internal Financial Control covering all the major areas of operations.

9. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The manpower composition of the Company includes regular employees deployed by REC, Fixed Tenure Employees hired on contract basis and Outsourced staff engaged through empaneled agencies to render value added consultancy services in power sector across the country. In order to enhance the innovation quotient among the workforce of the Company and gain knowledge to ensure compliances and awareness, the Company conducted in-house training program on regular basis for newly recruited, own and contract employees, to enhance the innovation quotient among the workforce of the Company.

10. FINANCIAL AND OPERATIONAL PERFORMANCE

During the financial year 2021-22, your Company has achieved a total revenue of ₹177.20 crore against previous year’s revenue of ₹184.69 crore and Profit after Tax of ₹53.03 crore against the previous year’s Profit after Tax of ₹25.62 crore.

The Company has paid interim dividend of ₹880/- (Rupees Eight Hundred and Eighty Only) per equity share (on the face value of ₹10/-each). Further, the Board of Directors have proposed final dividend of ₹1042/- (Rupees One Thousand and Forty Two Only) per equity share (on the face value of ₹10/-each), subject to the approval of shareholders of the company in this Annual General Meeting as against ₹1743/- per share in the previous year. Hence, the total dividend pay-out of ₹1922/- per share (interim and final) for the financial year 2021-22 will amount to ₹16.43 crore.

11. CORPORATE SOCIAL RESPONSIBILITY

As a socially responsible corporate entity, RECPDCL has endeavoured to serve the society at large. During financial year 2021-22, CSR initiatives were pursued and the Company has extended financial assistance for the projects that provide integrated development in society through education, rural development, health services strengthening & empowerment of the marginalized and underprivileged sections/communities.

For the financial year 2021-22, RECPDCL has allotted a CSR budget of ₹167.95 lakh i.e. 2% of average net profit for last three financial years, in compliance with statutory provisions. An amount of ₹118.40 lakh has been spent on projects under CSR for financial year 2021-22. Further, the amount set-off as excess spent in financial year 2020-21 is ₹49.55 lakh. Accordingly, total amount disbursed towards ongoing & new sanctioned CSR projects/activities was ₹167.95 lakh including set-off of excess spent in previous financial year as per the details appearing in the "Annual Report on CSR Activities" forming part of this Annual Report.

For and on behalf of the Board of Directors

(Vivek Kumar Dewangan)
Chairman
DIN:01377212

Date: September 14, 2022
Place: New Delhi

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.

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members,

REC Power Development and Consultancy Limited,

Core-4, SCOPE Complex, 7, Lodhi Road

New Delhi-110003, India.

This is to certify that during the financial year 2021-22, REC Power Development and Consultancy Limited (CIN-U40101DL2007GOI165779) hereinafter referred to as "the Company" has complied with the provisions of guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010 issued by Department of Public Enterprises (DPE) vide O.M. No. 18(8)/2005-GM dated 14th May, 2010 (including any amendments or modification from time to time), to the extent applicable.

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

For Rajat Khaneja & Associates,
(Company Secretaries)

Rajat Khaneja
(Proprietor)
Membership No.: A38840
COP No.: 22900
UDIN: A038840D000612921

Date: July 13, 2022
Place: New Delhi

Annexure-III of Board's Report

ANNUAL REPORT ON CSR ACTIVITIES

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY.

The Company has its 'Corporate Social Responsibility Policy', in consonance with the CSR Policy framework enshrined in Section 135 of the Companies Act, 2013, The Companies (Corporate Social Responsibility Policy) Rules, 2014 notified by the Ministry of Corporate Affairs, Government of India; and Guidelines on Corporate Social Responsibility for CPSEs issued by the Department of Public Enterprises, Government of India.

The salient features of the 'CSR Policy' of the company are as under:

Approach:

RECPDCL shall strive to fully exploit their core competence and mobilize their resource capabilities in the implementation of CSR activities/projects, as also to align CSR policy with their business policies and strategies to the extent possible, and shall select such CSR activities/ projects, which can be better monitored through in-house expertise.

Strategy:

As a responsible corporate entity, RECPDCL shall consistently strive to meet the expectations of the society by supporting initiatives for improving infrastructure/ quality of life of society/ community without compromising on ecological issues on sustainable basis. It shall not support activities which may create dissatisfaction within the society and which may affect social harmony in any manner.

Broad activities under Corporate Social Responsibility:

The Company would endeavour to adopt an integrated approach to address the community, societal & environmental concerns by taking up a range of the following activities, in a focused manner to the extent possible. Although the Company may select CSR projects from a vast range of available options, priority would be accorded to activities pertaining to inclusive growth of society, with special attention to the development of weaker sections of society and the backward districts of the country in the given chosen/focus area(s) and environment sustainability. In line with the above, the Company shall ensure carrying out CSR projects/ programmes in line with activities prescribed under Schedule VII of the said Act.

Financial component:

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 statements prepared and adjusted in accordance with applicable provisions of the Act.

Mechanism of carrying out CSR activities:

The CSR activities shall be undertaken by the Company, as per its stated CSR Policy, as projects or programmes or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

The company may decide to undertake its CSR activities through a company established under section 8 of the Act or a registered trust or a registered society established by the company, either singly or along with any other company, or established by Central Government or State Government or any entity established under an Act of Parliament or a State legislature. In line with the above, the Company may give preference to those agencies which have an established track record of three years in undertaking similar programs or projects.

Monitoring:

The Company shall carry out implementation/ monitoring of the CSR Projects in line with Implementation Progress/Monitoring Guidelines for CSR Projects.

The Company may conduct, through its own manpower or by an external agency, periodic monitoring of CSR projects concurrently with implementation, or otherwise, to assess if the progress is on expected lines in terms of timelines, budgetary expenditure and achievement of physical targets etc.

For detailed CSR Policy, please refer RECPDCL website at www.recpdcl.in

Projects or programme undertaken:

RECPDCL through its CSR initiatives attempts to fund and support socially beneficial projects with sustainability as a guiding principle giving priority to issues of foremost concern as in the national development agenda and to reach a wide spectrum of beneficiaries with a view to empower economically and socially backward communities, old age persons, differently abled, children, youth, etc. The overview of the thematic area-wise projects/ programmes undertaken during the financial year is as follows:

i. Eradicating hunger, poverty and malnutrition, promoting prevention health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation, and making available safe drinking water.
ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
iii. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].

2. Composition of CSR Committee.

As per the provisions of the Companies Act, 2013 & Rules made there under and DPE Guidelines on Corporate Social Responsibility, your company has a Corporate Social Responsibility Committee, comprising of following Directors as Members as on March 31, 2022:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Numbers of meetings of CSR Committee attended during the year
1.	Shri Ajoy Choudhury	Chairman	3	3
2.	Shri V.K. Singh	Member	3	3
3.	Shri Sanjay Kumar	Member	3	3

3. Web links of Corporate Social Responsibility Policy and programmes:

In line with the Companies Act 2013, 'The Corporate Social Responsibility Policy' of the Company and details of the CSR projects approved by the Board of Directors during the financial year have been uploaded on the Company's website i.e. https://www.recpdcl.in/csr.php

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2020-21	58,00,480/-	49,54,946/-

6. Average net profit of the company for last three financial years as per section 135(5):

The net profit of the Company for the last three financial years, as per Companies Act 2013, is as under:

Financial Year	Amount (₹) as per Indian GAAP
2018-19	80,94,27,885
2019-20	108,69,19,802
2020-21	62,28,51,092
Total	**251,91,98,779**
Average net profit	**83,97,32,926**

7. **(a) Two percent of average net profit of the company as per section 135(5):** ₹167,95,000/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: ₹49,54,946/-

Total CSR obligation for the financial year (7a+7b-7c): ₹118,40,054/-

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year 2021-22 (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of Fund	Amount	Date of transfer
1,67,95,000	NIL	NA	NA	----	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the act	Local area (Yes/No)	Location of the Project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration No.
1.	CSR assistance to strengthening of infrastructure facilities in district hospital Bhojpur, Bihar in wake of COVID-19 Pandemic.	Health	NA	Bihar	Bhojpur	2,25,000	No	District Magistrate, Bhojpur	NA
2.	CSR assistance for the project, setting up Learning Resource Centre in aspirational district Khunti, Jharkhand	Education	NA	Jharkhand	Khunti	33,66,448	No	NIMITTA (NGO)	CSR00002000
3.	CSR assistance for the project, Installation of 50 kWp grid connected solar power plant at Muskaan Building Vasant Kunj, Delhi	Environment	NA	Delhi	South Delhi	19,00,000	No	MUSKAAN – Parents Association	CSR00005862
4.	Procurement of Ambulance for development of Infrastructure facilities in District Hospital Kargil	Health	NA	Ladakh	Kargil	8,77,400	No	Chief Medical Officer, Kargil	NA
5.	CSR assistance for the project, construction of Sophisticated School & Rehabilitation Centre for Special Children at Curchorem city area, Goa	Education	NA	Goa	Curchorem city area	10,20,518	No	Chetna Charitable Trust	NA

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the act	(4) Local area (Yes/No)	(5) Location of the Project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration No.
6.	CSR assistance to Kishori Raman Girls Inter College, Mathura for the development/enhancement of education facility in the Kishori Raman Girls Inter College, Mathura	Education	NA	Uttar Pradesh	Mathura	1,14,000	No	REIL	NA
7.	CSR assistance to ASHI Home for Aged Welfare Association (AHAWA) for strengthening of Sri Anne Ramakrishnaiah, Zilla Parishad High School at Gollapalli of Nuzvidmandal at Gollapali village in krishna District Andhra Pradesh	Education & Rural Development	NA	Andhra Pradesh	Krishna District	20,84,373	No	District Magistrate, Krishna District	NA
8.	CSR assistance to Eureka Forbes Institute of Environment (EFIE) for drinking water in 3 schools in gurgaon	Health	NA	Haryana	Gurgaon	7,04,818	No	Eureka Forbes Institute of Environment	NA
9.	CSR assistance to The Collector, Sukma District for development of Infrastructure facilities in District Headquarter Hospital Sukma	Health	NA	Chhattisgarh	Sukma District	3,12,308	No	Collector, Sukma District	NA
10.	CSR assistance to The DM, Khandamal District for development of Infrastructure facilities in District Headquarter Hospital Khandamal	Health	NA	Odisha	Khandamal	3,70,000	No	District Magistrate, Khandamal District	NA
11.	CSR assistance to Artificial Limbs Manufacturing Corporation of India (ALIMCO) for Distribution of Aids & Assistive Devices to Divyangjans in Kerala & Uttar Pradesh.	Health	NA	Kerala	Kannur & Kasargod District	2,15,189	No	ALIMCO	NA
12.	Study program on 'Age Specific Normograms of Anti-Mullerian Hormone (AMH) and Antral Follicle Counts (AFC) in Infertile and Fertile Indian Women' by Department of Obstetrics and Gynecology, AIIMS, Delhi.	Health	NA	Delhi	Delhi	6,50,000	No	AIIMS, Delhi	NA
	Total					**1,18,40,054**			

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e):₹1,18,40,054/-

(g) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	1,67,95,000/-
(ii)	Total amount spent for the Financial Year	1,67,95,000/-
(iii)	Excess amount spent for the financial year [(ii)-(I)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	0

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Amount spent in the reporting financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID.	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting financial Year (in ₹)	Cumulative amount spent at the end of reporting financial Year (in ₹)	Status of the project – Completed/ Ongoing.
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s) : NA

(b) Amount of CSR spent for creation or acquisition of capital asset : NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc : NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The Company has fully spent its CSR Budget for the Financial Year 2021-22.

Sd/-
(V.K. Singh)
Director

Sd/-
(Ajoy Choudhury)
Chairman CSR Committee

Annexure - IV of Board's Report

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:** No material contracts or arrangements or transactions were entered by the Company with any Related Party, during the period under review.

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/ arrangement/ 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.
REC Limited (Holding Company of RECPDCL)	Apportionment of Employee Cost and administration expenses incurred on behalf of the subsidiary.	On-going transaction	Payment of employee cost and administration expenses on actual basis of ₹1996.52 lakhs (excluding GST) for the year ended March 31, 2022.	In reference to providing support to the subsidiary Company for managing the affairs of the Company.	------	Nil	Nil
	Office Rent Expense for the project offices.	For the year ended as on March 31, 2022.	Office Rent of ₹33.41 lakhs (excluding GST) for the year ended as on March 31, 2022.	------	------	Nil	Nil
	Income from rendering of Service	For the year ended as on March 31, 2022.	Consultancy Services of ₹1263.49 Lakhs (excluding GST) for the year ended as on March 31, 2022.	Contract has been awarded through open tendering basis.	------	Nil	Nil
Dumka Transmission Limited (Subsidiary Company)	Reimbursement of Expenses	On-going transaction	₹0.44 Lakhs during the financial year 2021-22.	------	------	Nil	Nil
Chandil Transmission Limited (Subsidiary Company)	Reimbursement of Expenses	On-going transaction	₹0.44 Lakhs during the financial year 2021-22.	------	------	Nil	Nil
Mandar Transmission Limited (Subsidiary Company)	Reimbursement of Expenses	On-going transaction	₹0.44 Lakhs during the financial year 2021-22.	------	------	Nil	Nil
Koderma Transmission Limited (Subsidiary Company)	Reimbursement of Expenses	On-going transaction	₹0.44 Lakhs during the financial year 2021-22.	------	------	Nil	Nil
Bidar Transmission Limited (Subsidiary Company)	Reimbursement of Expenses	On-going transaction	₹1.65 Lakhs during the financial year 2021-22.	------	------	Nil	Nil
Rajgarh Transmission Limited (Subsidiary Company)	Reimbursement of Expenses and Interest	On-going transaction	₹36.92 Lakhs during the financial year 2021-22.	------	------	₹41.30 Lakhs	Nil
MP Power Transmission Package-I Limited (Subsidiary Company)	Reimbursement of Expenses and Interest	On-going transaction	₹100.40 Lakhs during the financial year 2021-22.	------	------	Nil	Nil
ER NER Transmission Limited (Subsidiary Company)	Reimbursement of Expenses and Interest	On-going transaction	₹31.03 Lakhs during the financial year 2021-22.	------	------	₹4.70 Lakhs	Nil
Fatehgarh Bhadla Transco Limited (Subsidiary Company)	Consultancy Fee, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (04.06.2021) to selected bidder M/s Power Grid Corporation of India Limited	₹1208.09 Lakhs during the financial year 2021-22.	------	------	Nil	Nil

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangement/ 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.
Sikar New Transmission Limited (Subsidiary Company)	Consultancy Fee, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (04.06.2021) to selected bidder M/s Power Grid Corporation of India Limited	₹1772.98 Lakhs during the financial year 2021-22.	------	------	NIL	Nil
MP Power Transmission Package-II Limited (Subsidiary Company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (01.11.2021) to selected bidder M/s Adani Transmission Limited	₹497.83 Lakhs during the financial year 2021-22.	------	------	Nil	Nil
Kallam Transmission Limited (Subsidiary Company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (28.12.2021) to selected bidder M/s IndiGrid 1 Limited (Lead member)	₹283.26 Lakhs during the financial year 2021-22.	------	------	₹11.80 Lakhs	Nil
Gadag Transmission Limited (Subsidiary Company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (17.03.2022) to selected bidder M/s Renew Transmission Ventures Private Limited	₹441.30 Lakhs during the financial year 2021-22.	------	------	₹23.60 Lakhs	Nil

For and on behalf of the Board of Directors

(Vivek Kumar Dewangan)
Chairman
DIN: 01377212

Date: September 14, 2022
Place: New Delhi

REC Power Development and Consultancy Limited
(Formerly REC Power Distribution Company Limited)

Standalone Balance Sheet as at 31 March, 2022

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	Notes	As at 31 March, 2022	As at 31 March, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	37.33	58.08
Other intangible assets	5	2.84	4.70
Financial assets			
Investments	6	9,151.49	9,105.81
Other financial assets	7	6,500.39	97.20
Income tax assets (net)	8	848.76	879.32
Deferred tax assets (net)	9	2,537.56	2,332.09
Total non current assets		**19,078.37**	**12,477.20**
Current assets			
Financial assets			
Trade receivables	10	10,064.63	14,563.78
Cash and cash equivalents	11	1,459.03	3,874.74
Other bank balances	12	15,864.47	29,354.88
Other financial assets	13	2,433.70	2,480.35
Current tax assets (Net)	14	337.58	-
Other current assets	15	2,271.04	2,123.63
Total current assets		**32,430.45**	**52,397.38**
Assets classified as held for sale	16	351.98	1,404.57
TOTAL ASSETS		**51,860.80**	**66,279.15**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	8.55	8.55
Other equity	18	32,850.49	29,790.66
Total equity		**32,859.04**	**29,799.21**
Non-current liabilities			
Financial liabilities			
Other financial liabilities	19	149.38	133.36
Provisions	20	38.01	55.16
Other non-current liabilities	21	9.50	25.70
Total non-current liabilities		**196.89**	**214.22**
Current liabilities			
Financial liabilities			
Trade payables	22		
(a) Due to micro, small and medium enterprises		-	0.76
(b) Dues to others		3,647.82	6,185.15
Other financial liabilities	23	14,337.69	28,729.78
Other current liabilities	24	740.49	947.63
Provisions	25	77.82	16.61
Current tax liabilities (net)	26	-	377.64
Total current liabilities		**18,803.82**	**36,257.59**
Liabilities directly associated with assets classified as held for sale	16	1.05	8.13
Total liabilities		**19,001.76**	**36,479.94**
TOTAL EQUITY & LIABILITIES		**51,860.80**	**66,279.15**

Summary of significant accounting policies 1 to 3
The accompanying notes from 4 to 52 are integral part of the financial statements.
These are the financial statements referred to in our report of even date.

For A. K. Batra & Associates
Chartered Accountants
Firm Registration No. 003499N

CA Nitin Grover
Partner
Membership No. 516604

Date : May 11, 2022
Place : New Delhi

For and on behalf of Board of Directors of
REC Power Development and Consultancy Limited

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

REC Power Development and Consultancy Limited
(Formerly REC Power Distribution Company Limited)

Statement of Standalone Profit and Loss for the year ended 31 March, 2022

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	Notes	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Revenue			
Revenue from operations	27	16,001.02	17,028.97
Other income	28	1,718.94	1,457.32
Total Income		**17,719.96**	**18,486.29**
Expenses			
Cost of services rendered	29	7,983.60	10,205.55
Employee benefits expense	30	650.66	583.40
Finance costs	31	261.32	452.46
Depreciation and amortization expense	32	28.03	132.65
Impairment on financial assets	33	(328.91)	2,631.89
Corporate social responsibility expenses	34	167.95	195.48
Other expenses	35	1,099.62	1,022.64
Impairment on assets classified as held for sale	36	970.79	-
Total expenses		**10,833.06**	**15,224.07**
Profit/(Loss) before tax		**6,886.90**	**3,262.22**
Tax expense	37		
Current tax		1,789.87	1,407.66
Deferred tax expense/(credit)		(205.47)	(707.00)
Total tax expenses		**1,584.40**	**700.66**
Net profit/(loss) for the year		**5,302.50**	**2,561.56**
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		-	-
Income tax relating to these items		-	-
Other comprehensive income/(loss) for the year		**-**	**-**
Total comprehensive income/(loss) for the year		**5,302.50**	**2,561.56**
Earnings per equity share			
Basic/diluted earnings per share (In ₹)	38	6,202	2,996

Summary of significant accounting policies 1 to 3
The accompanying notes from 4 to 52 are integral part of the financial statements.
These are the financial statements referred to in our report of even date.

For A. K. Batra & Associates
Chartered Accountants
Firm Registration No. 003499N

CA Nitin Grover
Partner
Membership No. 516604

For and on behalf of Board of Directors of
REC Power Development and Consultancy Limited

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

Date : May 11, 2022
Place : New Delhi

REC Power Development and Consultancy Limited
(Formerly REC Power Distribution Company Limited)

Statement of changes in equity for the year ended 31 March, 2022

A Equity share capital

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	Amount
Balance as at 1 April, 2020	**5.00**
Changes in equity share capital during the year	3.55
Balance as at 31 March, 2021	**8.55**
Balance as at 1 April, 2021	**8.55**
Changes in equity share capital during the year	-
Balance as at 31 March, 2022	**8.55**

B Other equity

Particulars	31 March, 2022				
	General reserve	Retained earnings	Shares pending issuance	Capital reserve	Total
Balance as at 1 April, 2021	**5,313.55**	**24,475.66**	**-**	**1.45**	**29,790.66**
Profit/(Loss) for the year	-	5,302.50	-	-	5,302.50
Dividend					
- Final dividend for the previous year (FY 2020-21)	-	(1,490.27)	-	-	(1,490.27)
- Interim dividend for the year (FY 2021-22)	-	(752.40)	-	-	(752.40)
Balance as at 31 March, 2022	**5,313.55**	**27,535.49**	**-**	**1.45**	**32,850.49**

Particulars	31 March, 2021				
	General reserve	Retained earnings	Shares pending issuance	Capital reserve	Total
Balance as at 1 April, 2020	**5,313.55**	**22,756.60**	**3.55**	**1.45**	**28,075.15**
Profit/(Loss) for the year	-	2,561.56	-	-	2,561.56
Dividend					
- Final dividend for the previous year (FY 2019-20)	-	(842.50)	-	-	(842.50)
- Interim dividend for the year (FY 2020-21)	-	-	-	-	-
Adjustment on account of merger	-	-	(3.55)	-	(3.55)
Balance as at 31 March, 2021	**5,313.55**	**24,475.66**	**-**	**1.45**	**29,790.66**

Summary of significant accounting policies 1 to 3
The accompanying notes from 4 to 52 are integral part of the financial statements.
These are the financial statements referred to in our report of even date.

For A. K. Batra & Associates
Chartered Accountants
Firm Registration No. 003499N

CA Nitin Grover
Partner
Membership No. 516604

Date : May 11, 2022
Place : New Delhi

For and on behalf of Board of Directors of
REC Power Development and Consultancy Limited

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

REC Power Development and Consultancy Limited
(Formerly REC Power Distribution Company Limited)

Standalone Statement of Cash Flows for the year ended 31 March, 2022

(All amounts in ₹ lakh, unless stated otherwise)

	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (Loss) before tax	6,886.90	3,262.22
	Adjustments for:		
	ADD:-		
	Depreciation and amortization expense	28.03	132.65
	Liabilities/Provisions written back	116.43	-
	Impairment on financial assets	(328.91)	2631.89
	Impairment on assets classified as held for sale	970.79	-
	Interest expense on other financial liabilities measured at amortized cost	16.00	14.29
	Loss on sale of property, plant and equipment (net)	0.29	66.31
	Interest expense on lease liability	-	9.71
	Interest on working capital loans	-	6.14
	Loss/(gain) on termination of lease	-	0.19
	Less -		
	Interest income on fixed deposit	(341.67)	(334.33)
	Interest income on tax free bonds	(607.63)	(605.93)
	Interest income from SPVs	(37.22)	(16.41)
	Interest income on NCDs	(70.90)	(70.76)
	Interest income on staggered papers	(15.10)	(15.04)
	Interest income on other financial assets measured at amortized cost	(16.20)	(18.38)
	Profit on sale of property, plant and equipment	-	(0.11)
	Operating profit before working capital changes	**6,600.81**	**5,062.44**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Trade receivables (non current)	-	1,361.52
	Trade receivables (current)	4,828.05	(7,274.81)
	Loans (non current)	-	16.14
	Loans (current)	-	42.58
	Other financial assets (current)	62.85	(24.54)
	Financial Asset - Other bank balances	14,830.95	(5,649.22)
	Other current assets	(147.40)	(215.38)
	Other non-current assets	-	2.95
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	(2,654.53)	1,298.25
	Other financial liabilities (current)	(14,392.07)	6,391.09
	Other current liabilities	(207.14)	226.00
	Provisions (current)	61.21	2.21
	Provisions (non current)	(17.15)	12.09
	Other non-current liabilities	(16.20)	(16.29)
	Liabilities held for sale	(7.08)	(60.10)
	Movement in operating assets and liabilities	2,341.49	(3,887.50)
	Cash generated from operations	**8,942.30**	**1,174.93**
	Less: Tax paid	(2,474.54)	(180.61)
	Net cash flow from operating activities (A)	**6,467.76**	**994.33**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (including capital work-in-progress)	(5.72)	(11.59)
	Sale of property, plant and equipment	(0.07)	18.86
	Purchase of intangible assets	-	(4.79)
	Sale of intangible assets	0.08	-
	Deposits with bank	(1,340.53)	(194.23)
	Deposit with Bank having original maturity period more than 12 Months	(6,403.20)	(60.36)
	Interest received on fixed deposit	341.67	334.33
	Interest received from SPV's	37.22	16.41
	Interest received on tax free bonds	607.63	605.93
	Interest income on NCDs	70.90	70.77

(All amounts in ₹ lakh, unless stated otherwise)

	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Interest income on staggered papers	15.10	15.04
	Purchase of investment in tax free bonds/ NCDs/ staggered bonds		
	Sale/(Purchase) of investments	(45.68)	1.89
	Sale/(investment) of/in shares of associate companies (net)	81.80	(451.10)
	Maturity of term deposits		
	Net cash (used in)/flow from investing activities (B)	**(6,640.80)**	**341.16**
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Dividends paid	(2,242.67)	(842.50)
	Repayment of borrowings	-	(500.00)
	Interest on working capital loans	-	(6.14)
	Lease payment on account of principal payment of lease liability	-	(70.79)
	Lease payment on account of interest payment on lease liability	-	(9.71)
	Net cash used in financing activities (C)	**(2,242.67)**	**(1,429.14)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(2,415.71)**	**(93.65)**
	Cash and cash equivalents at the beginning of the year	3,874.74	3,968.39
	Cash and cash equivalents at the end of the year	1,459.03	3,874.74
	Reconciliation of cash and cash equivalents as per the cash flow statement	**(2,415.71)**	**(93.65)**

Explanatory notes -
Cash and Cash equivalents consists of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits with original maturity of less than three months. The details of Cash and Cash equivalents are as under :-

	As at 31 March, 2022	As at 31 March, 2021
Balance held with schedule bank		
-in current account	650.50	988.52
-in deposit account	808.53	2,886.22

Summary of significant accounting policies 1 to 3
The accompanying notes from 4 to 52 are integral part of the financial statements.
These are the financial statements referred to in our report of even date.

For A. K. Batra & Associates
Chartered Accountants
Firm Registration No. 003499N

CA Nitin Grover
Partner
Membership No. 516604

For and on behalf of Board of Directors of
REC Power Development and Consultancy Limited

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

Date : May 11, 2022
Place : New Delhi

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2022

1. CORPORATE INFORMATION

REC Power Development & Consultancy Limited ("the Company"/"PDCL") was incorporated in the year 2007, with the main objective to engage in the engineering consultancy services, execution of work in the area of decentralized distributed generation (DDG), transmission, Distribution, Generation and Smart Grid etc. in India or abroad or other related activities for Government and other agencies in power sector in India. The Company is domiciled in India and is limited by shares, having its registered office at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India and principal place of business at REC World Head Quarter, D- Block, Sector-29, Gurugram-122001. The Company is a wholly-owned subsidiary of REC Limited (formerly Rural Electrification Corporation Limited)("REC").

The Company is engaged:

(i) in carrying out the third party inspection (TPI), quality monitoring and supervision under Rajiv Gandhi Grameen Vidyutikaran Yojana(RGGVY)/ Deendayal Upadhyaya Gram Jyoti Yojana(DDUGJY)/Saubhagya Schemes.

(ii) in preparation of detailed project report (DPR), project management consultancy (PMC) and project management agency (PMA) under the Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), and Integrated Power Development Scheme (IPDS) Schemes.

(iii) in execution of works of Information Technology (IT) implementation and installation of IT Infrastructure under R-APDRP Part A Schemes, project implementation agency for implementation of various Government of India Projects viz. Prime Minister's Development Package (PMPD), Power System Development Fund (PSDF)(Urja Mitra, Rural Feeder Monitoring Scheme (RFMS). Implementation of Smart Metering Project under RDSS.

(iv) as project management agency (PMA) for turnkey execution of smart grid project under NSGM of Government of India, execution of solar standalone /roof top power plants at various locations across the country.

(v) Bid Process Coordinator (BPC) for Inter State Transmission Systems and Intra State Transmission Systems on Tariff Based Competitive Mode. Company is conducting the bidding process for these projects starting from incorporation, survey, cost estimation of Special Purpose Vehicle (SPV) and selection of qualified bidders to handing over of the SPV to the lowest bidder.

2. STATEMENT OF COMPLIANCE

The Company prepared its Standalone Financial Statements in accordance with the requirements of Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These Standalone Financial Statements comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines.

The financial statements for the year ended 31st March, 2022 were authorized and approved by the Board of Directors on 11 May, 2022.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

2.1 RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

(A) Application of new and revised standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2021. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Interest rate benchmark reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company.

(ii) Ind AS 116: COVID-19 related rent concession

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the financial statements of the Company.

(iii) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.

Recent accounting pronouncements: Standards issued but not yet Effective.

(i) Ind AS 16 – Proceeds before intended use

The amendment mainly prohibits an entity from deducting the cost of Property, plant and equipment amounts received from selling produced while the Company is preparing the assets for its intended use. Instead, an entity will recognize such sale proceeds and related cost in profit and loss.

The Company does not expect the amendment to have any impact in the financial statements.

(ii) Ind AS 37 – Onerous Contract – Cost of fulfilling a Contract

The amendment specify that the "Cost of fulfilling" a contract comprises the "cost that relate directly to the Contract". Cost that relate directly to the Contract can either be incremental costs of fulfilling the contract (example would be direct labour, material) or an allocation of other costs that relate directly to fulfilling the contract.

This amendment is essentially a clarification and the Company does not expect the amendment to have any impact in the financial statements.

(iii) Ind AS 103: Business Combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards* issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments have no impact on the financial statements of the Company.

(iv) Ind AS 109 – Annual improvement to Ind AS 2021

The amendment clarifies which fees an entity includes when it applies the "ten percent" test of Ind AS 109 in assessing whether to derecognise a financial liability.

The Company does not expect the amendment to have any impact in the financial statements.

B. Amendment in Schedule III of the Companies Act,2013

On 24 March, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01 April, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015.

The changes as per the above-mentioned amendment of Companies Act, 2013 have been incorporated in financial statement wherever applicable. Now these changes are showing in current financial statements. Major changes are highlighted below:

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables under undisputed and disputed (if any) categories has been made as per amendment in schedule III of the companies Act, 2013.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Disclosure under additional information such as Ratios with their analysis if difference is more than 25% with previous year wherever applicable has been made.
- Disclosure under additional information such as Relationship with Stuck off Companies has been made as per amended requirement.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the company has evaluated the same to give effect to them as required by law.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in preparation of the financial statements are as given below:

3.1 Basis of preparation and measurement

(i) Going concern and basis of measurement

The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis except for certain financial assets and financial liabilities are measured at fair values at the end of each reporting period.
All assets and liabilities have been classified as current or non-current as per the criteria set out in the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

(ii) Functional and presentation currency:

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

3.2 Revenue recognition

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

The Company, to determine that how much and when revenue is recognized, what is the nature, amount, timing and uncertainty of revenues etc. uses the principles laid down by the Ind AS 115. Revenue is recognized through a 5-step approach:

(i) Identify the contract(s) with customer;
(ii) Identify separate performance obligations in the contract;

(iii) Determine the transaction price;
(iv) Allocate the transaction price to the performance obligations; and
(v) Recognise revenue when a performance obligation is satisfied.

Income from Operation

Revenues are measured at the fair value of the consideration received or receivable, net of discounts and other indirect taxes.

(i) In Cost Plus Contracts - revenue is recognized by including eligible contractual items of expenditures plus proportionate margin as per contract;

(ii) In Fixed Price Contracts –revenue is recognized on the basis of stage of completion of the contract. The Company has assessed that the stage of completion determined as the proportion of the total time expected to complete the performance obligation that has lapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under Ind AS 115.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(iii) Professional charges to be charged from the selected bidders/developers for transmission projects put on tariff based bidding is accounted for in the year in which it is reasonably certain that the ultimate collection of the professional charges will be made.

Sale proceeds of Request for Proposal (RFP) documents is credited to the respective SPV and sale proceeds of Request for Qualification (RFQ) documents is retained by the Company and accounted as income of the Company. From 06th August 2021, MoP, Government of India revised guidelines, sale proceeds of RFP documents are credited to the BPC account.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.3 Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes all expenses, direct and indirect, specifically attributable to its acquisition and bringing it to its working condition for its intended use. Incidental expenditure pending allocation and attributable to the acquisition of fixed assets is allocated/capitalized with the related assets. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Subsequent measurement (depreciation method, useful lives and residual value)

Depreciation on assets is provided on straight-line method in accordance with the useful lives prescribed under Schedule II of the Companies Act, 2013, except for the below assets where different useful lives have been taken on the basis of technical assessment:

Asset class	Useful life as per Schedule II	Useful life adopted by the Company
Office equipment-GPS, Mobile	5 years	2 years
Furniture and fixtures	10 years	5 years

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

Assets individually costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognized.

3.4 Intangible assets

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

Any gain or loss on disposal of an item of intangible assets is recognized in statement of profit or loss.

Subsequent measurement (amortization method, useful lives and residual value)

For amortization of intangibles the amortization amount of intangible assets is allocated on a systematic basis over the best estimate of its useful life. Management estimates useful life of intangible assets to be 3 years.

3.5 Fair value measurement

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

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

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

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

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

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

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

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

3.6 Financial instruments

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

Financial assets:

Initial recognition and measurement

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

Subsequent measurement

Financial assets carried at amortized cost – a financial asset is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the Statement of Profit and Loss.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognized (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Company has not retained control, it shall also derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b) Financial guarantee contracts which are not measured at Fair value through profit & loss account.(FVTPL).

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Financial liabilities:

Initial recognition and measurement

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

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

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

Subsequent measurement

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

De-recognition

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

Offsetting of financial instruments

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

3.7 Non-Current assets/Disposal Company held for sale

Non-current assets /Disposal Company are classified as held for sale if their carrying amount will have recovered principally through sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at lower of their carrying amount or fair value less cost to sell, except for assets such as deferred tax, assets arising from employee benefit, financials assets and contractual rights under insurance contracts, which are specifically exempted from this requirement.

Non-current assets are not depreciated or amortized while they are classified as held for sale. Non-current assets held for sale are presented separately from other assets in the balance sheet.

Where the Company is committed to a sale plan involving loss of control of an associate, it classifies investment in the associate (i.e. all the assets and liabilities of that associate) as held for sale.

3.8 Employee benefits:

Employee benefits include Provident Fund, Leave Encashment & Performance Linked Incentive pay.

a) Fixed Tenure Employees

The Company recruits Fixed Tenure Employees for a period of 3 years, which is further extendable for maximum up to 1 year and 6 months depending upon the requirement and performance. The Company deducts and deposits the employees benefit liabilities for Provident Fund and all other employee benefit statutory liabilities e.g. Pension, ESI, and Gratuity etc are not applicable to the Company. The Company provides for leave encashment for which liabilities are assessed as per the actuarial valuation and disclosed in other notes to accounts. In addition to this company provides performance Linked Incentive pay as per policy of the company.

b) Employees on secondment from holding company

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 Postretirement benefit etc. With paying above charges Company owes nothing to its holding company for any future liabilities whatsoever of such seconded employees. The company recognize these cost along with service charge portion to cost of service.

c) Employees on Third Party Role

The Company is hiring employees through third party and pay their charges as service of management services. The Service charges being charged as a fixed liability on the basis of actual employee cost. With paying above charges, company owes nothing to third party for any future liabilities whatsoever of such employees. The company recognize these cost along with service charge portion to cost of service

3.9 Taxation

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax. It is recognized in Statement of Profit and Loss, except when it relates to an item that is recognized in Other comprehensive income (OCI) or directly in equity, in which case, the tax is also recognized in Other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Tax on Dividend is recognized at the same time when the liability to pay a dividend is recognized.

3.10 Provisions, Contingent Liabilities, and Contingent Assets

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

A contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

In those cases, where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized or disclosure is made.

Any reimbursement that the Company can be virtually certain to collect from a third party concerning the obligation (such as from insurance) is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

Contingent assets are not recognized. However, when the inflow of economic benefits is probable, the related asset is disclosed.

3.11 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.12 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3.13 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.14 Funds/grants received from government

Unutilized amount of grant/fund received are classified as current financial liabilities. Interest wherever earned on such funds is credited to respective grant/fund account.

3.15 Lease Accounting

The Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets all the three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

At the commencement date, the Company measures the lease liability at the present value of the future lease payments, discounted using the interest rate implicit in the lease if readily available, else the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

The Company as a lessor

As a lessor, the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

Finance leases- Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered for transfer of risk and rewards are the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the lessee obtains ownership of the asset at the end of the lease term.

Operating leases- All other leases are treated as operating leases. Receipts on operating lease agreements are recognized as an income.

3.16 Dividend

Proposed dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholder's meeting and the Board of Directors respectively.

3.17 Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

3.18 Prepaid Expenses

A prepaid expense up to ₹ 1,00,000/- is recognized as expense upon initial recognition.

3.19 Rates and taxes

Overseas taxes on foreign assignments, indirect taxes, including Goods & Service Tax, professional tax, property tax, entry tax, labour cess, octroi and any other applicable taxes etc. paid/accrued in India or abroad for which credit are not available to the company are charged to the Statement of Profit and Loss.

3.20 Recognition of expenses in case of SPVs

The Company has been appointed by Government of India to act as Bid Process Co-ordinator for selection of the Transmission Service Provider (developer) for Transmission Projects. Since the Company is incurring expenses for its project specific associates (called SPVs), the expenses in these associates have been booked / allocated at the period / year end by raising invoices to the respective SPVs. Direct expenses have been booked to the respective associates for which the expenditure has been incurred. Indirect/Common Expenses of the company has been allocated in proportionate basis to different segments (such Consultancy, PIA – distribution, PIA – transmission, Government Schemes, BPC/ TBCB business & New initiatives). The expenses allocated to BPC/ TBCB business segment has been further distributed equally to the respective SPVs from the month of issue of RFQ or RFP or incorporation of SPV, whichever is earlier, till the month in which tenth day from the date of issue of Letter of Intent (LOI) for the transfer of the SPV falls. Part of the month, if any, is considered as full month for cost allocation. The Company has also charged interest on the funds deployed by it. The rate of interest charged is as per interest rate applicable for transmission & distribution loan of REC Limited (the holding company) applicable for ungraded organisation. The rate applicable on the 1st of the financial year shall be applicable for that entire financial year. If bid process activity relating to any SPVs is kept in abeyance by the concerned authority due to any reason, no cost allocation and interest for such period of abeyance shall be made.

3.21 Business combination

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonize accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is transferred to capital reserve.

3.22 Significant management judgments in applying accounting policies and estimation of uncertainty

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

3.22.1 Significant management judgments

Recognition of deferred tax assets/ liability – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

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

3.22.2 Significant estimates

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

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

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

Expected Credit Loss ('ECL') – The measurement of an expected credit loss allowance for financial assets measured at amortized cost requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g., likelihood of customers defaulting and resulting losses). The Company makes significant judgments about the following while assessing expected credit loss to estimate ECL:

- Determining criteria for a significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets to measure ECL.

Leases – The management while determining the lease period of an asset makes estimates on various extension and termination options, the same affects the period of the lease and hence the determination of lease liability and right of use of assets.

Revenue from customers – The management while recognizing revenues, makes several estimates including estimation of recoverability, allocation of transaction prices to respective performance obligations, estimations of degree of work completed (Performance obligations satisfied) and estimated works.

3.23 Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirements of Schedule III of the Act unless otherwise stated.

REC Power Development and Consultancy Limited
(Formerly REC Power Distribution Company Limited)

Notes forming part of Standalone Financial Statements for the year ending 31 March, 2022

4 Property, plant and equipment

(All amounts in ₹ lakh, unless stated otherwise)

Description	31 March, 2021					
	Furniture & fixtures	Office equipments	Leasehold improvements	Computers	Right to use asset-Building	Total
Gross carrying value						
As at 1 April, 2020	**35.60**	**97.04**	**247.74**	**268.77**	**265.12**	**914.27**
Additions	0.13	1.90	-	9.56	23.91	35.50
Adjustment/ Disposal	(1.80)	(23.73)	(247.74)	(12.91)	(289.03)	(575.21)
As at 31 March, 2021	**33.93**	**75.21**	**-**	**265.42**	**-**	**374.56**
Accumulated depreciation						
As at 1 April, 2020	**24.61**	**65.11**	**132.70**	**218.52**	**77.22**	**518.16**
Charge for the year	4.99	12.06	35.89	23.73	53.52	130.19
Adjustment/ Disposal	(1.62)	(18.88)	(168.59)	(12.04)	(130.74)	(331.87)
As at 31 March, 2021	**27.98**	**58.29**	**-**	**230.21**	**-**	**316.48**
Net block as at 31 March 2021	**5.95**	**16.92**	**-**	**35.21**	**-**	**58.08**

Description	31 March, 2022					
	Furniture & fixtures	Office equipments	Leasehold improvements	Computers	Right to use asset-Building	Total
Gross carrying value						
As at 1 April, 2021	**33.93**	**75.21**	**-**	**265.42**	**-**	**374.56**
Additions	-	1.54	-	4.18	-	5.72
Adjustment/ Disposal	-	(0.26)	-	(4.42)	-	(4.68)
As at 31 March, 2022	**33.93**	**76.49**	**-**	**265.18**	**-**	**375.60**
Accumulated depreciation						
As at 1 April, 2021	**27.98**	**58.29**	**-**	**230.21**	**-**	**316.48**
Charge for the year	2.09	8.70	-	15.46	-	26.25
Adjustment/Disposal	-	(0.26)	-	(4.20)	-	(4.46)
As at 31 March, 2022	**30.07**	**66.73**	**-**	**241.47**	**-**	**338.27**
Net block as at 31 March, 2022	**3.86**	**9.76**	**-**	**23.71**	**-**	**37.33**

a) Gross block includes obsolete fixed assets but not disposed off of ₹ 261.12 lakh and depreciation reserve in respect of these assets ₹ 251.18 lakh

(b) Adjustment/Disposal - The adjustment/disposal is on accounts of assets disposed off / written-off during the year.

5 Other intangible assets

Description	31 March, 2021	
	Computer software	Total intangible assets
Gross carrying value		
As at 1 April, 2020	**11.93**	**11.93**
Additions	4.79	4.79
Adjustment/Disposal	(0.58)	(0.58)
Balance as at 31 March, 2021	**16.14**	**16.14**
Accumulated depreciation		
As at 1 April, 2020	**9.56**	**9.56**
Amortisation charge for the year	2.46	2.46
Adjustment/Disposal	(0.58)	(0.58)
Balance as at 31 March, 2021	**11.44**	**11.44**
Net book value as at 31 March, 2021	**4.70**	**4.70**

(All amounts in ₹ lakh, unless stated otherwise)

Description	31 March, 2022	
	Computer software	Total intangible assets
Gross carrying value		
As at 1 April, 2021	**16.14**	**16.14**
Additions	-	-
Adjustment/Disposal	(1.42)	(1.42)
Balance as at 31 March, 2022	**14.72**	**14.72**
Accumulated depreciation		
As at 1 April, 2021	**11.44**	**11.44**
Amortisation charge for the year	1.78	1.78
Adjustment/Disposal	(1.34)	(1.34)
Balance as at 31 March, 2022	**11.88**	**11.88**
Net book value as at 31 March, 2022	**2.84**	**2.84**

(a) Adjustment/Disposal - The adjustment/disposal is on accounts of assets disposed off / written-off during the year.

6 Investments (Non current)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Investments in debentures or bonds		
(a) Investment in tax free bonds-quoted (at amortized cost) (in holding company)		
(i) REC Limited 15 years secured redeemable tax free bonds @8.46%, bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022 / 31 March, 2021 : 300,000 / 3,00,000)	3,084.14	3,084.14
(ii) REC Limited 15 years secured redeemable tax free bonds @8.63%, bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022 / 31 March, 2021 : 20,000/20,000)	205.72	205.72
(iii) REC Limited 20 years secured redeemable tax free bonds @7.18%, bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022 / 31 March, 2021 : 34,351/34,351)	351.69	351.69
(iv) REC Limited 7.38% tax free 15 years Secured Redeemable Non Convertible Bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022 / 31 March, 2021 : 100,000 / 100,000)	1,024.47	1,024.47
(b) Investment in other securities-quoted (at amortized cost) (in holding company)		
(i) REC Limited 7.55% staggered papers of face value ₹ 1,000,000/- each, fully paid (31 March, 2022/31 March, 2021: 20 /20)	207.69	207.69
(ii) REC Limited 7.09% NCD of face value ₹ 1,000,000 /- each, fully paid (31 March, 2022/31 March, 2021: 100 / 100)	1,020.98	1,020.98
(c) Investment in tax free bonds (in others)-quoted (at amortized cost)		
(i) Housing and Urban Development Corporation Limited (HUDCO) 20 years secured redeemable tax free bonds @8.76%, bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 50,000 / 50,000)	509.36	509.36

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2022	As at 31 March, 2021
7.39% tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 86,978 /86,978)	881.11	881.30
(ii) National Highway Authority of India Limited (NHAI) 7.35% tax free 15 years secured redeemable non convertible bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 42,855/42,855)	459.79	459.79
7.39% tax free 15 years secured redeemable non convertible bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 35,463/35,463)	367.55	367.55
(iii) Indian Renewable Energy Development Agency (IREDA) 7.49% tax Free 15 years secured redeemable non convertible bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 61,308 /61,308)	667.68	621.76
(iv) Indian Railway Finance Corporation (IRFC) 7.35% tax free 15 years secured redeemable non convertible bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 22,338 / 22,338)	230.80	230.85
(v) National Bank for Agriculture and Rural Development (NABARD) 7.35% tax free 15 years secured redeemable non convertible bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 14,028/14,028)	140.51	140.51
	9,151.49	**9,105.81**
Aggregate market value of quoted investment	**10,692.80**	**11,108.55**

(a) Refer Note 44 for fair value disclosure.

(b) Investments in quoted securities are measured at amortised cost as these investments are held solely for payments of principal and interest (SPPI).

(c) The company has no unquoted investments during the current year as well as previous year.

7 Other financial assets (Non Current)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Term deposits with maturity more than 12 months	6,500.39	97.20
	6,500.39	**97.20**

(a) Term deposit receipt has been placed on lien with Canara Bank as collateral security for issue of bank guarantee amounting to Rs. 114.18 lacs

(b) The above term deposits are not earmarked.

8 Income tax assets (net)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance tax and TDS	848.76	879.32
Less: Provision for Income tax	-	-
	848.76	**879.32**

9 Deferred tax assets (net)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deferred Tax Asset	2,537.56	2,332.09
	2,537.56	**2,332.09**

Movement in deferred tax balances as at 31 March, 2022

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2021	Charged to profit and loss account	As at 31 March, 2022
Tax effect of items constituting deferred tax liabilities			
Financial assets and liabilities measured at amortized cost	0.89	0.05	0.94
Total deferred tax liabilities	**0.89**	**0.05**	**0.94**
Tax effect of items constituting deferred tax assets:			
Allowance for expected credit loss	2,191.46	149.01	2,340.47
On employee's retirement benefits	18.07	11.08	29.15
Property, plant and equipment: Impact of difference between depreciation as per income tax act and depreciation charged in the books	51.07	(3.80)	47.27
Provision for expenses	72.38	49.23	121.61
Total deferred tax assets	**2,332.98**	**205.52**	**2,538.50**
Deferred tax assets (net)	**2,332.09**	**205.47**	**2,537.56**

Movement in deferred tax balances as at 31 March, 2021

Particulars	As at 31 March, 2020	Charged to profit and loss account	As at 31 March, 2021
Tax effect of items constituting deferred tax liabilities			
Financial assets and liabilities measured at amortized cost	0.32	0.57	0.89
Total deferred tax liabilities	**0.32**	**0.57**	**0.89**
Tax effect of items constituting deferred tax assets:			
Allowance for expected credit loss	1,580.87	610.59	2,191.46
On employee's retirement benefits	11.57	6.50	18.07
Property, plant and equipment: Impact of difference between depreciation as per income tax act and depreciation charged in the books	27.74	23.33	51.07
Right of Use asset (net of lease liability)	4.30	(4.30)	-
Provision for expenses	0.93	71.45	72.38
Total deferred tax assets	**1,625.41**	**707.57**	**2,332.98**
Deferred tax assets (net)	**1,625.09**	**707.00**	**2,332.09**

10 Trade receivables

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade Receivable		
Unsecured, considered good	9,503.44	13,001.97
Less: Allowance for expected credit loss	(1,197.93)	(1,912.59)
	8,305.51	**11,089.38**
Trade receivables which have significant increase in credit risk	3,390.37	5,532.41
Less: Allowance for expected credit loss	(1,778.70)	(2,058.01)
	1,611.67	**3,474.40**
Credit impaired receivables	5,442.82	4,679.52
Less: Allowance for expected credit loss	(5,295.37)	(4,679.52)
	147.45	**-**
Trade Receivables	**10,064.63**	**14,563.78**

i) There is no disagreement with the parties of the company. Accordingly, all the trade receivables under each category has been considered undisputed.

ii) Ageing of trade receivables: -

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Less than six months	7154.80	10441.00
More than six months to 1 year	2348.64	2560.97
More than 1 year to 2 years	1934.85	2285.45
More than 2 years to 3 years	1455.52	3246.96
More than 3 years	5442.82	4679.52
Gross Trade Receivables	**18336.63**	**23213.90**

*Refer note 45 - Financial risk management for assessment of expected credit losses.

11 Cash and cash equivalents

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balances with banks:		
- with scheduled banks in current accounts*	660.27	988.52
Term deposits (with maturity upto 3 months)	808.54	2,886.22
	1,468.81	**3,874.74**
Cheque issued but not presented	(9.78)	-
	1,459.03	**3,874.74**

* Balance with banks in current accounts includes amount of Rs. 554.67 lakhs received on 31-03-2022 is an earmarked fund for deposit work under PMDP program. The amount has been transferred to respective earmarked bank account on 07-04-2022.

12 Other bank balances

Particulars	As at 31 March, 2022	As at 31 March, 2021
Earmarked balances for deposit works*	11,921.80	24,787.57
Earmarked balances with government fund accounts	64.01	983.97
Term deposits with remaining maturity more than 3 months but less than 12 months	4,923.87	3,583.34
	16,909.68	**29,354.88**
Cheque issued but not presented	(1,045.21)	-
	15,864.47	**29,354.88**

* Earmarked balances for deposit work are the funds received from central government, state government and utility for execution of project work on behalf of them and to be used exclusively for the payments related to those projects only.

13 Other financial assets (Current)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Contract assets*	2,090.96	2,174.20
Recoverable from Ministry of Power, Government of India		
Deen Dayal Upadhyaya Gram Jyoti Yojana Fund**	302.40	224.39
Retention money deposits (net of loss allowance)	37.52	37.52
Security deposits paid	2.55	22.24
Other receivables	0.27	22.00
	2,433.70	**2,480.35**

*Refer Note 39F for details of Contract assets.

**Refer Note 41 for details

14 Current tax assets (Net)

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance tax and TDS	2,127.45	-
Less : Provision for income tax	(1,789.87)	-
	337.58	**-**

15 Other current assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advances to employees	3.10	-
Prepaid expenses	1.39	-
Balances with statutory and government authorities*	2,184.58	2,059.09
Advance to suppliers	67.54	0.57
CSR Pre-Spent	8.46	58.00
Tax deposited on income tax demands under contest**	5.97	5.97
	2,271.04	**2,123.63**

* Balances with statutory and government authorities includes input tax credit and tds credit under GST

** Refer Note 46 for details of tax deposited on income tax demands under contest.

16 Assets/Liabilities classified as held for sale

Particulars	As at 31 March, 2022	As at 31 March, 2021
Assets classified as held for sale		
(A) Investment in associates (refer note 16.1)	40.00	60.00
(B) Amount receivable from associates (refer note 16.2)	1,282.77	1,344.57
(C) Provision for impairment on assets classified as held for sale	(970.79)	-
Total (A+B+C)	**351.98**	**1,404.57**
Liabilities directly associated with assets classified as held for sale		
(D) Payable to associates (refer note 16.3)	1.05	8.13
Total (D)	**1.05**	**8.13**
Disposal group (A+B+C-D)	**350.93**	**1,396.44**

Note - Refer Note 42 for details related to related party transaction.

16.1 Investments in associates

Particulars	As at 31 March, 2022	As at 31 March, 2021
Investments in Equity Instruments of associates (fully paid up)		
Chandil Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
Dumka Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
Koderma Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
Mandar Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
Bidar Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
Fatehgarh Bhadla Transco Limited Nil equity shares of ₹ 10/- each (31 March, 2021: 50000)	-	5.00
Gadag Transmission Limited Nil equity shares of ₹ 10/- each (31 March, 2021: 50000)	-	5.00

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Kallam Transmission Limited Nil equity shares of ₹ 10/- each (31 March, 2021: 50000)	-	5.00
MP Power Transmission Package I Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
MP Power Transmission Package II Limited Nil equity shares of ₹ 10/- each (31 March, 2021: 50000)	-	5.00
Rajgarh Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
Sikar New Transmission Limited Nil equity shares of ₹ 10/- each (31 March, 2021: 50000)	-	5.00
ER NER Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: Nil)	5.00	-
Total	**40.00**	**60.00**

Note : Equity shares includes shares held by officers as nominee of the company.

16.2 Amount receivable from associates

Particulars	As at 31 March, 2022	As at 31 March, 2021
Chandil Transmission Limited	253.75	253.35
Dumka Transmission Limited	247.57	247.16
Mandar Transmission Limited	221.82	221.42
Koderma Transmission Limited	227.51	227.10
Fatehgarh Bhadla Transco Limited	-	90.93
Kallam Transmission Limited	-	10.62
MP Power Transmission Package II Limited	-	109.01
MP Power Transmission Package I Limited	199.03	107.37
Sikar New Transmission Limited	-	76.23
Gadag Transmission Limited	-	1.38
Rajgarh Transmission Limited	28.18	-
ER NER Transmission Limited	28.38	-
Receivable from SPV-Yet to Incorporate	76.53	-
	1,282.77	**1,344.57**
Provision for impairment on assets classified as held for sale		
Chandil Transmission Limited	258.79	-
Dumka Transmission Limited	252.60	-
Mandar Transmission Limited	226.86	-
Koderma Transmission Limited	232.54	-
	970.79	**-**

(All amounts in ₹ lakh, unless stated otherwise)

Note: -

(1) Jharkhand Urja Sancharan Nigam Limited (JUSNL) has cancelled RFQ and RFP of transmission projects in State of Jharkhand. These projects have been kept in abeyance w.e.f. 01.10.2020. RECPDCL vide letters dated 14.10.2020, 06.11.2020 and 28.07.2021 has communicated JUSNL regarding recovery of expenses incurred on these SPVs. However, no communication has been received from JUSNL in this regard. As the bidding process of these SPVs has been cancelled and there is less probability of recovery of expenses already incurred, hence as an accounting prudence provision for impairment loss of approx. Rs 9.71 crore has been created.

(2) Status of incorporation of SPV-Yet to Incorporate on balance sheet date to the reporting date

Name of SPV	Incorporation Date
Neemuch Transmission Limited	12-04-2022
Ramgarh II Transmission Limited	20-04-2022
Beawar Transmission Limited	27-04-2022
KPS3 Transmission Limited	29-04-2022
KPS2 Transmission Limited	02-05-2022
Sikar Khetri Transmission Limited	06-05-2022

16.3 Payable to associates

Particulars	As at 31 March, 2022	As at 31 March, 2021
Bidar Transmission Limited	1.05	2.56
Rajgarh Transmission Limited	-	5.57
	1.05	**8.13**

17 Equity share capital

Particulars	As at 31 March, 2022	As at 31 March, 2021
Authorized equity share capital		
20,050,000 (31 March, 2021 : 20,050,000) Equity shares of ₹ 10 each	2,005.00	2,005.00
	2,005.00	**2,005.00**
Issued, subscribed and paid up equity share capital		
85,500 (31 March, 2021 : 85,500) Equity shares of ₹ 10 each	8.55	8.55
	8.55	**8.55**

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

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

ii) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	₹ lakh	No. of shares	₹ lakh
Equity share capital of ₹ 10 each fully paid up				
Balance at the beginning of the year	85,500	8.55	85,500	8.55
Add: Issued during the year	-	-	-	-
Balance at the end of the year	**85,500**	**8.55**	**85,500**	**8.55**

(All amounts in ₹ lakh, unless stated otherwise)

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

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	% holding	No. of shares	% holding
85,494 Equity shares held by REC Limited (Promoter & holding company) and balance 6 equity shares through other nominee of REC Limited	85,500	100.00%	85,500	100.00%

iv) Shares held by promoter company:

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	% holding	No. of shares	% holding
85,494 Equity shares held by REC Limited (Promoter & holding company) and balance 6 equity shares through other nominee of REC Limited	85,500	100.00%	85,500	100.00%

There is no change in holding of promoter company during the financial year 2021-22.

v) The Company has neither issued equity shares pursuant to contract without payment being received in cash or any bonus shares nor has there been any buy-back of shares in the current year and five years immediately preceding the balance sheet date except issuance of shares in lieu of purchase consideration.

18 Other equity

Particulars	As at 31 March, 2022	As at 31 March, 2021
General reserve		
Balance at the beginning of the year	5,313.55	5,313.55
Add: Movement during the year	-	-
Balance at the end of the year	**5,313.55**	**5,313.55**
Retained earnings		
Balance at the beginning of the year	24,475.66	22,756.60
Add : Transferred from statement of profit and loss	5,302.50	2,561.56
	29,778.16	**25,318.16**
Less: Dividends		
- Final Dividend for the previous year (FY 2020-21/FY 2019-20)	(1,490.27)	(842.50)
- Interim Dividend for the previous year (FY 2021-22)	(752.40)	-
Balance at the end of the year	**27,535.49**	**24,475.66**
Capital reserve		
Balance at the beginning of the year	1.45	1.45
Add: Movement during the year	-	-
Balance at the end of the year	**1.45**	**1.45**
Shares pending issuance		
Balance at the beginning of the year	-	3.55
Adjustment on account of merger	-	(3.55)
Balance at the end of the year	**-**	**-**
Total other equity	**32,850.49**	**29,790.66**

(All amounts in ₹ lakh, unless stated otherwise)

Note:

a) General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another.

b) Profits made by the company during the year are transferred to retained earnings from Statement of Profit and Loss.

c) Capital reserve represents the difference between the amount recorded as share capital issued plus any additional purchase consideration and the amount of share capital of transferor (REC Transmission Projects Company Ltd.) on account of amalgamation of REC Transmission Projects Company Limited with REC Power Distribution Company Limited as per Ind AS 103-Business Combinations.

d) Subsequent to the year ended 31 March, 2022; the Board of Directors of the Company on a meeting held on 11 May, 2022 has proposed final divided amounting to ₹ 1042 per share totaling ₹ 890.91 lakh on 85500 no. of shares (FY 2020-21 - Proposed Dividend: ₹ 1743 per share totaling ₹ 1490.27 lakh on 85500 no. of shares), the effect of the same has not been taken into financial statements as the same is subject to the approval by the shareholders of the Company.

19 Other financial liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good		
Performance bank guarantee retained	149.38	133.36
	149.38	**133.36**

Note - Above amount is retained for performance obligation of M/s PEC Ltd. till 31 October, 2023.

20 Provisions (Non current)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for employee benefits*		
Provision for compensated absences	38.01	55.16
	38.01	**55.16**
Provision for compensated absences		
Opening Balance	55.16	15.32
Addition During the year	4.76	39.84
Utilised during the year	(21.91)	-
Adjusted during the year	-	-
Closing balance	**38.01**	**55.16**

*Refer Note 43 for details

21 Other non-current liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance as performance bank guarantee	9.50	25.70
	9.50	**25.70**

Note - Above amount represents liability recognised as per IndAS-109 in respect of amount retained for performance obligation of M/s PEC Ltd.

22 Trade payables

Particulars	As at 31 March, 2022	As at 31 March, 2021
Due to micro, small and medium enterprises	-	0.76
Dues to others	3,647.82	6,185.15
	3,647.82	**6,185.91**

i) There is no disagreement with the parties of the company. Accordingly, all the trade payables under each category has been considered undisputed.

ii) Ageing of trade payables: - MSME

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Less than 1 year	-	0.76
More than 1 year to 2 years	-	-
More than 2 years to 3 years	-	-
More than 3 years	-	-

ii) Ageing of trade payables: - Others

Particulars	As at 31 March, 2022	As at 31 March, 2021
Less than 1 year	1,500.84	3,539.80
More than 1 years to 2 years	838.93	1,434.59
More than 2 years to 3 years	1,130.20	1,033.39
More than 3 years	177.85	177.36
Gross Trade Payables	**3,647.82**	**6,185.15**

a. Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the company, the following are the details:

Particulars	As at 31 March, 2022	As at 31 March, 2021
(ia) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	0.76
(ib) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
ii) 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	-	-
iii) 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;	-	-
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	53.18
v) the amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Suppliers for whom confirmation not received is deemed not registered under MSMED Act and Interest payable on payment made but not claimed has not been provided.

23 Other financial liabilities (Current)

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Earnest money deposits	70.56	80.07
Expenses payables	1,863.74	2,119.26
Advance for deposit work*	11,468.21	24,854.39
Payable to related parties**	597.76	416.25
Performance bank guarantee retained	26.55	28.11
Employee payable	7.17	2.15
Government fund for schemes***		
Power System Development Fund for Rural Feeder Monitoring Scheme	231.91	844.30
Urja Mitra Scheme Fund	71.79	385.25
	14,337.69	**28,729.78**

*Refer Note 40 for details
**Refer Note 42 for details
***Refer Note 41 for details

24 Other current liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Contract Liability	9.45	1.05
Statutory dues	526.25	782.05
Advance as performance bank guarantee*	16.20	16.20
Statutory dues for deposit work	188.31	148.33
Unidentified Receipts	0.28	-
	740.49	**947.63**

* It represents liability recognised as per IndAS-109 in respect of amount retained for performance obligation of M/s PEC Ltd.

25 Provisions (Current)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for employee benefits*		
Provision for loyalty bonus	-	14.42
Provision for compensated absences	1.84	2.19
Provision for Performance Linked Incentive	75.98	-
	77.82	**16.61**
Provision for loyalty bonus		
Opening Balance	14.42	8.53
Addition During the year	-	42.27
Utilised during the year	(14.42)	(36.38)
Adjusted during the year	-	-
Closing balance	**-**	**14.42**
Provision for compensated absences		
Opening Balance	2.19	2.19
Addition During the year	0.25	-
Utilised during the year	-	-
Adjusted during the year	(0.60)	-
Closing balance	**1.84**	**2.19**
Provision for Performance Linked Incentive		
Opening Balance	-	-
Addition During the year	75.98	-
Utilised during the year	-	-
Adjusted during the year	-	-
Closing balance	**75.98**	**-**

*Refer Note 43 for details

26 Current tax liabilities (net)

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for income tax	-	1,439.79
Less: Advance tax and TDS	-	(1,062.15)
	-	**377.64**

27 Revenue from operations

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Income from Consultancy Services	8,733.20	12,689.67
PIA Income from Distribution Projects	1,612.28	3,509.96
Government Scheme Management/Monitoring Fees	16.95	16.95
PIA Income from Transmission Projects	2,217.73	341.24
TBCB/BPC Professional Income	3,420.86	471.15
	16,001.02	**17,028.97**

Note - Income from Consultancy Services and PIA Income from Distribution Projects includes ₹2090.96 lakh (Previous year - ₹ 2174.20 lakh) of unbilled revenue.

Refer note 39 for details related to revenue from operations

28 Other income

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest income on fixed deposits	341.67	334.33
Interest income on grant fixed deposits	169.88	368.58
Interest income on tax free bonds	607.63	605.93
Interest on income tax refund	0.68	6.42
Interest income from SPVs	37.22	16.41
Interest income on NCDs	70.90	70.76
Interest income on staggered papers	15.10	15.04
Interest income on other financial assets measured at amortized cost	16.20	18.38
Liabilities/Provisions written back	116.43	-
Liquidation damages	-	1.17
Profit on sale of property, plant and equipment	-	0.11
RFQ/RFP/Tender fee	340.00	10.00
Miscellaneous income	3.23	10.19
	1,718.94	**1,457.32**

29 Cost of services rendered

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Project technical services - PMC/PMA/DPR	3,279.25	5,194.09
Project outsourced manpower	4,441.81	4,225.17
REC - UE village project expenditure	495.74	477.55
Survey charges	-	0.49
Consultancy charges	-	323.48
	8,216.80	**10,220.78**
Less :-		
Manpower Cost allocated to DDUGJY	(49.16)	-
Manpower Cost reimbursable from SPV's	(184.04)	-
Reimbursable cost of Project technical services	-	(15.23)
	7,983.60	**10,205.55**

(All amounts in ₹ lakh, unless stated otherwise)

Note :

Manpower Cost reimbursable from SPV's - The company is incurring expenditure (direct as well as indirect expenses) on behalf of SPV's. These expenditures are to be reimbursed by the SPV's to the company. The company raised periodic invoices to the respective SPV's for reimbursement of these expenditures. The company presented these reimbursement as deduction to cost of services rendered for true and fair view of expense incurred by the company related to its operations.

Manpower Cost allocated to DDUGJY - The company is managing and monitoring the Central Government schemes (under distribution sector) as directed by the Ministry of Power. The expenditure incurred on deployment of manpower for these works are to be reimbursed by the Ministry of Power to the company through DDUGJY enabling fund. The company presented these reimbursement as deduction to cost of services rendered for true and fair view of expense incurred by the company related to its operations.

30 Employee benefits expense

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Salaries and wages	544.43	509.21
Contribution to provident and other funds	32.87	33.47
Staff welfare expenses	95.10	40.72
	672.40	**583.40**
Manpower Cost reimbursable from SPV*	(21.74)	-
	650.66	**583.40**

* Refer Note 29 for noting on Manpower Cost reimbursable from SPV

Note - For disclosures related to provision for employee benefits, refer note 43 - Employee benefit obligations.

31 Finance costs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest on advance from BEE	-	53.74
Interest expenses on grant fund	169.88	368.58
Interest on working capital loans	-	6.14
Interest expense on lease liability	-	9.71
Interest expense on other financial liabilities measured at amortized cost	16.00	14.29
Interest on income tax	75.44	-
	261.32	**452.46**

32 Depreciation and amortization expense

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Depreciation on Property, Plant & Equipment (Refer note 4)	26.25	130.19
Amortization of Other intangible assets (Refer note 5)	1.78	2.46
	28.03	**132.65**

33 Impairment on financial assets

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Provision (net of reversal)	(354.84)	2,624.11
Bad debts	25.93	7.78
	(328.91)	**2,631.89**

Note - The impairment is related to assets under contracts with customers
Refer Note 45 for details

34 Corporate social responsibility expenses

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
CSR expenditure	167.95	195.48
	167.95	**195.48**

Note - Refer Note 49 for details

35 Other expenses

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Rent : Office premises	466.23	251.28
Office Equipments hire charges	2.83	4.45
Vehicle hire charges	54.59	64.98
Rates and taxes	14.98	23.66
Repairs and maintenance		
: Buildings	51.25	49.78
: Others	9.39	11.04
Power and fuel	29.12	28.61
Advertisement and business promotion	65.96	96.24
Communication cost	4.63	12.29
Travelling and conveyance	164.65	155.96
Printing and stationary	15.37	13.10
Legal, consultancy and professional expenses	231.19	132.60
Bank charges	5.82	10.89
Auditors' remuneration*	5.80	8.95
GST audit Fee	-	0.09
Insurance	-	0.11
Delay payment charges	2.61	2.55
Loss on sale of property, plant and equipment (net)	0.29	66.31
Liquidation damages	18.75	1.41
Office expenses	18.33	23.24
Expenses incurred for SPV's**	120.69	392.23
Technical / IT Services expenses	2.78	5.14
Miscellaneous expenses	7.66	59.96
	1,292.92	**1,414.87**
Direct Cost reimbursable from SPV	(120.69)	(392.23)
Indirect Cost reimbursable from SPV	(72.61)	-
	1,099.62	**1,022.64**

*Details of auditors remuneration are as under :

Statutory auditor		
As auditors		
- Audit fees	4.20	8.15
- Tax audit	1.60	0.80
In other capacity		
- For Taxation matters	-	-
- For Company Law matters	-	-
- For other services	-	-
- For Reimbursement expense	-	-
	5.80	**8.95**

(All amounts in ₹ lakh, unless stated otherwise)

**Expenses incurred for SPV's represents direct expenses (such as survey, advertisement, consultant fees) and indirect expenses (such as Office rent, Vehicle hire charges, power & fuel and maintenance of office building) incurred by the company on behalf of SPV's and are recovered from SPV's. The reimbursement is shown as deduction to the other expense for true and fair view of expenses incurred by the company related to its operations.

36 Impairment on assets classified as held for sale

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Impairment expense - On assets classified as held for sale	970.79	-
	970.79	**-**

Refer note 16.2 for details

37 Tax expense

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
i) Current tax		
Tax pertaining to current year	1,789.87	1,439.79
Tax pertaining to earlier years	-	(32.13)
ii) Deferred tax expense/(credit)	(205.47)	(707.00)
	1,584.40	**700.66**

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 25.17%

Accounting profit before income tax	**6,886.90**	**3,262.22**
At country's statutory income tax rate of 25.17%	1,733.30	821.04
Adjustments in respect of taxes earlier years		
(i)Non-deductible expenses for tax purposes	4.03	64.26
(ii)Non-taxable incomes	(152.93)	(152.51)
(iii)Earlier year taxes	-	(32.13)
(iv)Deferred tax on allowable provisional expenditure of earlier year	-	-
(v)Deferred tax change due to rate change	-	-
	1,584.40	**700.66**

38 Basic/diluted earnings per share

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Net profit for the year	**5,302.50**	**2,561.56**
Weighted average number of equity shares for EPS	85,500	85,500
Par value per share (in ₹)	10	10
Earnings per share - Basic and diluted (in ₹)	**6,202**	**2,996**

(All amounts in ₹ lakh, unless stated otherwise)

39 Revenue from contracts with customers under Ind AS 115 are as follow:-

A The Company is engaged in providing following services-

RECPDCL provides consultancy services in Power Transmission and Distribution sector to states/Union Territories under various central/state Government schemes such as Third Party Inspection Agency (TPIA)/Project Management Agency (PMA)/Project Management Consultancy (PMC) under Deendayal Upadhyaya Gram Jyoti Yojana(DDUGJY)/Integrated Power Development Scheme (IPDS)/Restructured Accelerated Power Development and Reforms Program (R-APDRP)/Backward Regions Grant Fund (BRGF) and other state schemes. The major activities undertaken in these types of projects include inspection of Village Electrification, Substation and Feeder inspection & Material inspection, Survey & preparation of Detailed project report, assisting DISCOMS in bid management, supervision & monitoring of electrification work and assisting Distribution Companies (DISCOMs) in closure of the project. Ministry of Power has appointed the Company as Bid Process Coordinator (BPC) for Inter State Transmission Systems across the country on Tariff Based Competitive Mode. Some of the State Government has also appointed the company as BPC for intra state transmission projects under TBCB route. The company is conducting the bidding process for ISTS projects, starting from selection of qualified bidders to handing over of the Special Purpose Vehicle to the lowest bidder. The company is also working in various Smart Metering/ Smart Grid and Information Technology (IT) projects as Project Implementing Agency (PIA)/Project Management Agency (PMA) for implementation of various distribution infrastructure projects under various Govt. schemes and also working as monitoring agency for monitoring and supervision of Un-Electrified (UE) village electrification works and Household electrification work.

B Significant management judgments on revenue recognition

Recognized amounts of contract revenues and related receivables when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue from the contracts recognized over the period of time as and when the performance obligation is satisfied based on management's best estimates of each contract's outcome and stage of completion which is determined based on progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spend, service performed (generally mentioned in the contracts with the customer) or any other method that management considered appropriate. When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

Also, while allocating that transaction price to the specific performance obligations identified in the contract. The transaction price is allocated to the performance obligations based on its relative standalone selling price, which generally is not readily available, hence management estimates the standalone selling prices basis upon its experience and contractual negotiations.

C Segregation of revenue

RECPDCL's revenue mostly comes from core business of sale of services as consultancy (PMA/PMC, TPIA, Project implementation agency in case of distribution and transmission segments, Quality Control Projects and some turnkey projects of Solar/IT implementation from projects within India). In case of execution of IT/Solar implementation projects revenue is recognized at a point in time specifically when the control of goods/services is transferred to the customer. Also, in case of the selection of bidders/developers for transmission projects put on tariff based bidding revenue is recognized at a point in time when it is reasonably certain that the ultimate collection of the professional charges will be made. The total business portfolio of RECPDCL includes various Central/State Govt. entities e.g. State Distribution Companies (DISCOM), Power and Electricity Departments of States/UTs, Central Public Sector Undertaking (CPSUs) [Energy Efficiency Services Limited (EESL), Power Grid Corporation of India Limited (PGCIL), Solar Energy Corporation of India Limited (SECI) etc].

In accordance with Ind AS 115, set out below is the disaggregation of the Company's revenue from contracts with customers:

State/Union Territory of supply of services	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Andhra Pradesh	11.46	115.58
Arunachal Pradesh	72.48	(15.61)
Assam	92.79	74.83
Bihar	-	295.27
Chhattisgarh	589.70	592.39
Delhi	3,806.36	1,906.57
Goa	850.04	810.92
Jharkhand	346.22	118.76

(All amounts in ₹ lakh, unless stated otherwise)

State/Union Territory of supply of services	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Jammu and Kashmir	449.98	5,305.93
Karnataka	552.85	138.31
Madhya Pradesh	116.09	67.60
Rajasthan	774.46	774.35
Telangana	8.98	198.00
Uttar Pradesh	2,748.37	5,004.55
West Bengal	1,289.47	1,232.21
Haryana	3,769.89	-
Maharashtra	521.86	409.31
Total revenue from contracts with customers	**16,001.02**	**17,028.97**

D Reconciliation of revenue recognized with contract price

Particular	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Contract price*	16,001.02	17,028.97
Adjustments for:		
Rebates and discounts	-	-
Revenue from contracts with customers	**16,001.02**	**17,028.97**

* It includes services in the form of Consultancy services, project implementing agency of distribution projects, project implementing agency of transmission projects, Government scheme management / monitoring and bid process coordinator of TBCB projects.

E Contract balances

Particular	As at 31 March, 2022	As at 31 March, 2021
Assets		
Trade Receivables (net of provisions)	10,064.63	14,563.78
Contract assets		
Contract assets*	2,090.96	2,174.20
Cost of fulfillment carried forward**	-	-
Contract liability		
Contract Liability***	9.45	1.05
Deferred income****	-	-

***Contract assets** are the unbilled revenue that has been recognized due to satisfaction of the performance obligation, but the invoicing of the same is pending.

****Cost of fulfillment** relates to contract assets recognized equivalent to the recoverable costs incurred in fulfilling a contract (contract related) with a customer , which generates or enhances the resources of the entity that will be used in satisfying the future performance obligations.

*****Contract Liability** is advance from customer, where money has been received and performance obligations are not yet satisfied.

******Deferred income** are contract liabilities , where performance obligations are not yet satisfied.

F **Reconciliations of Contract assets**

(All amounts in ₹ lakh, unless stated otherwise)

Particular	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening balance	2,174.20	2,262.42
Invoices raised during the year	(1,616.71)	(2,116.90)
Contract assets recognized during the year	2,090.96	2,028.68
Reversal of previous year's contract assets	(557.49)	-
Closing balance	**2090.96**	**2174.20**

G **Reconciliations of Contract liability**

Particular	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening balance	1.05	15.43
Revenue recognized during the year	(1.05)	(14.38)
Addition during the year	9.45	-
Closing balance	**9.45**	**1.05**

H **Reconciliations of cost of fulfillment carried forward**

Particular	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening balance	-	319.45
Addition/(Deletion) during the year	-	(319.45)
Closing balance	**-**	**-**

I **Reconciliation of deferred income**

Particular	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening balance	-	89.09
Revenue recognized during the year	-	(89.09)
Addition received during the year	-	-
Closing balance	**-**	**-**

J **Remaining performance obligations**

Particular	As at 31 March, 2022	As at 31 March, 2021
Amount of the unsatisfied performance obligations (or partially unsatisfied)	33,347.42	36,218.18

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the company expects to recognize these amounts in revenue. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized. The entity expects to satisfy the above performance obligations within the contracted terms.

K Company has not incurred any cost for obtaining contracts except administrative cost required for preparation of offers and the same is charged to Statement of Profit and Loss.

(All amounts in ₹ lakh, unless stated otherwise)

40 Advance for deposit work:

UT of Jammu & Kashmir & UT of Ladakh through their respective company / department has appointed RECPDCL (erstwhile REC Power Distribution Company Limited) as a Project Implementing Agency (PIA) for design, engineering, procurement, supply, erection, testing and commissioning of all the material and services works to be taken-up for execution of distribution work under RAPDRP, IPDS, PMDP 8 PMDP-15 on nomination basis, as per actual cost to be discovered through competitive biddings. RECPDCL has also been appointed as material procurement agency under Saubhagya and DDUGJY Schemes for north eastern states by REC Limited. Further Chandigarh Electricity Department (CED) has appointed RECPDCL as implementing agency for installation of smart meters and SCADA and for laying the underground cable work. The funds received for disbursement to various agencies under the above stated schemes/departments are kept in a separate bank account. The undisbursed funds for the scheme including interest earned thereto are classified under "Advance for Deposit Work" under the head "Other Financial Liabilities (Current)".

During the year, interest earned of ₹544.43 lakh (Previous year ₹ 524.96 lakh) has been taken to advance for deposit work account. Further, during the year, an amount of ₹ 2,387.32 lakh (Previous year ₹ 197.52 lakh) has been refunded back to MoP out of the total interest on advance for deposit work.

The movement of Advance for deposit work is explained as under:

Particular	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening Balance	22185.58	15,785.28
Add: Amount received during the year	15,129.86	32,377.19
Less: Amount refunded to Govt. during the year	-	-
Less: Disbursement during the year	(26,673.16)	(25,976.89)
Closing Balance	**10,642.28**	**22,185.58**

The movement of interest on Advance for deposit work is explained as under:

Particular	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening balance	2,668.83	2,341.39
Add: Interest earned during the year	544.43	524.96
Less: Interest refunded during the year	(2,387.32)	(197.52)
Closing Balance	**825.94**	**2,668.83**

41 Government fund for schemes

11 kV Rural Feeder Monitoring Scheme is being implemented by the Company, sanctioned under Power System Development Fund (PSDF) on Pan India basis on the behalf of Ministry of Power- GoI. The sole objective of the scheme is to monitor quality & quantity parameter of rural power supply across the country. Under the scheme, Modems/DCUs are being installed on 11 kV Outgoing Rural, Agriculture and Mixed (i.e. Rural + Agriculture) feeder meters on such 66/33 kV incoming Feeder from where such 11 kV feeder are emanating. The work includes supply, installation, commissioning of Modems & integration with Central MDAS with Operation & Maintenance of Modems/DCUs for a year of 5 years' post Go-Live. The funding of scheme is being done through 2 sources, mainly from PSDF and through DDUGJY enabling activity.

The undisbursed funds for the scheme including interest earned thereto are classified under "Government Fund for Schemes" under the head "Other Financial Liabilities" and recoverable fund (if any) is classified under "Recoverable from Ministry of Power, Government of India" under the head "Other Financial Assets (Current)".

During the year, interest earned of ₹ 13.35 lakh has been considered in other Income and the same has been charged as finance cost to transfer the amount to Government fund for schemes.

42 Related party transactions

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

a Details of related parties:

(All amounts in ₹ lakh, unless stated otherwise)

Description of relationship	Names of related parties
Ultimate holding Company	Power Finance Corporation Limited
Holding company	REC Limited (Formerly Rural Electrification Corporation Limited)
Society registered for undertaking CSR activities	REC Foundation
Associate Companies	Mandar Transmission Limited (w.e.f. 26 March, 2018)
	Koderma Transmission Limited (w.e.f. 19 March, 2018)
	Dumka Transmission Limited (w.e.f. 25 March, 2018)
	Chandil Transmission Limited (w.e.f. 14 March, 2018)
	Bidar Transmission Limited (w.e.f. 8 June, 2020)
	Fatehgarh Bhadla Transco Limited (2 June, 2020 to 4 June, 2021) *
	Gadag Transmission Limited (2 June, 2020 to 17 March 2021) *
	Kallam Transmission Limited (28 May, 2020 to 28 December, 2021) *
	Rajgarh Transmission Limited (w.e.f. 6 June, 2020)
	Sikar new Transmission Limited (11 June, 2020 to 4 June ,2021)) *
	MP Power Transmission Package-I Limited (w.e.f. 4 August, 2020)
	MP Power Transmission Package-II Limited (20 August,2020 to 1 November,2021) *
	ER NER Transmission Limited (w.e.f. 06.10.2021)
	Dinchang Transmission Limited (Struck off from ROC)**

* indicates associates sold / transferred in FY 2021-22

**The Company has been denotified by MoP on 25 March, 2019 and No objection from Ministry of Power for striking off the name of Dinchang Transmission Limited has been received on 31 March, 2020. Application for strike off has been filed in RoC and accordingly the company has been struck off from the register of companies and has been dissolved vide MCA letter dated 17.08.2021

Key management personnel (KMP)

The Company is a wholly owned subsidiary of REC Limited, a Govt. of India Enterprise. The Key Managerial Personnel of the Company are employees of the Holding Company (REC Limited) deployed on part time basis. The details of such Key Managerial Personnel are as follows:-

Name	Designation	Tenure		Date of Appointment
		From	To	
Sh. R. Lakshmanan (IAS)	Chief Executive Officer	10 January, 2020		10 January, 2020
Sh. Sudhir Kumar Gangadhar Rahate	Chairman & Director	22 February, 2022		22 February, 2022
Sh. Sanjay Malhotra	Chairman & Director	9 November, 2020	10 Feb, 2022	9 November, 2020
Sh. Sanjeev Kumar Gupta	Director	12 October, 2015	31 Oct, 2021	12 October, 2015
Sh. Sanjay Kumar	Director	16 March, 2020		16 March, 2020
Sh. V.K. Singh	Director	12 June, 2020		12 June, 2020
Sh.. Ajoy Choudhury	Director	25 March, 2019		25 March, 2019
Sh. Mohan Lal Kumawat	Company Secretary	13 March, 2007		13 March, 2007
Sh. S. Muralidhran	CFO	01 March, 2021	24 Sept, 2021	01 March, 2021
Sh. Sahab Narain	CFO	26 Sept, 2021		26 September, 2021

b Transactions with Holding Company and KMP are as under:

	Year ended	Holding Company	Society registered for undertaking CSR activities	Key management personnel
(i) Transactions during the year				
Services rendered	Year ended 31 March, 2022	1,263.49	-	-
	Year ended 31 March, 2021	681.38	17.44	-

(All amounts in ₹ lakh, unless stated otherwise)

	Year ended	Holding Company	Society registered for undertaking CSR activities	Key management personnel
Services received from related party	Year ended 31 March, 2022	1,996.52	-	-
	Year ended 31 March, 2021	1,130.12	-	-
Remuneration to KMP's (through Holding Company)	Year ended 31 March, 2022	-	-	106.12
	Year ended 31 March, 2021	-	-	122.73
Reimbursement of expenditure incurred by the Company on behalf of the related party	Year ended 31 March, 2022	-	-	-
	Year ended 31 March, 2021	-	15.23	-
Interest income from investment in tax free bonds	Year ended 31 March, 2022	455.52	-	-
	Year ended 31 March, 2021	454.57	-	-
Dividend on equity shares	Year ended 31 March, 2022	2,242.67	-	-
	Year ended 31 March, 2021	842.50	-	-
(ii) Outstanding Balances at year end				
Amount payables	Year ended 31 March, 2022	597.76	-	-
	Year ended 31 March, 2021	416.25	-	-
Amount receivables	Year ended 31 March, 2022	641.33	-	-
	Year ended 31 March, 2021	569.92	-	-
Non-current investment (Investment in tax free bonds, NCD's & Staggered papers incl. of accrued interest)	Year ended 31 March, 2022	5,894.68	-	-
	Year ended 31 March, 2021	5,894.68	-	-
Other current liabilities	As at 31 March, 2022	-	-	-
	As at 31 March, 2021	-	1.05	-

With respect to the key management personnel, disclosure has been given for those relatives with whom the Company has made transactions during the year. (if any)

Key management personnel remuneration includes the following expenses:

Particular	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Short-term employee benefits	93.05	109.11
Post-employment benefits	13.07	13.62
Total remuneration	**106.12**	**122.73**

Note:

As provisions for gratuity and leave benefits are made for the Company as a whole, the amounts pertaining to the Key management personnel are not specifically identified and hence are not included above.

Transactions with associates are as under:

		For the year ended 31 March, 2022	For the year ended 31 March, 2021
(i)	**Dinchang Transmission Limited**		
	(Struck off from Register of Companies on 17.08.2021)	-	-
(ii)	**Dumka Transmission Limited (w.e.f. 25 March, 2018:)**		
	Interest income	-	-
	Reimbursement/ expenses reimbursement	0.44	4.00
	Advance received from parties	-	-
	Investment made	-	-
(iii)	**Chandil Transmission Limited (w.e.f. 14 March, 2018:)**		
	Interest income	-	-
	Reimbursement/ expenses reimbursement	0.44	4.08
	Advance received from parties	-	-
	Investment made	-	-

(All amounts in ₹ lakh, unless stated otherwise)

		For the year ended 31 March, 2022	For the year ended 31 March, 2021
(iv)	**Mandar Transmission Limited (w.e.f. 26 March, 2018:)**		
	Interest income	-	-
	Reimbursement/ expenses reimbursement	0.44	3.71
	Advance received from parties	-	-
	Investment made	-	-
(v)	**Koderma Transmission Limited (w.e.f. 19 March, 2018)**		
	Interest income	-	-
	Reimbursement/ expenses reimbursement	0.44	3.77
	Advance received from parties	-	-
	Investment made	-	-
(vi)	**Kallam Transmission Limited (28 May, 2020 - 28 December,2021)**		
	Consultancy Fees	229.39	-
	Interest income	2.27	-
	Reimbursement/ expenses reimbursement	51.60	41.20
	Advance received from parties	11.80	40.20
	Investment made	-	5.00
	Sale of investments	5.00	-
(vii)	**Bidar Transmission Limited (w.e.f. 8 June , 2020)**		
	Interest income	-	-
	Reimbursement/ expenses reimbursement	1.65	26.82
	Advance received from parties	-	39.07
	Investment made	-	5.00
(viii)	**Gadag Transmission Limited (2 June 2020 - 17 March, 2022)**		
	Consultancy Fees	393.54	-
	Interest income	2.64	-
	Reimbursement/ expenses reimbursement	45.12	43.80
	Advance received from parties	23.60	52.00
	Investment made	-	5.00
	Sale of investments	5.00	-
(ix)	**Ramgarh New Transmission Limited (26 June, 2020 - 9 March, 2021)**		
	Interest income	-	2.38
	Reimbursement/ expenses reimbursement	-	128.05
	Advance received from parties	-	52.00
	Consultancy fee	-	468.24
	Investment made	-	5.00
	Sale of investment	-	5.00
(x)	**Fatehgarh Bhadla Transco Limited (2 June 2020 - 4 June 2021)**		
	Consultancy fee	1,204.72	-
	Interest income	2.40	3.02
	Reimbursement/ expenses reimbursement	0.97	112.97
	Advance received from parties	-	34.07
	Investment made	-	5.00
	Sale of investments	5.00	-
(xi)	**Sikar New transmission Limited (11 June, 2020 - 4 June, 2021)**		
	Consultancy Fees	1,770.00	-
	Interest income	2.01	1.41

(All amounts in ₹ lakh, unless stated otherwise)

		For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Reimbursement/ expenses reimbursement	0.97	114.51
	Investment made	-	5.00
	Sale of investments	5.00	-
(xii)	**Rajgarh Transmission Limited (w.e.f. 6 June, 2020)**		
	Interest income	2.62	-
	Reimbursement/ expenses reimbursement	34.30	33.99
	Advance received from parties	41.30	49.06
	Investment made	-	5.00
	Sale of investments	-	-
(xiii)	**MP Power Transmission Package-I Limited (w.e.f. 4 August, 2020)**		
	Interest income	14.45	4.80
	Reimbursement/ expenses reimbursement	85.95	132.84
	Advance received from parties	-	29.80
	Investment made	-	5.00
	Sale of investments	-	-
(xiv)	**MP Power Transmission Package-II Limited (w.e.f. 20 August, 2020)**		
	Consultancy Fees	438.96	-
	Interest income	8.83	4.81
	Reimbursement/ expenses reimbursement	50.04	134.48
	Advance received from parties	-	29.80
	Investment made	-	5.00
(xv)	**ER NER Transmission Limited (w.e.f. 6 October 2021)**		
	Interest income	1.17	-
	Reimbursement/ expenses reimbursement	29.86	-
	Advance received from parties	4.70	-
	Investment made	5.00	-
(xvi)	**Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part C1 (Ramgarh II Transmission Limited incorporated on 20-04-2022)**		
	Interest income	0.13	-
	Reimbursement/ expenses reimbursement	10.69	-
	Advance received from parties	-	-
	Investment made	-	-
(xvii)	**Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part D * (Sikar Khetri Transmission Limited incorporated on 06-05-2022)**		
	Interest income	0.13	-
	Reimbursement/ expenses reimbursement	10.69	-
	Advance received from parties	-	-
	Investment made	-	-
(xviii)	**Transmission system for evacuation of power from Neemuch SEZ (Neemuch Transmission Limited incorporated on 12-04-2022)**		
	Interest income	0.13	-
	Reimbursement/ expenses reimbursement	10.69	-
	Advance received from parties	-	-
	Investment made	-	-
(xix)	**Establishment of Khavda Pooling Station-2 (KPS2) in Khavda**		

(All amounts in ₹ lakh, unless stated otherwise)

		For the year ended 31 March, 2022	For the year ended 31 March, 2021
	RE Park * (KPS2 Transmission Limited incorporated on 02-05-2022)		
	Interest income	0.13	-
	Reimbursement/ expenses reimbursement	10.69	-
	Advance received from parties	-	-
	Investment made	-	-
(xx)	**Establishment of Khavda Pooling Station-3 (KPS3) in Khavda RE Park * (KPS3 Transmission Limited incorporated on 29-04-2022)**		
	Interest income	0.13	-
	Reimbursement/ expenses reimbursement	10.69	-
	Advance received from parties	-	-
	Investment made	-	-
(xxi)	**Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase – III Part F * (Beawar Transmission Limited incorporated on 27-04-2022)**		
	Interest income	0.10	-
	Reimbursement/ expenses reimbursement	11.13	-
	Advance received from parties	-	-
	Investment made	-	-
(xxii)	**Transmission Scheme for Solar Energy Zone in Gadag (1500 MW), Karnataka: Part A-Phase-II ***		
	Interest income	0.10	-
	Reimbursement/ expenses reimbursement	11.13	-
	Advance received from parties	-	-
	Investment made	-	-

* Special purpose Vehicles(SPVs)/ Transmission projects are in the process of Incorporation.

d **Outstanding balances w.r.t. associates are as under**

Receivable from associates/(Payable to associates)	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Chandil Transmission Limited	253.75	253.35
Dumka Transmission Limited	247.57	247.16
Mandar Transmission Limited	221.82	221.42
Koderma Transmission Limited	227.51	227.10
Bidar Transmission Limited	(1.05)	(2.56)
Gadag Transmission Limited	-	1.38
Fatehgarh Bhadla Transco Limited	-	90.93
Sikar New transmission Limited	-	76.23
Rajgarh Transmission Limited	28.18	(5.57)
Kallam transmission Limited	-	10.62
MP Power Transmission Package-I Limited	199.03	107.37
MP Power Transmission Package-II Limited	-	109.01
ER NER Transmission Limited	28.38	-
Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part C1 (Ramgarh II Transmission Limited incorporated on 20-04-2022)	10.82	-
Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part D * (Sikar Khetri Transmission Limited incorporated on 06-05-2022)	10.82	-

(All amounts in ₹ lakh, unless stated otherwise)

Receivable from associates/(Payable to associates)	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Transmission system for evacuation of power from Neemuch SEZ (Neemuch Transmission Limited incorporated on 12-04-2022)	10.82	-
Establishment of Khavda Pooling Station-2 (KPS2) in Khavda RE Park * (KPS2 Transmission Limited incorporated on 02-05-2022)	10.82	-
Establishment of Khavda Pooling Station-3 (KPS3) in Khavda RE Park * (KPS3 Transmission Limited incorporated on 29-04-2022)	10.82	-
Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase – III Part F * (Beawar Transmission Limited incorporated on 27-04-2022)	11.23	-
Transmission Scheme for Solar Energy Zone in Gadag (1500 MW), Karnataka: Part A-Phase-II *	11.22	-
	1,281.72	**1,336.44**

* Special purpose Vehicles(SPVs)/ Transmission projects are in the process of Incorporation.

Investments in SPVs	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Chandil Transmission Limited	5.00	5.00
Dumka Transmission Limited	5.00	5.00
MandarTransmission Limited	5.00	5.00
KodermaTransmission Limited	5.00	5.00
Bidar Transmission Limited	5.00	5.00
Gadag Transmission Limited	-	5.00
Fatehgarh Bhadla Transco Limited	-	5.00
Sikar New transmission Limited	-	5.00
Rajgarh Transmission Limited	5.00	5.00
Kallam transmission Limited	-	5.00
MP Power Transmission Package-I Limited	5.00	5.00
MP Power Transmission Package-II Limited	-	5.00
ER NER Transmission Limited	5.00	-
	40.00	**60.00**

e **Advances/dues from directors & other key officers of the company:**

Designation of officer	As at 31 March, 2022	Maximum amount outstanding for the year ended 31 March, 2022	As at 31 March, 2021	Maximum amount outstanding for the year ended 31 March, 2021
Chairman	NIL	NIL	NIL	NIL
Company Secretary	NIL	NIL	NIL	NIL

43 Employee benefit obligations

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 recognized ₹ 32.87 lakh as expense in the statement of profit and loss during the current year (Year ended 31 March, 2021 ₹ 33.47 lakh).

Other long term employee benefit plans

i. Leave encashment (Compensated absence)

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 recognized on the basis of actuarial valuation.

(All amounts in ₹ lakh, unless stated otherwise)

The following table sets out the funded status of other long term employee benefit plans and the amount recognized in the financial statements:

Components of Employee expense	For the year ended 31 March, 2022		For the year ended 31 March, 2021	
	Loyalty incentive	Leave encashment	Loyalty incentive	Leave encashment
Current service cost	-	13.88	5.34	19.96
Interest	-	3.89	2.12	1.79
Actuarial loss/(gain)	-	(7.10)	12.21	12.18
Total	**-**	**10.67**	**19.67**	**33.93**

Net defined benefit liability/ (asset)	As at 31 March, 2022		As at 31 March, 2021	
	Loyalty incentive	Leave encashment	Loyalty incentive	Leave encashment
Current	-	1.84	14.42	2.19
Non-current	-	38.01	-	55.16
Present value of obligation at year end	**-**	**39.85**	**14.42**	**57.35**

Change in obligations during the year	For the year ended 31 March, 2022		For the year ended 31 March, 2021	
	Loyalty incentive	Leave encashment	Loyalty incentive	Leave encashment
Present value at beginning of the year	14.42	57.35	31.14	26.35
Current service cost	-	13.88	5.34	19.96
Interest cost	-	3.89	2.12	1.79
Actuarial loss/(gain)	-	(7.10)	12.21	12.18
Benefits	(14.42)	(28.18)	(36.39)	(2.93)
Present value at the end of the year	**-**	**39.84**	**14.42**	**57.35**

Particulars	For the year ended 31 March, 2022		For the year ended 31 March, 2021	
	Loyalty incentive	Leave encashment	Loyalty incentive	Leave encashment
Actuarial assumptions				
Discount rate*	0.00%	7.18%	0.00%	6.79%
Expected return on plan assets	NA	NA	NA	NA
Salary escalation	NA	6.00%	NA	6.00%
Attrition				
Upto 30 Years	3.00%	3.00%	3.00%	3.00%
From 31 to 44 Years	2.00%	2.00%	2.00%	2.00%
Above 44 Years	1.00%	1.00%	1.00%	1.00%
Method used **	PUCM	PUCM	PUCM	PUCM

**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.*

The company has discontinued the Loyalty bonus scheme so no liability created against this.

***Projected unit credit method (PUCM)*

Maturity profile of obligations - Leave encashment

(All amounts in ₹ lakh, unless stated otherwise)

SL No.	Years	For the year ended 31 March, 2022	For the year ended 31 March, 2021
a)	0 to 1 Year	1.84	2.19
b)	1 to 2 Year	0.80	1.15
c)	2 to 3 Year	0.76	1.12
d)	3 to 4 Year	0.75	1.09
e)	4 Year onwards	35.69	51.80

Sensitivity analysis in respect of obligation*

Particulars	Loyalty incentive		Leave encashment	
	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2022	For the year ended 31 March, 2021
a) Impact of the change in discount rate				
Present value of obligation at the end of the year	-	14.42	39.85	57.35
a) Impact due to increase of 0.50 %	-	(0.11)	(3.30)	(4.89)
b) Impact due to decrease of 0.50 %	-	0.11	3.67	5.46
b) Impact of the change in salary increase				
Present value of obligation at the end of the year	-	14.42	39.85	57.35
a) Impact due to increase of 0.50 %	-	0.11	3.70	5.47
b) Impact due to decrease of 0.50 %	-	(0.11)	(3.35)	(4.95)

**Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.*

**Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.*

44 Financial instruments

i) Financial instruments by category measured at amortized cost:

Particulars	As at 31 March, 2022	As at 31 March, 2021
Financial assets		
Investments*	9,151.49	9,105.81
Trade receivables	10,064.63	14,563.78
Cash and cash equivalents	1,459.03	3,874.74
Other bank balances	15,864.47	29,354.88
Other financial assets (Note 7 & Note 13)	8,934.09	2,577.55
Total	**45,473.71**	**59,476.76**
Financial liabilities		
Borrowings	-	-
Trade payable	3,647.82	6,185.91
Other financial liabilities (Note 19 & Note 23)	14,487.07	28,863.15
Total	**18,134.89**	**35,049.06**

*Aggregate fair value of investment in tax free bonds, NCD's and staggered paper is ₹10,692.80 lakh (31 March,2021 : ₹ 11,108.55 lakh)

ii) Fair values hierarchy

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

(All amounts in ₹ lakh, unless stated otherwise)

45 Financial risk management

i) Risk management

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 44. The main types of risks are credit risk, liquidity risk and market risk.

The Company's risk management is coordinated in close co-operation with the Board of Directors, and focuses on securing the Company's short to medium term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

A) Credit risk

a) Credit risk rating

The entity assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date
B: Moderate credit risk
C: High credit risk

The entity provides for expected credit loss based on the following:

Asset entity	Basis of categorization	Provision for expected credit
Low credit risk	Cash and cash equivalents, other bank balances, loans, investments and other financial assets	12 month expected credit loss
	Contract asset and trade receivable	Lifetime expected credit loss

Assets are written off when there is no reasonable expectation of recovery, such as litigation of debtor decided against the entity or funds not allocated against grant. The entity continues to engage with parties whose balances are written off and attempts to enforce repayment. The entity has written off certain irrecoverable debts.

Credit risk assets are as follows:

Credit rating	Particulars
A: Low credit risk	Cash and cash equivalents, other bank balances, loans, investments and other financial assets
B: Medium credit risk	Trade receivables
C: High credit risk	Trade receivables

b) Credit risk exposure

i Provision for expected credit losses

The entity provides for expected credit losses for following financial assets –

31 March, 2022

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	9,151.49	-	9,151.49
Cash and cash equivalents	1,459.03	-	1,459.03
Other bank balances	15,864.47	-	15,864.47
Trade receivables	18,336.63	(8,272.00)	10,064.63
Other financial assets	8,982.93	(48.85)	8,934.08

31 March, 2021 (All amounts in ₹ lakh, unless stated otherwise)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	9,105.81	-	9,105.81
Cash and cash equivalents	3,874.74	-	3,874.74
Other bank balances	29,354.88	-	29,354.88
Trade receivables	23,213.90	(8,650.12)	14,563.78
Other financial assets	2,626.41	(48.85)	2,577.55

(ii) Expected credit loss for trade receivables under simplified approach

31 March, 2022

Particulars	Gross carrying value	Expected loss rate	Expected credit loss (provision)	Carrying amount (net of impairment)
< 6 months	7,154.80	9.49%	679.10	6,475.70
6 months - 1 year	2,348.64	22.09%	518.83	1,829.81
1 year - 2 year	1,934.85	37.16%	719.00	1,215.85
2 year - 3 year	1,455.52	72.81%	1,059.70	395.82
>3 Years	5,442.82	97.29%	5,295.37	147.45
Total	**18,336.63**	**45.11%**	**8,272.00**	**10,064.63**

31 March, 2021

Particulars	Gross carrying value	Expected loss rate	Expected credit loss (provision)	Carrying amount (net of impairment)
< 6 months	10,441.00	12.78%	1,334.18	9,106.82
6 months - 1 year	2,560.97	22.59%	578.41	1,982.56
1 year - 2 year	2,285.45	19.01%	434.53	1,850.92
2 year - 3 year	3,246.96	50.00%	1,623.48	1,623.48
>3 Years	4,679.52	100.00%	4,679.52	-
Total	**23,213.90**	**37.26%**	**8,650.12**	**14,563.78**

Note: The entity has measured the expected credit loss on trade receivables using simplified approach on lifetime basis.

For the same the Company has used the practical expedient available under Ind AS 109 and computed the expected credit loss using the provision Metrix.

Reconciliation of loss provision – Trade receivables

Reconciliation of loss allowance	Amount
Loss allowance on 1 April, 2020	**6,280.79**
Provision created during the year	2,575.25
Provisions utilized (reversal against bad debts) during the year	(205.92)
Loss allowance on 31 March, 2021	**8,650.12**
Provisions utilized (reversal against bad debts) during the year	(23.29)
Provision created during the year	(354.84)
Loss allowance on 31 March, 2022	**8,272.00**

B) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by maintaining adequate reserves, back-up facilities such as deposits and by continuously monitoring forecast and actual cash

(All amounts in ₹ lakh, unless stated otherwise)

flows, and by matching the maturity profiles of financial assets and liabilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities

All the financial liabilities of the Company are current in nature and are maturing within 12 months period, except for earnest money deposits and Performance bank guarantee which are recoverable in more than 12 months period. However expected date of the same is not determinable.

C) Market risk

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

Currency risk:

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

Interest rate risk

In current financial year there is no credit facility availed by the company.

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Floating rate borrowings (-0.5% Change in interest rate)	-	0.39
Floating rate borrowings (+0.5% Change in interest rate)	-	(0.39)

Price risk:

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

46 Contingencies and Commitments

Particulars	As at 31 March, 2022	As at 31 March, 2021
(a) Income tax demand for AY 2017-18	29.86	29.86
(b) Income tax demand against notice U/s 245 of Income Tax Act for AY 2018-19	0.01	0.01
(c) Income tax demand against notice U/s 245 of Income Tax Act for AY 2019-20	1,462.13	1,462.13
(d) Un-expired performance bank guarantees	3,106.29	3,848.73
(e) Committed liability against corporate social responsibility	117.21	158.54
(f) Outstanding claims of contractors pending in arbitration and courts	2,943.03	2,943.03
	7,658.53	**8,442.30**

(A) The amount referred in (a) above are against the demands raised by the Income Tax Department for AY 2017-18 against which an appeal has been filed before CIT (Appeals) and 20% of demand is deposited in FY 19-20 for ₹ 5.97 lakh. So the company is contesting this tax demands and the management believes that its position will likely be upheld in the appellate process. Further, the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(B) Refer Pt. No. (e) above - In previous year outstanding committed liability against CSR was Rs. 158.54 lakhs. Amount of Rs 75.66 sanctioned in current year. Out of total Rs. 234.20 lakhs, Rs. 116.99 lakhs disbursed for the sanctioned purpose and remaining Rs. 117.21 lakhs will be disbursed in coming years.

(C) The amount referred in (c) above are against the demand raised by the income tax department for the AY 2019-20 against which rectification request had already been submitted and is under consideration. So the management opine that the matter will be resolved soon.

(D) The amount referred in (f) above, is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Company's results of operations or financial condition.

(All amounts in ₹ lakh, unless stated otherwise)

(E) Un-expired performance bank guarantees are secured against current assets excluding earmarked balances for deposit works and government fund account, as indicated in Note (12) Other bank balances.

47 Impact of Covid-19 Outbreak

The Company has taken into account all the possible impacts of COVID-19 in preparation of the financial statements, including but not limited to its assessment of, recoverable values of its financial and non-financial assets, impact on revenue and cost, impact on investments and liquidity assumption. The Company has carried out this assessment based on internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material and expects to recover the carrying amount of its assets.

The Company deals with the Government departments or companies, it seems non-probable to the management that any of the customers of the Company will default any payments. There have been a few cases of delays in the collection, but the management estimates that these are receivable very soon, once the situations get normalised.

Considering the line of business of the Company, COVID-19 has not impacted the revenue recognition of the Company.

48 Impairment of non financial assets:

In the opinion of management, there is no impairment of the non financial assets of the Company in terms of IND AS-36. Accordingly, no provision for impairment loss has been made.

49 Corporate social responsibility expenses

Disclosure on CSR Expenses U/s 135 of the Companies Act, 2013

Particulars	31 March, 2022	31 March, 2021
(b) Amount approved by the Board to be spent during the year	167.95	195.48
(c) Amount of expenditure incurred during the year		
- on construction/acquisition of assets	-	-
- on purpose other than above	167.95	253.48
(d) Shortfall at the end of the year	-	-
(e) Total of previous years shortfall	-	-
(f) Nature of CSR activities		

The company has contributed/incurred expenditure in the below mentioned CSR activities-

(i) Contribution to the Clean Ganga Fund setup by the Central Government

(ii) Contribution to the Swach Bharat Kosh set-up by the Central Government

(iii) Contribution towards PM Cares Fund

(iv) Ensuring environmental sustainability, conservation of natural resources and maintaining quality of water.

(v) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution for the promotion of sanitation and making available safe drinking water.

(vi) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects

(vii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups

(g) The company has not entered any transaction with related party in relation to CSR expenditure during the year.

(h) Movements of provision with respect to CSR liability/expenditure

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	31 March, 2022	31 March, 2021
Opening balance of provision	-	-
Add - Provision made during the year	4.09	-
Less - Provision utilised during the year	-	-
Closing balance of provision	4.09	-

50 Leases

The Company has leases for office building, warehouses, office equipment and related facilities. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

A Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Short-term leases	469.06	255.74
Total	**469.06**	**255.74**

B Total cash outflow for leases for the year ended 31 March, 2022 was ₹ 469.06 Lakh, (31 March, 2021 - ₹ 336.24 Lakh).

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Short-term leases	469.06	255.74
Long-term leases	-	80.50
Leases of low value assets	-	-
Total	**469.06**	**336.24**

C The Company has total commitment for short-term leases of ₹ 325.93 lakh as at 31 March, 2022 (31 March, 2021 ₹ 69.59 lakh).

D Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

As at 31 March, 2022	Minimum lease payments due		
	Within 1 year	1-3 years	More than 3 years
Lease payments	**-**	**-**	**-**

As at 31 March, 2021	Minimum lease payments due		
	Within 1 year	1-3 years	More than 3 years
Lease payments	-	-	-

(All amounts in ₹ lakh, unless stated otherwise)

E Set out below are the carrying amount of lease liabilities and the movement during the year:

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening balance	**-**	**204.99**
Additions	-	-
Accretion of interest	-	9.71
Payments	-	(80.50)
Reassessment of lease liability	-	(134.20)
Closing balance	**-**	**-**
Current	**-**	**-**
Non current	**-**	**-**

The Company has terminated the lease of the office block on 31 January, 2021. Accordingly the balances of lease liability and right of use asset-building are disposed off in the books of accounts as on 31st March, 2021.

F Extension and termination options

The Company has lease contracts for "office block and work sites" which are used for regular operations of its business. There are several lease contracts that include extension and termination options which are further discussed below.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgment in determining whether these extension and termination options are reasonably certain to be exercised.

The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

Critical judgments in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

51 Ratios Analysis

Ratio	31 March, 2022			31 March, 2021			Analysis	
	Numerator	Denominator	Ratios	Numerator	Denominator	Ratios	% Variance	Reason
Current Ratio	32,430.45	18,803.82	1.72	52,397.38	36,257.59	1.45	19.34	
Return on Equity Ratio	5,302.50	31,329.12	0.17	2,561.56	28,939.68	0.09	91.21	refer pt. (a)
Trade Receivables Turnover Ratio	16,001.02	12,314.21	1.30	17,028.97	12,242.32	1.39	-6.59	
Trade Payables Turnover Ratio	7,983.60	4,916.87	1.62	10,205.55	5,536.78	1.84	-11.91	
Net capital Turnover Ratio	16,001.02	13,626.63	1.17	17,028.97	16,139.80	1.06	11.29	
Net Profit Ratio	5,302.50	16,001.02	0.33	2,561.56	17,028.97	0.15	120.30	refer pt. (b)
Return on Capital employed	7,148.22	32,859.04	0.22	3,714.68	29,799.21	0.12	74.51	refer pt. (c)

1. Current ratio - Numerator includes current assets and Denominator includes current liabilities
2. Return on Equity ratio - Numerator includes Net profit after taxes and Denominator includes average shareholders equity.
3. Trade receivable turnover ratio - Numerator includes Revenue from operations and Denominator includes average trade receivables.

4. Trade payable turnover ratio - Numerator includes Cost of services rendered and Denominator includes average trade payables.
5. Net capital turnover ratio - Numerator includes Revenue from operations and Denominator includes working capital.
6. Net profit ratio - Numerator includes profit after tax and Denominator includes Revenue from operations.
7. Return on capital employed - Numerator includes earning before interest and taxes and Denominator includes capital employed (Tangible networth plus total debt plus deferred tax liabilities).

Reasons for variation more than 25%

(a) Return on equity ratio improved due to increase in profit after tax.

(b) Net profit ratio improved due to decrease in expenses on account of impairment of financial assets and cost of services rendered.

(c) Return on capital employed improved due to increase in profit before interest and tax.

52 Other notes

I There were twelve opening associate companies (SPVs), in the previous years, namely Chandil Transmission Limited, Dumka Transmission Limited., Koderma Transmission Limited, Mandar Transmission Limited, Kallam Transmission Limited, Bidar Transmission Limited, Gadag Transmission Limited, Fatehgarh Bhadla Transco Limited, Sikar New Transmission Limited, Rajgarh Transmission Limited, MP Power Transmission Package-I Limited, MP Power Transmission Package-II Limited.

One of the associate namely ER NER Transmission Limited has been incorporated during FY 2021-22. Further, five SPVs namely Fatehgarh Bhadla Transco Limited , Sikar New Transmission Limited , MP Power Transmission package II Limited, Kallam Transmission Limited and Gadag Transmission Limited has been transferred / sold during FY 2021-22.

Hence, there are eight associates(SPVs) as at 31 March, 2022.

One of the SPV namely Dinchang Transmission Limited was given No Objection by MoP for for striking off the name of Dinchang Transmission Limited under Section 248 of Companies Act, 2013 from the Register of Companiesand the application for strike off has been filed with RoC during FY 2020-21 and accordingly the company has been struck off from the register of companies and has been dissolved vide MCA letter dated 17.08.2021.

II a) Government of Jharkhand vide its letter dated 21 August, 2017 had nominated Company as the Bid Process Coordinator for the development of Intra-State transmission elements of Jharkhand State through Tariff Based Competitive Bidding route. Further, Government of Jharkhand vide its letter dated 30 September, 2020, has decided to reinitiate the bidding process. Hence, the four projects has been kept in abeyance w.e.f. 1 October, 2020. Provision of amount recoverable from these SPV's has been created in books of accounts.

b) The Government of India appointed REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited) as Bid Process Co-ordinator for selection of the developer for the project "Transmission Scheme for Solar Energy Zone in Bidar (2500 MW), Karnataka". Accordingly, Bidar Transmission Limited was incorporated for the project on 08.06.2020. Further, MoP, Power System Planning Appraisal-I Division vide its letter has conveyed that as per minutes of meeting held on 16.10.2020, the bidding of the project has been put on hold. Hence, the project has been kept in abeyance.

III There are no foreign currency transactions during the year. Therefore no disclosures are required under Schedule III of the Companies Act, 2013.

IV The Company does not have more than 2 layers as specified in sub-rule (2) of Companies (Restriction on number of layers) Rules, 2017. As on 31.03.2022, the Company has 9 SPVs, In which it has directly invested and holds 100% of its shares. So Company does not violate the provision of Section 2(87) of companies Act.

V The Company is operating in a single segment i.e. providing engineering consultancy services and therefore disclosure requirements of Ind AS 108 is not applicable. The company has a single geographical segment, as all its project offices are located within the Country.

VI No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

VII There is no transaction under section 248 of the Companies Act,2013 with Struck off companies during the F.Y.21-22.

VIII The code on social securtiy 2020 (Code) relating to employee benefit during employment and post employment benefit received presidential accent in September 2020. The code has been published in the Gazette of India. However, the date onwhich the code will come in to effect has not been notified. The company will assess the impact of the code when it comes in to effect and will record any related impact in the period the code becomes effective.

IX The company has no non material adjustment event after reporting period.

X As per the provision of the Companies Act, 2013 the figures have been rounded off to the nearest of lakh and decimal thereof.

XI Negative figures have been shown in bracket.

Summary of significant accounting policies 1 to 3
The accompanying notes from 4 to 52 are integral part of the financial statements.
These are the financial statements referred to in our report of even date.

For A. K. Batra & Associates
Chartered Accountants
Firm Registration No. 003499N

For and on behalf of Board of Directors of
REC Power Development and Consultancy Limited

CA Nitin Grover
Partner
Membership No. 516604

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

Date : May 11, 2022
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT
To The Members of REC Power Development And Consultancy Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **REC Power Development and Consultancy Limited** (A wholly owned subsidiary of REC Limited), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the companies Act, 2013 (The "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1.	**Valuation of account Receivable in view of risk of credit loss** (Refer to Note no. 44 "Financial Instrument" and note no 10 "Trade Receivable") Accounts receivables is a significant item in the Company's financial statements as at March 31, 2022 and assumptions used for estimating the credit loss on receivables is an area which is influenced by management's judgment. The Company makes an assessment of the estimated credit losses basis credit risk, project status, past history, latest discussion/ correspondence with the customer. Given the relative significance of these receivables to the financial statements and the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter.	**Principal Audit Procedures** Our audit incorporated the following procedure with regards to provisioning of receivables: · Understood and evaluated the accounting policy of the company. · We evaluated the design and tested the operating effectiveness of key controls in relation to determination of estimated credit loss. · Inquired with senior management regarding status of collectability of the receivable · For material balances, the basis of provision was discussed with the management. · Assessed and challenged the information used by the Management to determine the expected credit losses by considering credit risk of the customer, cash collection, performance against historical trends and the level of credit loss charges over time.

S. No.	Key Audit Matter	Auditor's Response
2.	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"** The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Refer Notes 3.2 and 39 to the Financial Statements	**Principal Audit Procedures** We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. We carried out the following procedures: · Understand the design of internal controls relating to implementation of the new revenue accounting standard. · Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. · Regarding the stage of completion and revenue in respect of ongoing projects, we have relied upon the reports of the Technical Experts of the Company as we did not have that technical expertise with us. · Selected a sample of continuing and new contracts and performed the following procedures: · Read, analyzed and identified the distinct performance obligations in these contracts. · Compared these performance obligations with that identified and recorded by the Company. · Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. · Calculations in respect of unearned revenue were test-checked using reports provided by project experts with respect to the percentage of work completed. · In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with the terms of contracts and status of work provided by the project experts of the company. · Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. · Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.

Information Other than the financial statements and Auditor's Report Thereon

5. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in an entity's annual report, but does not include the financial statements and our auditor's report thereon.

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

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

8. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those charged with governance for the Financial Statement

9. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in

India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

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

11. The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

14. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

19. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub section (5) of Section 143 of the Companies Act 2013, the compliance of which is set out in **"Annexure B".**

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

21. 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

    a) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;

    b) The balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity and dealt with by this Report are in agreement with the books of account;

    c) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder.

    d) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

    e) Vide Notification No. G.S.R. 463(E) dated 5 June, 2015 issued by Ministry of Corporate Affairs, Government Companies have been exempted from applicability of the provisions of Section 164(2) of the Companies Act, 2013

    f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure C"**; and

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

       i. The Company has Rs. 2943.03 lakh pending litigations as on 31st March 2022.

       ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

       iii. The provision of transferring the amount to the Investor Education and Protection Fund is not applicable to the company.

       iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

       (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in the standalone financial statements

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

(c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For A. K. Batra & Associates
Chartered Accountants
Firm Registration No. 003499N

Date: 11.05.2022
Place: NewDelhi

CA Nitin Grover
Partner
Membership No. 516604
UDIN: 22516604AIVLBB7612

Annexure A to The Independent Auditor's Report

The annexure referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of REC Power Development and Consultancy Limited on the Ind AS financial statements for the financial year ended on 31st March 2022.

1. In respect of its fixed assets

   (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment on the basis of available information.

   (b) The company has an approved regular program of verification for all assets to cover all the items yearly, which, in our opinion, is reasonable having regard to the size of the company and the nature of its fixed assets. Pursuant to the program, Assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company does not have any immovable properties which are freehold and held in the name of company as at the balance sheet date.

   (d) The company has not revalued its assets during the year.

   (e) The company is not holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

2. (a) The company being a consultancy provider does not have any inventory during the year.

   (b) No working capital limit has been sanctioned to the company during the year.

3. In our opinion and according to the information and explanations given to us, the company has not provided any guarantee or security or granted any loans or advances secured or unsecured to the companies/ firms, limited liability partnership or other parties.

4. In our opinion and according to the information and explanations given to us, the company has not given loans, guarantees, security or made any investments which need to comply with the section 185 and 186 of Companies Act, 2013.

5. According to the information and explanations given to us, the Company has not accepted any deposit during the year within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013.

6. The Company is not required to maintain cost records which have been specified by the Central Government under sub-section (1) of section 148 of companies act, 2013.

7. (a) According to the records of the company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including Goods and service tax, Excise Duty, Provident Fund, ESI and other statutory dues applicable over the company.

   (b) According to the information given to us and as per the books of accounts produced before us, the company has no dues relating to Goods and service tax, sales tax, income tax, custom tax, excise duty, cess as at 31st March,2022 that have not been deposited on account of any dispute except income tax demand for A.Y. 2017-18 of Rs. 23.89 lakh for which appeal has been filed before CIT (Appeals).

8. According to the information given to us and as per the books of accounts produced before us, no transactions have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.

9. Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.

10. (a) The company has not raised any money by way of initial public deposit offer, further public offer (including debt instruments) during the year.

(b) The company has not made any preferential allotment or private placement of shares or convertible debenture during the year.

11. (a) According to the information and explanations given to us, based upon the audit procedures performed and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during course of our audit.

    (b) There is no fraud reported during the year accordingly filling of report under sub-section (12) of section 143 of the Act is not required.

    (c) According to the information and explanations given to us, no whistle-blower complains received during the year by the company.

12. The company is not a Nidhi company and hence this clause is not applicable.

13. In our opinion and according to information and explanation given to us, all transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and are disclosed in the financial statements as required by the applicable accounting standards.

14. (a) The company has appointed an internal auditor for the year.

    (b) Internal Audit report for the half year period ended 30th September 2021 has been provided by the company. The report for the period half year ended 31st March 2022 is yet to be received from the internal auditors.

15. Based on the representation given by the management, the company has not entered into any non-cash transactions with the directors or other persons connected to directors and hence the provision of section 192 of the companies act is not applicable.

16. The company is not required to be registered under section 45-IA of Reserve Bank of India, 1934.

17. Based on the representation given by the management, the company has not incurred any cash losses during the financial year and immediately preceding financial year.

18. No statutory auditors has resigned during the year.

19. On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and management plans, we are in the opinion that no material uncertainty exist as on the date of the audit report that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

20. (a) The company has spent all the funds allocated during the year and accordingly no unspent amount available under section 135 of the Act.

    (b) The company did not have any unspent amount under sub-section (5) of section 135 of the Companies Act and accordingly this clause is not applicable.

For A. K. Batra & Associates
Chartered Accountants
Firm Registration No. 003499N

CA Nitin Grover
Partner
Membership No. 516604
UDIN: 22516604AIVLBB7612

Date: 11.05.2022
Place: NewDelhi

Annexure B to the Independent Auditor's Report

Annexure referred to in paragraph 2 under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **REC Power Development and Consultancy Limited** on the financial statements for the financial year ended on 31st March 2022.

S. No.	Directions	Our Report
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has proper system in place to process all the accounting transactions through IT system (Tally ERP.9). The company does not have any processing outside IT system of accounting transactions.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether, such cases are properly accounted for (in case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	According to information and explanations given to us, there are no cases of restructuring / waiver / write off debts / loans / interest made by a lender to the company due to company's inability to repay the loan.
3.	Whether funds received / receivable for specific schemes from central / state agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	According to the information and explanations given to us, the funds received/receivable for specific schemes from central/state agencies has been properly accounted for /utilized by the company.

Annexure C to the Independent Auditor's Report

Annexure referred to in paragraph 3(f) under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of REC Power Development and Consultancy Limited on the financial statements for the financial year ended on 31st March 2022.

Report on the Internal Financial Control 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 Development and Consultancy Limited** ("the Company") as on 31st March 2022 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, 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 A. K. Batra & Associates
Chartered Accountants
Firm Registration No. 003499N

CA Nitin Grover
Partner
Membership No. 516604
UDIN: 22516604AIVLBB7612

Date: 11.05.2022
Place: NewDelhi

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 DEVELOPMENT AND CONSULTANCY LIMITED FOR THE YEAR ENDED 31 MARCH2022

The preparation of financial statements of REC Power Development and Consultancy Limited for the year ended 31 March 2022 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 11.05.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of REC Power Development and Consultancy Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

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

(D.K. Sekar)
Director General of Audit (Engry),
Delhi

Date: 11.07.2022
Place: NewDelhi

REC Power Development and Consultancy Limited
(Formerly REC Power Distribution Company Limited)

Consolidated Balance Sheet as at 31 March, 2022

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	Notes	As at 31 March, 2022	As at 31 March, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	37.33	58.08
Other intangible assets	5	2.84	4.70
Financial assets			
Investments	6	9,151.49	9,105.81
Other financial assets	7	6,500.39	97.20
Income tax assets (net)	8	848.76	879.32
Deferred tax assets (net)	9	2,537.56	2,332.09
Total non current assets		**19,078.37**	**12,477.20**
Current assets			
Financial assets			
Trade receivables	10	10,064.63	14,563.78
Cash and cash equivalents	11	1,459.03	3,874.74
Other bank balances	12	15,864.47	29,354.88
Other financial assets	13	2,433.70	2,480.35
Current tax assets (Net)	14	337.58	-
Other current assets	15	2,271.04	2,123.63
Total current assets		**32,430.45**	**52,397.38**
Assets classified as held for sale	16	351.98	1,404.57
TOTAL ASSETS		**51,860.80**	**66,279.15**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	8.55	8.55
Other equity	18	32,850.49	29,790.66
Total equity		**32,859.04**	**29,799.21**
Non-current liabilities			
Financial liabilities			
Other financial liabilities	19	149.38	133.36
Provisions	20	38.01	55.16
Other non-current liabilities	21	9.50	25.70
Total non-current liabilities		**196.89**	**214.22**
Current liabilities			
Financial liabilities			
Trade payables	22		
(a) Due to micro, small and medium enterprises		-	0.76
(b) Dues to others		3,647.82	6,185.15
Other financial liabilities	23	14,337.69	28,729.78
Other current liabilities	24	740.49	947.63
Provisions	25	77.82	16.61
Current tax liabilities (net)	26	-	377.64
Total current liabilities		**18,803.82**	**36,257.59**
Liabilities directly associated with assets classified as held for sale	16	1.05	8.13
Total liabilities		**19,001.76**	**36,479.94**
TOTAL EQUITY & LIABILITIES		**51,860.80**	**66,279.15**

Summary of significant accounting policies 1 to 3
The accompanying notes from 4 to 52 are integral part of the financial statements.
These are the Consolidated financial statements referred to in our report of even date.

For A. K. Batra & Associates
Chartered Accountants
Firm Registration No. 003499N

CA Nitin Grover
Partner
Membership No. 516604

Date : May 11, 2022
Place : New Delhi

For and on behalf of Board of Directors of
REC Power Development and Consultancy Limited

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

REC Power Development and Consultancy Limited
(Formerly REC Power Distribution Company Limited)

Consolidated Statement of Profit and Loss for the year ended 31 March, 2022

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	Notes	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Revenue			
Revenue from operations	27	16,001.02	17,028.97
Other income	28	1,718.94	1,457.32
Total Income		**17,719.96**	**18,486.29**
Expenses			
Cost of services rendered	29	7,983.60	10,205.55
Employee benefits expense	30	650.66	583.40
Finance costs	31	261.32	452.46
Depreciation and amortization expense	32	28.03	132.65
Impairment on financial assets	33	(328.91)	2,631.89
Corporate social responsibility expenses	34	167.95	195.48
Other expenses	35	1,099.62	1,022.64
Impairment on assets classified as held for sale	36	970.79	-
Total expenses		**10,833.06**	**15,224.07**
Profit/(Loss) before tax		**6,886.90**	**3,262.22**
Tax expense	37		
Current tax		1,789.87	1,407.66
Deferred tax expense/(credit)		(205.47)	(707.00)
Total tax expenses		**1,584.40**	**700.66**
Net profit/(loss) for the year		**5,302.50**	**2,561.56**
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		-	-
Income tax relating to these items		-	-
Other comprehensive income/(loss) for the year		**-**	**-**
Total comprehensive income/(loss) for the year		**5,302.50**	**2,561.56**
Earnings per equity share			
Basic/diluted earnings per share (In ₹)	38	6,202	2,996

Summary of significant accounting policies 1 to 3
The accompanying notes from 4 to 52 are integral part of the financial statements.
These are the Consolidated financial statements referred to in our report of even date.

For A. K. Batra & Associates
Chartered Accountants
Firm Registration No. 003499N

CA Nitin Grover
Partner
Membership No. 516604

For and on behalf of Board of Directors of
REC Power Development and Consultancy Limited

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

Date : May 11, 2022
Place : New Delhi

REC Power Development and Consultancy Limited
(Formerly REC Power Distribution Company Limited)

Consolidated Statement of changes in equity for the year ended 31 March, 2022

A Equity share capital

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	Amount
Balance as at 1 April, 2020	**5.00**
Changes in equity share capital during the year	3.55
Balance as at 31 March, 2021	**8.55**
Balance as at 1 April, 2021	**8.55**
Changes in equity share capital during the year	-
Balance as at 31 March, 2022	**8.55**

B Other equity

Particulars	31 March, 2022				
	General reserve	Retained earnings	Shares pending issuance	Capital reserve	Total
Balance as at 1 April, 2021	**5,313.55**	**24,475.66**	**-**	**1.45**	**29,790.66**
Profit/(Loss) for the year	-	5,302.50	-	-	5,302.50
Dividend					
- Final dividend for the previous year (FY 2020-21)	-	(1,490.27)	-	-	(1,490.27)
- Interim dividend for the year (FY 2021-22)	-	(752.40)	-	-	(752.40)
Balance as at 31 March, 2022	**5,313.55**	**27,535.49**	**-**	**1.45**	**32,850.49**

Particulars	31 March, 2021				
	General reserve	Retained earnings	Shares pending issuance	Capital reserve	Total
Balance as at 1 April, 2020	**5,313.55**	**22,756.60**	**3.55**	**1.45**	**28,075.15**
Profit/(Loss) for the year	-	2,561.56	-	-	2,561.56
Dividend					
- Final dividend for the previous year (FY 2019-20)	-	(842.50)	-	-	(842.50)
- Interim dividend for the year (FY 2020-21)	-	-	-	-	-
Adjustment on account of merger	-	-	(3.55)	-	(3.55)
Balance as at 31 March, 2021	**5,313.55**	**24,475.66**	**-**	**1.45**	**29,790.66**

Summary of significant accounting policies 1 to 3
The accompanying notes from 4 to 52 are integral part of the financial statements.
These are the Consolidated financial statements referred to in our report of even date.

For A. K. Batra & Associates
Chartered Accountants
Firm Registration No. 003499N

CA Nitin Grover
Partner
Membership No. 516604

Date : May 11, 2022
Place : New Delhi

For and on behalf of Board of Directors of
REC Power Development and Consultancy Limited

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

REC Power Development and Consultancy Limited
(Formerly REC Power Distribution Company Limited)

Consolidated Statement of Cash Flows for the year ended 31 March, 2022

(All amounts in ₹ lakh, unless stated otherwise)

	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (Loss) before tax	6,886.90	3,262.22
	Adjustments for:		
	ADD:-		
	Depreciation and amortization expense	28.03	132.65
	Liabilities/Provisions written back	116.43	-
	Impairment on financial assets	(328.91)	2631.89
	Impairment on assets classified as held for sale	970.79	-
	Interest expense on other financial liabilities measured at amortized cost	16.00	14.29
	Loss on sale of property, plant and equipment (net)	0.29	66.31
	Interest expense on lease liability	-	9.71
	Interest on working capital loans	-	6.14
	Loss/(gain) on termination of lease	-	0.19
	Less -		
	Interest income on fixed deposit	(341.67)	(334.33)
	Interest income on tax free bonds	(607.63)	(605.93)
	Interest income from SPVs	(37.22)	(16.41)
	Interest income on NCDs	(70.90)	(70.76)
	Interest income on staggered papers	(15.10)	(15.04)
	Interest income on other financial assets measured at amortized cost	(16.20)	(18.38)
	Profit on sale of property, plant and equipment	-	(0.11)
	Operating profit before working capital changes	**6,600.81**	**5,062.44**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Trade receivables (non current)	-	1,361.52
	Trade receivables (current)	4,828.05	(7,274.81)
	Loans (non current)	-	16.14
	Loans (current)	-	42.58
	Other financial assets (current)	62.85	(24.54)
	Financial Asset - Other bank balances	14,830.95	(5,649.22)
	Other current assets	(147.40)	(215.38)
	Other non-current assets	-	2.95
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	(2,654.53)	1,298.25
	Other financial liabilities (current)	(14,392.07)	6,391.09
	Other current liabilities	(207.14)	226.00
	Provisions (current)	61.21	2.21
	Provisions (non current)	(17.15)	12.09
	Other non-current liabilities	(16.20)	(16.29)
	Liabilities held for sale	(7.08)	(60.10)
	Movement in operating assets and liabilities	2,341.49	(3,887.50)
	Cash generated from operations	**8,942.30**	**1,174.93**
	Less: Tax paid	(2,474.54)	(180.61)
	Net cash flow from operating activities (A)	**6,467.76**	**994.33**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (including capital work-in-progress)	(5.72)	(11.59)
	Sale of property, plant and equipment	(0.07)	18.86
	Purchase of intangible assets	-	(4.79)
	Sale of intangible assets	0.08	-
	Deposits with bank	(1,340.53)	(194.23)
	Deposit with Bank having original maturity period more than 12 Months	(6,403.20)	(60.36)
	Interest received on fixed deposit	341.67	334.33
	Interest received from SPV's	37.22	16.41
	Interest received on tax free bonds	607.63	605.93
	Interest income on NCDs	70.90	70.77

(All amounts in ₹ lakh, unless stated otherwise)

	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Interest income on staggered papers	15.10	15.04
	Purchase of investment in tax free bonds/ NCDs/ staggered bonds		
	Sale/(Purchase) of investments	(45.68)	1.89
	Sale/(investment) of/in shares of associate companies (net)	81.80	(451.10)
	Maturity of term deposits		
	Net cash (used in)/flow from investing activities (B)	**(6,640.80)**	**341.16**
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Dividends paid	(2,242.67)	(842.50)
	Repayment of borrowings	-	(500.00)
	Interest on working capital loans	-	(6.14)
	Lease payment on account of principal payment of lease liability	-	(70.79)
	Lease payment on account of interest payment on lease liability	-	(9.71)
	Net cash used in financing activities (C)	**(2,242.67)**	**(1,429.14)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(2,415.71)**	**(93.65)**
	Cash and cash equivalents at the beginning of the year	3,874.74	3,968.39
	Cash and cash equivalents at the end of the year	1,459.03	3,874.74
	Reconciliation of cash and cash equivalents as per the cash flow statement	**(2,415.71)**	**(93.65)**

Explanatory notes -
Cash and Cash equivalents consists of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits with original maturity of less than three months. The details of Cash and Cash equivalents are as under :-

	As at 31 March, 2022	As at 31 March, 2021
Balance held with schedule bank		
-in current account	650.50	988.52
-in deposit account	808.53	2,886.22

Summary of significant accounting policies 1 to 3
The accompanying notes from 4 to 52 are integral part of the financial statements.
These are the Consolidated financial statements referred to in our report of even date.

For A. K. Batra & Associates
Chartered Accountants
Firm Registration No. 003499N

CA Nitin Grover
Partner
Membership No. 516604

For and on behalf of Board of Directors of
REC Power Development and Consultancy Limited

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

Date : May 11, 2022
Place : New Delhi

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2022

1. CORPORATE INFORMATION

REC Power Development & Consultancy Limited ("the Parent Company"/"RECPDCL") was incorporated in the year 2007, with the main objective to engage in the engineering consultancy services, execution of work in the area of decentralized distributed generation (DDG), transmission, Distribution, Generation and Smart Grid etc. in India or abroad or other related activities for Government and other agencies in power sector in India. The Parent company is domiciled in India and is limited by shares, having its registered office at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India and principal place of business at REC World Head Quarter, D- Block, Sector-29, Gurugram-122001. The Group is a wholly-owned subsidiary of REC Limited (formerly Rural Electrification Corporation Limited)("REC"). RECPDCL together with its associates is called Group.

The Group is engaged:

(i) in carrying out the third party inspection (TPI), quality monitoring and supervision under Rajiv Gandhi Grameen Vidyutikaran Yojana(RGGVY)/ Deendayal Upadhyaya Gram Jyoti Yojana(DDUGJY)/Saubhagya Schemes.

(ii) in preparation of detailed project report (DPR), project management consultancy (PMC) and project management agency (PMA) under the Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), and Integrated Power Development Scheme (IPDS) Schemes.

(iii) in execution of works of Information Technology (IT) implementation and installation of IT Infrastructure under R-APDRP Part A Schemes, project implementation agency for implementation of various Government of India Projects viz. Prime Minister's Development Package (PMPD), Power System Development Fund (PSDF)(Urja Mitra, Rural Feeder Monitoring Scheme (RFMS). Implementation of Smart Metering Project under RDSS.

(iv) as project management agency (PMA) for turnkey execution of smart grid project under NSGM of Government of India, execution of solar standalone /roof top power plants at various locations across the country.

(v) Bid Process Coordinator (BPC) for Inter State Transmission Systems and Intra State Transmission Systems on Tariff Based Competitive Mode. Parent Company is conducting the bidding process for these projects starting from incorporation, survey, cost estimation of Special Purpose Vehicle (SPV) and selection of qualified bidders to handing over of the SPV to the lowest bidder.

2. STATEMENT OF COMPLIANCE

The Group prepared its Consolidated Financial Statements in accordance with the requirements of Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These Consolidated Financial Statements comply with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines.

The Consolidated financial statements for the year ended 31st March, 2022 were authorized and approved by the Board of Directors on 11 May, 2022.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

2.1 RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

(A) Application of new and revised standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2021. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Interest rate benchmark reform - Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the consolidated financial statements of the Group.

(ii) Ind AS 116: COVID-19 related rent concession

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the consolidated financial statements of the Group.

(iii) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of “Recoverable amount” is amended such that the words “the higher of an asset’s fair value less costs to sell and its value in use” are replaced with “higher of an asset’s fair value less costs of disposal and its value in use”. The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the consolidated financial statements of the Group.

Recent accounting pronouncements: Standards issued but not yet effective.

(I) Ind AS 16 – Proceeds before intended use

The amendment mainly prohibits an entity from deducting the cost of Property, plant and equipment amounts received from selling produced while the Group is preparing the assets for its intended use. Instead, an entity will recognize such sale proceeds and related cost in profit and loss.

The Group does not expect the amendment to have any impact in the Consolidated financial statements.

(ii) Ind AS 37 – Onerous Contract – Cost of fulfilling a Contract

The amendment specify that the “Cost of fulfilling” a contract comprises the “cost that relate directly to the Contract”. Cost that relate directly to the Contract can either be incremental costs of fulfilling the contract (example would be direct labour, material) or an allocation of other costs that relate directly to fulfilling the contract.

This amendment is essentially a clarification and the Group does not expect the amendment to have any impact in the consolidated financial statements.

(iii) Ind AS 103: Business Combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards* issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments have no impact on the consolidated financial statements of the Group.

(iv) Ind AS 109 – Annual improvement to Ind AS 2021

The amendment clarifies which fees an entity includes when it applies the “ten percent” test of Ind AS 109 in assessing whether to derecognise a financial liability.

The Group does not expect the amendment to have any impact in the consolidated financial statements of the Group.

B. Amendment in Schedule III of the Companies Act,2013

On 24 March, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01 April, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015.

The changes as per the above-mentioned amendment of Companies Act, 2013 have been incorporated in consolidated financial statement wherever applicable. Now these changes are showing in current consolidated financial statements. Major changes are highlighted below:

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables under undisputed and disputed (if any) categories has been made as per amendment in schedule III of the companies Act, 2013.
- If the Group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of group, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Disclosure under additional information such as Ratios with their analysis if difference is more than 25% with previous year wherever applicable has been made.
- Disclosure under additional information such as Relationship with Stuck off Companies has been made as per amended requirement.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the consolidated financial statements.

The amendments are extensive and the Group has evaluated the same to give effect to them as required by law.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in preparation of the consolidated financial statements are as given below:

3.1 Basis of preparation and measurement

(i) Going concern and basis of measurement

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis except for certain financial assets and financial liabilities are measured at fair values at the end of each reporting period.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Companies Act, 2013. The Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

(ii) Functional and presentation currency:
These consolidated financials are presented in Indian Rupees (INR), which is also the Group’s functional currency, all amounts have been rounded off to nearest Lakhs (upto two digits), unless otherwise indicated.

3.2 Basis of Consolidation

The Group's interests in equity accounted investees comprise interests in the associates. An associate is an entity, including an unincorporated entity, over which the parent company has significant influence and that is neither a subsidiary nor an interest in a joint venture.

Interests in associates are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of Profit and Loss and Other Comprehensive Income (OCI) of equity-accounted investees until the date on which significant influence ceases. In cases where it is considered that the investment/interest in associate is held for sale, the interest in associate is accounted for under Ind AS 105.

3.3 Revenue recognition

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

The Group, to determine that how much and when revenue is recognized, what is the nature, amount, timing and uncertainty of revenues etc. uses the principles laid down by the Ind AS 115. Revenue is recognized through a 5-step approach:

(I) Identify the contract(s) with customer;

(ii) Identify separate performance obligations in the contract;

(iii) Determine the transaction price;

(iv) Allocate the transaction price to the performance obligations; and

(v) Recognise revenue when a performance obligation is satisfied.

Income from Operation

Revenues are measured at the fair value of the consideration received or receivable, net of discounts and other indirect taxes.

(i) In Cost Plus Contracts - revenue is recognized by including eligible contractual items of expenditures plus proportionate margin as per contract;

(ii) In Fixed Price Contracts –revenue is recognized on the basis of stage of completion of the contract. The Group has assessed that the stage of completion determined as the proportion of the total time expected to complete the performance obligation that has lapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under Ind AS 115.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(iii) Professional charges to be charged from the selected bidders/developers for transmission projects put on tariff based bidding is accounted for in the year in which it is reasonably certain that the ultimate collection of the professional charges will be made.

Sale proceeds of Request for Proposal (RFP) documents is credited to the respective SPV and sale proceeds of Request for Qualification (RFQ) documents is retained by the Parent Company and accounted as income of the Parent Company. From 06th August 2021, MoP, Government of India revised guidelines, sale proceeds of RFP documents are credited to the BPC account.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.4 Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes all expenses, direct and indirect, specifically attributable to its acquisition and bringing it to its working condition for its intended use. Incidental expenditure pending allocation and attributable to the acquisition of fixed assets is allocated/capitalized with the related assets. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Subsequent measurement (depreciation method, useful lives and residual value)

Depreciation on assets is provided on straight-line method in accordance with the useful lives prescribed under Schedule II of the Companies Act, 2013, except for the below assets where different useful lives have been taken on the basis of technical assessment:

Asset class	Useful life as per Schedule II	Useful life adopted by the Group
Office equipment-GPS, Mobile	5 years	2 years
Furniture and fixtures	10 years	5 years

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

Assets individually costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognized.

3.5 Intangible assets

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

Any gain or loss on disposal of an item of intangible assets is recognized in statement of profit or loss.

Subsequent measurement (amortization method, useful lives and residual value)

For amortization of intangibles the amortization amount of intangible assets is allocated on a systematic basis over the best estimate of its useful life. Management estimates useful life of intangible assets to be 3 years.

3.6 Fair value measurement

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

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

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

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

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

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

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

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

3.7 Financial instruments

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

Financial assets:

Initial recognition and measurement

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

Subsequent measurement

Financial assets carried at amortized cost – a financial asset is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the Statement of Profit and Loss.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognized (i.e. removed from the Group's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. Further, if the Group has not retained control, it shall also derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial guarantee contracts which are not measured at Fair value through profit & loss account.(FVTPL).

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Financial liabilities:

Initial recognition and measurement

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

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

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

Subsequent measurement

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

De-recognition

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

Offsetting of financial instruments

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

3.8 Non-Current assets/Disposal Company held for sale

Non-current assets /Disposal Company are classified as held for sale if their carrying amount will have recovered principally through sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at lower of their carrying amount or fair value less cost to sell, except for assets such as deferred tax, assets arising from employee benefit, financials assets and contractual rights under insurance contracts, which are specifically exempted from this requirement.

Non-current assets are not depreciated or amortized while they are classified as held for sale. Non-current assets held for sale are presented separately from other assets in the balance sheet.

Where the Group is committed to a sale plan involving loss of control of an associate, it classifies investment in the associate (i.e. all the assets and liabilities of that associate) as held for sale.

3.9 Employee benefits:

Employee benefits include Provident Fund, Leave Encashment & Performance Linked Incentive pay.

a) Fixed Tenure Employees

The Group recruits Fixed Tenure Employees for a period of 3 years, which is further extendable for maximum up to 1 year and 6 months depending upon the requirement and performance. The Group deducts and deposits the employees benefit liabilities for Provident Fund and all other employee benefit statutory liabilities e.g. Pension, ESI, and Gratuity etc. are not applicable to the Group. However, the Group provides for leave encashment for which liabilities are assessed as per the actuarial valuation and disclosed in other notes to accounts. In addition to this group provides performance Linked Incentive pay as per policy of the Group.

b) Employees on secondment from holding company

The Group 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 Postretirement benefit etc. With paying above charges, Group owes nothing to its holding company for any future liabilities whatsoever of such seconded employees. The Group recognize these cost along with service charge portion to cost of service.

c) Employees on Third Party Role

The Group is hiring employees through third party and pay their charges as service of management services. The Service charges being charged as a fixed liability on the basis of actual employee cost. With paying above charges, group owes nothing to third party for any future liabilities whatsoever of such employees. The Group recognize these cost along with service charge portion to cost of service

3.10 Taxation

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax. It is recognized in Statement of Profit and Loss, except when it relates to an item that is recognized in Other comprehensive income (OCI) or directly in equity, in which case, the tax is also recognized in Other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Tax on Dividend is recognized at the same time when the liability to pay a dividend is recognized.

3.11 Provisions, Contingent Liabilities, and Contingent Assets

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

A contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

  In those cases, where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized or disclosure is made.

  Any reimbursement that the group can be virtually certain to collect from a third party concerning the obligation (such as from insurance) is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

  Contingent assets are not recognized. However, when the inflow of economic benefits is probable, the related asset is disclosed.

3.12 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.13 Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3.14 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.15 Funds/grants received from government

Unutilized amount of grant/fund received are classified as current financial liabilities. Interest wherever earned on such funds is credited to respective grant/fund account.

3.16 Lease Accounting

The Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets all the three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

At the commencement date, the Group measures the lease liability at the present value of the future lease payments, discounted using the interest rate implicit in the lease if readily available, else the group's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

The Group as a lessor

As a lessor, the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

Finance leases- Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered for transfer of risk and rewards are the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the lessee obtains ownership of the asset at the end of the lease term.

Operating leases- All other leases are treated as operating leases. Receipts on operating lease agreements are recognized as an income.

3.17 Dividend

Proposed dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholder's meeting and the Board of Directors respectively.

3.18 Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

3.19 Prepaid Expenses

A prepaid expense up to ₹ 1,00,000/- is recognized as expense upon initial recognition.

3.20 Rates and taxes

Overseas taxes on foreign assignments, indirect taxes, including Goods & Service Tax, professional tax, property tax, entry tax, labour cess, octroi and any other applicable taxes etc. paid/accrued in India or abroad for which credit are not available to the group are charged to the Statement of Profit and Loss.

3.21 Recognition of expenses in case of SPVs

The Parent Company has been appointed by Government of India to act as Bid Process Co-Ordinator for selection of the Transmission Service Provider (developer) for Transmission Projects. Since the parent company is incurring expenses for its project specific associates (called SPVs), the expenses in these associates have been booked / allocated at the period / year end by raising invoices to the respective SPVs. Direct expenses have been booked to the respective associates for which the expenditure has been incurred. Indirect/Common Expenses of the parent company has been allocated in proportionate basis to different segments (such Consultancy, PIA – distribution, PIA – transmission, Government Schemes, BPC/ TBCB business & New initiatives). The expenses allocated to BPC/ TBCB business segment has been further distributed equally to the respective SPVs from the month of issue of RFQ or RFP or incorporation of SPV, whichever is earlier, till the month in which tenth day from the date of issue of Letter of Intent (LOI) for the transfer of the SPV falls. Part of the month, if any, is considered as full month for cost allocation. The parent company has also charged interest on the funds deployed by it. The rate of interest charged is as per interest rate applicable for transmission & distribution loan of REC Limited (the holding company) applicable for ungraded organisation. The rate applicable on the 1st of the financial year shall be applicable for that entire financial year. If bid process activity relating to any SPVs is kept in abeyance by the concerned authority due to any reason, no cost allocation and interest for such period of abeyance shall be made.

3.22 Business combination

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonize accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is transferred to capital reserve.

3.23 Significant management judgments in applying accounting policies and estimation of uncertainty

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

3.23.1 Significant management judgments

Recognition of deferred tax assets/ liability - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

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

3.23.2 Significant estimates

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

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

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

Expected Credit Loss ('ECL') – The measurement of an expected credit loss allowance for financial assets measured at amortized cost requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g., likelihood of customers defaulting and resulting losses). The Group makes significant judgments about the following while assessing expected credit loss to estimate ECL:

- Determining criteria for a significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets to measure ECL.

Leases – The management while determining the lease period of an asset makes estimates on various extension and termination options, the same affects the period of the lease and hence the determination of lease liability and right of use of assets.

Revenue from customers – The management while recognizing revenues, makes several estimates including estimation of recoverability, allocation of transaction prices to respective performance obligations, estimations of degree of work completed (Performance obligations satisfied) and estimated works.

3.24 Rounding off amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest Lakhs as per the requirements of Schedule III of the Act unless otherwise stated.

REC Power Development and Consultancy Limited
(Formerly REC Power Distribution Company Limited)

Notes forming part of Consolidated Financial Statements for the year ending 31 March, 2022

4 Property, plant and equipment

(All amounts in ₹ lakh, unless stated otherwise)

Description	31 March, 2021					
	Furniture & fixtures	Office equipments	Leasehold improvements	Computers	Right to use asset-Building	Total
Gross carrying value						
As at 1 April, 2020	**35.60**	**97.04**	**247.74**	**268.77**	**265.12**	**914.27**
Additions	0.13	1.90	-	9.56	23.91	35.50
Adjustment/ Disposal	(1.80)	(23.73)	(247.74)	(12.91)	(289.03)	(575.21)
As at 31 March, 2021	**33.93**	**75.21**	**-**	**265.42**	**-**	**374.56**
Accumulated depreciation						
As at 1 April, 2020	**24.61**	**65.11**	**132.70**	**218.52**	**77.22**	**518.16**
Charge for the year	4.99	12.06	35.89	23.73	53.52	130.19
Adjustment/ Disposal	(1.62)	(18.88)	(168.59)	(12.04)	(130.74)	(331.87)
As at 31 March, 2021	**27.98**	**58.29**	**-**	**230.21**	**-**	**316.48**
Net block as at 31 March 2021	**5.95**	**16.92**	**-**	**35.21**	**-**	**58.08**

Description	31 March, 2022					
	Furniture & fixtures	Office equipments	Leasehold improvements	Computers	Right to use asset-Building	Total
Gross carrying value						
As at 1 April, 2021	**33.93**	**75.21**	**-**	**265.42**	**-**	**374.56**
Additions	-	1.54	-	4.18	-	5.72
Adjustment/ Disposal	-	(0.26)	-	(4.42)	-	(4.68)
As at 31 March, 2022	**33.93**	**76.49**	**-**	**265.18**	**-**	**375.60**
Accumulated depreciation						
As at 1 April, 2021	**27.98**	**58.29**	**-**	**230.21**	**-**	**316.48**
Charge for the year	2.09	8.70	-	15.46	-	26.25
Adjustment/Disposal	-	(0.26)	-	(4.20)	-	(4.46)
As at 31 March, 2022	**30.07**	**66.73**	**-**	**241.47**	**-**	**338.27**
Net block as at 31 March, 2022	**3.86**	**9.76**	**-**	**23.71**	**-**	**37.33**

a) Gross block includes obsolete fixed assets but not disposed off of ₹ 261.12 lakh and depreciation reserve in respect of these assets ₹ 251.18 lakh

(b) Adjustment/Disposal - The adjustment/disposal is on accounts of assets disposed off / written-off during the year.

5 Other intangible assets

Description	31 March, 2021	
	Computer software	Total intangible assets
Gross carrying value		
As at 1 April, 2020	**11.93**	**11.93**
Additions	4.79	4.79
Adjustment/Disposal	(0.58)	(0.58)
Balance as at 31 March, 2021	**16.14**	**16.14**
Accumulated depreciation		
As at 1 April, 2020	**9.56**	**9.56**
Amortisation charge for the year	2.46	2.46
Adjustment/Disposal	(0.58)	(0.58)
Balance as at 31 March, 2021	**11.44**	**11.44**
Net book value as at 31 March, 2021	**4.70**	**4.70**

(All amounts in ₹ lakh, unless stated otherwise)

Description	31 March, 2022	
	Computer software	Total intangible assets
Gross carrying value		
As at 1 April, 2021	**16.14**	**16.14**
Additions	-	-
Adjustment/Disposal	(1.42)	(1.42)
Balance as at 31 March, 2022	**14.72**	**14.72**
Accumulated depreciation		
As at 1 April, 2021	**11.44**	**11.44**
Amortisation charge for the year	1.78	1.78
Adjustment/Disposal	(1.34)	(1.34)
Balance as at 31 March, 2022	**11.88**	**11.88**
Net book value as at 31 March, 2022	**2.84**	**2.84**

(a) Adjustment/Disposal - The adjustment/disposal is on accounts of assets disposed off / written-off during the year.

6 Investments (Non current)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Investments in debentures or bonds		
(a) Investment in tax free bonds-quoted (at amortized cost) (in holding company)		
(i) REC Limited 15 years secured redeemable tax free bonds @8.46%, bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022 / 31 March, 2021 : 300,000 / 3,00,000)	3,084.14	3,084.14
(ii) REC Limited 15 years secured redeemable tax free bonds @8.63%, bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022 / 31 March, 2021 : 20,000/20,000)	205.72	205.72
(iii) REC Limited 20 years secured redeemable tax free bonds @7.18%, bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022 / 31 March, 2021 : 34,351/34,351)	351.69	351.69
(iv) REC Limited 7.38% tax free 15 years Secured Redeemable Non Convertible Bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022 / 31 March, 2021 : 100,000 / 100,000)	1,024.47	1,024.47
(b) Investment in other securities-quoted (at amortized cost) (in holding company)		
(i) REC Limited 7.55% staggered papers of face value ₹ 1,000,000/- each, fully paid (31 March, 2022/31 March, 2021: 20 /20)	207.69	207.69
(ii) REC Limited 7.09% NCD of face value ₹ 1,000,000 /- each, fully paid (31 March, 2022/31 March, 2021: 100 / 100)	1,020.98	1,020.98
(c) Investment in tax free bonds (in others)-quoted (at amortized cost)		
(i) Housing and Urban Development Corporation Limited (HUDCO) 20 years secured redeemable tax free bonds @8.76%, bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 50,000 / 50,000)	509.36	509.36

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2022	As at 31 March, 2021
7.39% tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 86,978 /86,978)	881.11	881.30
(ii) National Highway Authority of India Limited (NHAI) 7.35% tax free 15 years secured redeemable non convertible bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 42,855/42,855)	459.79	459.79
7.39% tax free 15 years secured redeemable non convertible bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 35,463/35,463)	367.55	367.55
(iii) Indian Renewable Energy Development Agency (IREDA) 7.49% tax Free 15 years secured redeemable non convertible bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 61,308 /61,308)	667.68	621.76
(iv) Indian Railway Finance Corporation (IRFC) 7.35% tax free 15 years secured redeemable non convertible bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 22,338 / 22,338)	230.80	230.85
(v) National Bank for Agriculture and Rural Development (NABARD) 7.35% tax free 15 years secured redeemable non convertible bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 14,028/14,028)	140.51	140.51
	9,151.49	**9,105.81**
Aggregate market value of quoted investment	**10,692.80**	**11,108.55**

(a) Refer Note 44 for fair value disclosure.

(b) Investments in quoted securities are measured at amortised cost as these investments are held solely for payments of principal and interest (SPPI).

(c) The company has no unquoted investments during the current year as well as previous year.

7 Other financial assets (Non Current)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Term deposits with maturity more than 12 months	6,500.39	97.20
	6,500.39	**97.20**

(a) Term deposit receipt has been placed on lien with Canara Bank as collateral security for issue of bank guarantee amounting to Rs. 114.18 lacs

(b) The above term deposits are not earmarked.

8 Income tax assets (net)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance tax and TDS	848.76	879.32
Less: Provision for Income tax	-	-
	848.76	**879.32**

9 Deferred tax assets (net)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deferred Tax Asset	2,537.56	2,332.09
	2,537.56	**2,332.09**

Movement in deferred tax balances as at 31 March, 2022

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2021	Charged to profit and loss account	As at 31 March, 2022
Tax effect of items constituting deferred tax liabilities			
Financial assets and liabilities measured at amortized cost	0.89	0.05	0.94
Total deferred tax liabilities	**0.89**	**0.05**	**0.94**
Tax effect of items constituting deferred tax assets:			
Allowance for expected credit loss	2,191.46	149.01	2,340.47
On employee's retirement benefits	18.07	11.08	29.15
Property, plant and equipment: Impact of difference between depreciation as per income tax act and depreciation charged in the books	51.07	(3.80)	47.27
Provision for expenses	72.38	49.23	121.61
Total deferred tax assets	**2,332.98**	**205.52**	**2,538.50**
Deferred tax assets (net)	**2,332.09**	**205.47**	**2,537.56**

Movement in deferred tax balances as at 31 March, 2021

Particulars	As at 31 March, 2020	Charged to profit and loss account	As at 31 March, 2021
Tax effect of items constituting deferred tax liabilities			
Financial assets and liabilities measured at amortized cost	0.32	0.57	0.89
Total deferred tax liabilities	**0.32**	**0.57**	**0.89**
Tax effect of items constituting deferred tax assets:			
Allowance for expected credit loss	1,580.87	610.59	2,191.46
On employee's retirement benefits	11.57	6.50	18.07
Property, plant and equipment: Impact of difference between depreciation as per income tax act and depreciation charged in the books	27.74	23.33	51.07
Right of Use asset (net of lease liability)	4.30	(4.30)	-
Provision for expenses	0.93	71.45	72.38
Total deferred tax assets	**1,625.41**	**707.57**	**2,332.98**
Deferred tax assets (net)	**1,625.09**	**707.00**	**2,332.09**

10 Trade receivables

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade Receivable		
Unsecured, considered good	9,503.44	13,001.97
Less: Allowance for expected credit loss	(1,197.93)	(1,912.59)
	8,305.51	**11,089.38**
Trade receivables which have significant increase in credit risk	3,390.37	5,532.41
Less: Allowance for expected credit loss	(1,778.70)	(2,058.01)
	1,611.67	**3,474.40**
Credit impaired receivables	5,442.82	4,679.52
Less: Allowance for expected credit loss	(5,295.37)	(4,679.52)
	147.45	**-**
Trade Receivables	**10,064.63**	**14,563.78**

i) There is no disagreement with the parties of the company. Accordingly, all the trade receivables under each category has been considered undisputed.

ii) Ageing of trade receivables: -

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Less than six months	7154.80	10441.00
More than six months to 1 year	2348.64	2560.97
More than 1 year to 2 years	1934.85	2285.45
More than 2 years to 3 years	1455.52	3246.96
More than 3 years	5442.82	4679.52
Gross Trade Receivables	**18336.63**	**23213.90**

*Refer note 45 - Financial risk management for assessment of expected credit losses.

11 Cash and cash equivalents

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balances with banks:		
- with scheduled banks in current accounts*	660.27	988.52
Term deposits (with maturity upto 3 months)	808.54	2,886.22
	1,468.81	**3,874.74**
Cheque issued but not presented	(9.78)	-
	1,459.03	**3,874.74**

* Balance with banks in current accounts includes amount of Rs. 554.67 lakhs received on 31-03-2022 is an earmarked fund for deposit work under PMDP program. The amount has been transferred to respective earmarked bank account on 07-04-2022.

12 Other bank balances

Particulars	As at 31 March, 2022	As at 31 March, 2021
Earmarked balances for deposit works*	11,921.80	24,787.57
Earmarked balances with government fund accounts	64.01	983.97
Term deposits with remaining maturity more than 3 months but less than 12 months	4,923.87	3,583.34
	16,909.68	**29,354.88**
Cheque issued but not presented	(1,045.21)	-
	15,864.47	**29,354.88**

* Earmarked balances for deposit work are the funds received from central government, state government and utility for execution of project work on behalf of them and to be used exclusively for the payments related to those projects only.

13 Other financial assets (Current)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Contract assets*	2,090.96	2,174.20
Recoverable from Ministry of Power, Government of India		
Deen Dayal Upadhyaya Gram Jyoti Yojana Fund**	302.40	224.39
Retention money deposits (net of loss allowance)	37.52	37.52
Security deposits paid	2.55	22.24
Other receivables	0.27	22.00
	2,433.70	**2,480.35**

*Refer Note 39F for details of Contract assets.

**Refer Note 41 for details

14 Current tax assets (Net)

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance tax and TDS	2,127.45	-
Less : Provision for income tax	(1,789.87)	-
	337.58	**-**

15 Other current assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advances to employees	3.10	-
Prepaid expenses	1.39	-
Balances with statutory and government authorities*	2,184.58	2,059.09
Advance to suppliers	67.54	0.57
CSR Pre-Spent	8.46	58.00
Tax deposited on income tax demands under contest**	5.97	5.97
	2,271.04	**2,123.63**

* Balances with statutory and government authorities includes input tax credit and tds credit under GST

** Refer Note 46 for details of tax deposited on income tax demands under contest.

16 Assets/Liabilities classified as held for sale

Particulars	As at 31 March, 2022	As at 31 March, 2021
Assets classified as held for sale		
(A) Investment in associates (refer note 16.1)	40.00	60.00
(B) Amount receivable from associates (refer note 16.2)	1,282.77	1,344.57
(C) Provision for impairment on assets classified as held for sale	(970.79)	-
Total (A+B+C)	**351.98**	**1,404.57**
Liabilities directly associated with assets classified as held for sale		
(D) Payable to associates (refer note 16.3)	1.05	8.13
Total (D)	**1.05**	**8.13**
Disposal group (A+B+C-D)	**350.93**	**1,396.44**

Note - Refer Note 42 for details related to related party transaction.

16.1 Investments in associates

Particulars	As at 31 March, 2022	As at 31 March, 2021
Investments in Equity Instruments of associates (fully paid up)		
Chandil Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
Dumka Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
Koderma Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
Mandar Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
Bidar Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
Fatehgarh Bhadla Transco Limited Nil equity shares of ₹ 10/- each (31 March, 2021: 50000)	-	5.00
Gadag Transmission Limited Nil equity shares of ₹ 10/- each (31 March, 2021: 50000)	-	5.00

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Kallam Transmission Limited Nil equity shares of ₹ 10/- each (31 March, 2021: 50000)	-	5.00
MP Power Transmission Package I Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
MP Power Transmission Package II Limited Nil equity shares of ₹ 10/- each (31 March, 2021: 50000)	-	5.00
Rajgarh Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
Sikar New Transmission Limited Nil equity shares of ₹ 10/- each (31 March, 2021: 50000)	-	5.00
ER NER Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: Nil)	5.00	-
Total	**40.00**	**60.00**

Note : Equity shares includes shares held by officers as nominee of the company.

16.2 Amount receivable from associates

Particulars	As at 31 March, 2022	As at 31 March, 2021
Chandil Transmission Limited	253.75	253.35
Dumka Transmission Limited	247.57	247.16
Mandar Transmission Limited	221.82	221.42
Koderma Transmission Limited	227.51	227.10
Fatehgarh Bhadla Transco Limited	-	90.93
Kallam Transmission Limited	-	10.62
MP Power Transmission Package II Limited	-	109.01
MP Power Transmission Package I Limited	199.03	107.37
Sikar New Transmission Limited	-	76.23
Gadag Transmission Limited	-	1.38
Rajgarh Transmission Limited	28.18	-
ER NER Transmission Limited	28.38	-
Receivable from SPV-Yet to Incorporate	76.53	-
	1,282.77	**1,344.57**
Provision for impairment on assets classified as held for sale		
Chandil Transmission Limited	258.79	-
Dumka Transmission Limited	252.60	-
Mandar Transmission Limited	226.86	-
Koderma Transmission Limited	232.54	-
	970.79	**-**

(All amounts in ₹ lakh, unless stated otherwise)

Note: -

(1) Jharkhand Urja Sancharan Nigam Limited (JUSNL) has cancelled RFQ and RFP of transmission projects in State of Jharkhand. These projects have been kept in abeyance w.e.f. 01.10.2020. RECPDCL vide letters dated 14.10.2020, 06.11.2020 and 28.07.2021 has communicated JUSNL regarding recovery of expenses incurred on these SPVs. However, no communication has been received from JUSNL in this regard. As the bidding process of these SPVs has been cancelled and there is less probability of recovery of expenses already incurred, hence as an accounting prudence provision for impairment loss of approx. Rs 9.71 crore has been created.

(2) Status of incorporation of SPV-Yet to Incorporate on balance sheet date to the reporting date

Name of SPV	Incorporation Date
Neemuch Transmission Limited	12-04-2022
Ramgarh II Transmission Limited	20-04-2022
Beawar Transmission Limited	27-04-2022
KPS3 Transmission Limited	29-04-2022
KPS2 Transmission Limited	02-05-2022
Sikar Khetri Transmission Limited	06-05-2022

16.3 Payable to associates

Particulars	As at 31 March, 2022	As at 31 March, 2021
Bidar Transmission Limited	1.05	2.56
Rajgarh Transmission Limited	-	5.57
	1.05	**8.13**

17 Equity share capital

Particulars	As at 31 March, 2022	As at 31 March, 2021
Authorized equity share capital		
20,050,000 (31 March, 2021 : 20,050,000) Equity shares of ₹ 10 each	2,005.00	2,005.00
	2,005.00	**2,005.00**
Issued, subscribed and paid up equity share capital		
85,500 (31 March, 2021 : 85,500) Equity shares of ₹ 10 each	8.55	8.55
	8.55	**8.55**

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

The Parent Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

ii) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	₹ lakh	No. of shares	₹ lakh
Equity share capital of ₹ 10 each fully paid up				
Balance at the beginning of the year	85,500	8.55	85,500	8.55
Add: Issued during the year	-	-	-	-
Balance at the end of the year	**85,500**	**8.55**	**85,500**	**8.55**

(All amounts in ₹ lakh, unless stated otherwise)

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

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	% holding	No. of shares	% holding
85,494 Equity shares held by REC Limited (Promoter & holding company) and balance 6 equity shares through other nominee of REC Limited	85,500	100.00%	85,500	100.00%

iv) Shares held by promoter company:

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	No. of shares	% holding	No. of shares	% holding
85,494 Equity shares held by REC Limited (Promoter & holding company) and balance 6 equity shares through other nominee of REC Limited	85,500	100.00%	85,500	100.00%

There is no change in holding of promoter company during the financial year 2021-22.

v) The Parent Company has neither issued equity shares pursuant to contract without payment being received in cash or any bonus shares nor has there been any buy-back of shares in the current year and five years immediately preceding the balance sheet date except issuance of shares in lieu of purchase consideration.

18 Other equity

Particulars	As at 31 March, 2022	As at 31 March, 2021
General reserve		
Balance at the beginning of the year	5,313.55	5,313.55
Add: Movement during the year	-	-
Balance at the end of the year	**5,313.55**	**5,313.55**
Retained earnings		
Balance at the beginning of the year	24,475.66	22,756.60
Add : Transferred from statement of profit and loss	5,302.50	2,561.56
	29,778.16	**25,318.16**
Less: Dividends		
- Final Dividend for the previous year (FY 2020-21/FY 2019-20)	(1,490.27)	(842.50)
- Interim Dividend for the previous year (FY 2021-22)	(752.40)	-
Balance at the end of the year	**27,535.49**	**24,475.66**
Capital reserve		
Balance at the beginning of the year	1.45	1.45
Add: Movement during the year	-	-
Balance at the end of the year	**1.45**	**1.45**
Shares pending issuance		
Balance at the beginning of the year	-	3.55
Adjustment on account of merger	-	(3.55)
Balance at the end of the year	**-**	**-**
Total other equity	**32,850.49**	**29,790.66**

(All amounts in ₹ lakh, unless stated otherwise)

Note:

a) General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another.

b) Profits made by the Group during the year are transferred to retained earnings from Statement of Profit and Loss.

c) Capital reserve represents the difference between the amount recorded as share capital issued plus any additional purchase consideration and the amount of share capital of transferor (REC Transmission Projects Company Ltd.) on account of amalgamation of REC Transmission Projects Company Limited with REC Power Distribution Company Limited as per Ind AS 103-Business Combinations.

d) Subsequent to the year ended 31 March, 2022; the Board of Directors of the Parent Company on a meeting held on 11 May, 2022 has proposed final divided amounting to ₹ 1042 per share totaling ₹ 890.91 lakh on 85500 no. of shares (FY 2020-21 - Proposed Dividend: ₹ 1743 per share totaling ₹ 1490.27 lakh on 85500 no. of shares), the effect of the same has not been taken into financial statements as the same is subject to the approval by the shareholders of the Parent Company.

19 Other financial liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured, considered good		
Performance bank guarantee retained	149.38	133.36
	149.38	**133.36**

Note - Above amount is retained for performance obligation of M/s PEC Ltd. till 31 October, 2023.

20 Provisions (Non current)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for employee benefits*		
Provision for compensated absences	38.01	55.16
	38.01	**55.16**
Provision for compensated absences		
Opening Balance	55.16	15.32
Addition During the year	4.76	39.84
Utilised during the year	(21.91)	-
Adjusted during the year	-	-
Closing balance	**38.01**	**55.16**

*Refer Note 43 for details

21 Other non-current liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Advance as performance bank guarantee	9.50	25.70
	9.50	**25.70**

Note - Above amount represents liability recognised as per IndAS-109 in respect of amount retained for performance obligation of M/s PEC Ltd.

22 Trade payables

Particulars	As at 31 March, 2022	As at 31 March, 2021
Due to micro, small and medium enterprises	-	0.76
Dues to others	3,647.82	6,185.15
	3,647.82	**6,185.91**

i) There is no disagreement with the parties of the company. Accordingly, all the trade payables under each category has been considered undisputed.

ii) Ageing of trade payables: - MSME

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Less than 1 year	-	0.76
More than 1 year to 2 years	-	-
More than 2 years to 3 years	-	-
More than 3 years	-	-

ii) Ageing of trade payables: - Others

Particulars	As at 31 March, 2022	As at 31 March, 2021
Less than 1 year	1,500.84	3,539.80
More than 1 years to 2 years	838.93	1,434.59
More than 2 years to 3 years	1,130.20	1,033.39
More than 3 years	177.85	177.36
Gross Trade Payables	**3,647.82**	**6,185.15**

a. Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the company, the following are the details:

Particulars	As at 31 March, 2022	As at 31 March, 2021
(ia) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	0.76
(ib) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
ii) 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	-	-
iii) 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;	-	-
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	53.18
v) the amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Suppliers for whom confirmation not received is deemed not registered under MSMED Act and Interest payable on payment made but not claimed has not been provided.

23 Other financial liabilities (Current)

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Earnest money deposits	70.56	80.07
Expenses payables	1,863.74	2,119.26
Advance for deposit work*	11,468.21	24,854.39
Payable to related parties**	597.76	416.25
Performance bank guarantee retained	26.55	28.11
Employee payable	7.17	2.15
Government fund for schemes***		
Power System Development Fund for Rural Feeder Monitoring Scheme	231.91	844.30
Urja Mitra Scheme Fund	71.79	385.25
	14,337.69	**28,729.78**

*Refer Note 40 for details
**Refer Note 42 for details
***Refer Note 41 for details

24 Other current liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Contract Liability	9.45	1.05
Statutory dues	526.25	782.05
Advance as performance bank guarantee*	16.20	16.20
Statutory dues for deposit work	188.31	148.33
Unidentified Receipts	0.28	-
	740.49	**947.63**

* It represents liability recognised as per IndAS-109 in respect of amount retained for performance obligation of M/s PEC Ltd.

25 Provisions (Current)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for employee benefits*		
Provision for loyalty bonus	-	14.42
Provision for compensated absences	1.84	2.19
Provision for Performance Linked Incentive	75.98	-
	77.82	**16.61**
Provision for loyalty bonus		
Opening Balance	14.42	8.53
Addition During the year	-	42.27
Utilised during the year	(14.42)	(36.38)
Adjusted during the year	-	-
Closing balance	**-**	**14.42**
Provision for compensated absences		
Opening Balance	2.19	2.19
Addition During the year	0.25	-
Utilised during the year	-	-
Adjusted during the year	(0.60)	-
Closing balance	**1.84**	**2.19**
Provision for Performance Linked Incentive		
Opening Balance	-	-
Addition During the year	75.98	-
Utilised during the year	-	-
Adjusted during the year	-	-
Closing balance	**75.98**	**-**

*Refer Note 43 for details

26 Current tax liabilities (net)

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for income tax	-	1,439.79
Less: Advance tax and TDS	-	(1,062.15)
	-	**377.64**

27 Revenue from operations

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Income from Consultancy Services	8,733.20	12,689.67
PIA Income from Distribution Projects	1,612.28	3,509.96
Government Scheme Management/Monitoring Fees	16.95	16.95
PIA Income from Transmission Projects	2,217.73	341.24
TBCB/BPC Professional Income	3,420.86	471.15
	16,001.02	**17,028.97**

Note - Income from Consultancy Services and PIA Income from Distribution Projects includes ₹2090.96 lakh (Previous year - ₹ 2174.20 lakh) of unbilled revenue.

Refer note 39 for details related to revenue from operations

28 Other income

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest income on fixed deposits	341.67	334.33
Interest income on grant fixed deposits	169.88	368.58
Interest income on tax free bonds	607.63	605.93
Interest on income tax refund	0.68	6.42
Interest income from SPVs	37.22	16.41
Interest income on NCDs	70.90	70.76
Interest income on staggered papers	15.10	15.04
Interest income on other financial assets measured at amortized cost	16.20	18.38
Liabilities/Provisions written back	116.43	-
Liquidation damages	-	1.17
Profit on sale of property, plant and equipment	-	0.11
RFQ/RFP/Tender fee	340.00	10.00
Miscellaneous income	3.23	10.19
	1,718.94	**1,457.32**

29 Cost of services rendered

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Project technical services - PMC/PMA/DPR	3,279.25	5,194.09
Project outsourced manpower	4,441.81	4,225.17
REC - UE village project expenditure	495.74	477.55
Survey charges	-	0.49
Consultancy charges	-	323.48
	8,216.80	**10,220.78**
Less :-		
Manpower Cost allocated to DDUGJY	(49.16)	-
Manpower Cost reimbursable from SPV's	(184.04)	-
Reimbursable cost of Project technical services	-	(15.23)
	7,983.60	**10,205.55**

(All amounts in ₹ lakh, unless stated otherwise)

Note :

Manpower Cost reimbursable from SPV's - The Parent Company is incurring expenditure (direct as well as indirect expenses) on behalf of SPV's (associate Companies). These expenditures are to be reimbursed by the SPV's to the Parent Company. The Parent Company raised periodic invoices to the respective SPV's for reimbursement of these expenditures. The group presented these reimbursement as deduction to cost of services rendered for true and fair view of expense incurred by the group related to its operations.

Manpower Cost allocated to DDUGJY - The Parent Company is managing and monitoring the Central Government schemes (under distribution sector) as directed by the Ministry of Power. The expenditure incurred on deployment of manpower for these works are to be reimbursed by the Ministry of Power to the Parent company through DDUGJY enabling fund. The group presented these reimbursement as deduction to cost of services rendered for true and fair view of expense incurred by the group related to its operations.

30 Employee benefits expense

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Salaries and wages	544.43	509.21
Contribution to provident and other funds	32.87	33.47
Staff welfare expenses	95.10	40.72
	672.40	**583.40**
Manpower Cost reimbursable from SPV*	(21.74)	-
	650.66	**583.40**

* Refer Note 29 for noting on Manpower Cost reimbursable from SPV

Note - For disclosures related to provision for employee benefits, refer note 43 - Employee benefit obligations.

31 Finance costs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest on advance from BEE	-	53.74
Interest expenses on grant fund	169.88	368.58
Interest on working capital loans	-	6.14
Interest expense on lease liability	-	9.71
Interest expense on other financial liabilities measured at amortized cost	16.00	14.29
Interest on income tax	75.44	-
	261.32	**452.46**

32 Depreciation and amortization expense

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Depreciation on Property, Plant & Equipment (Refer note 4)	26.25	130.19
Amortization of Other intangible assets (Refer note 5)	1.78	2.46
	28.03	**132.65**

33 Impairment on financial assets

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Provision (net of reversal)	(354.84)	2,624.11
Bad debts	25.93	7.78
	(328.91)	**2,631.89**

Note - The impairment is related to assets under contracts with customers
Refer Note 45 for details

34 Corporate social responsibility expenses

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
CSR expenditure	167.95	195.48
	167.95	**195.48**

Note - Refer Note 49 for details

35 Other expenses

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Rent : Office premises	466.23	251.28
Office Equipments hire charges	2.83	4.45
Vehicle hire charges	54.59	64.98
Rates and taxes	14.98	23.66
Repairs and maintenance		
: Buildings	51.25	49.78
: Others	9.39	11.04
Power and fuel	29.12	28.61
Advertisement and business promotion	65.96	96.24
Communication cost	4.63	12.29
Travelling and conveyance	164.65	155.96
Printing and stationary	15.37	13.10
Legal, consultancy and professional expenses	231.19	132.60
Bank charges	5.82	10.89
Auditors' remuneration*	5.80	8.95
GST audit Fee	-	0.09
Insurance	-	0.11
Delay payment charges	2.61	2.55
Loss on sale of property, plant and equipment (net)	0.29	66.31
Liquidation damages	18.75	1.41
Office expenses	18.33	23.24
Expenses incurred for SPV's**	120.69	392.23
Technical / IT Services expenses	2.78	5.14
Miscellaneous expenses	7.66	59.96
	1,292.92	**1,414.87**
Direct Cost reimbursable from SPV	(120.69)	(392.23)
Indirect Cost reimbursable from SPV	(72.61)	-
	1,099.62	**1,022.64**

*Details of auditors remuneration are as under :

Statutory auditor		
As auditors		
- Audit fees	4.20	8.15
- Tax audit	1.60	0.80
In other capacity		
- For Taxation matters	-	-
- For Company Law matters	-	-
- For other services	-	-
- For Reimbursement expense	-	-
	5.80	**8.95**

(All amounts in ₹ lakh, unless stated otherwise)

**Expenses incurred for SPV's represents direct expenses (such as survey, advertisement, consultant fees) and indirect expenses (such as Office rent, Vehicle hire charges, power & fuel and maintenance of office building) incurred by the Parent Company on behalf of SPV's and are recovered from SPV's. The reimbursement is shown as deduction to the other expense for true and fair view of expenses incurred by the group related to its operations.

36 Impairment on assets classified as held for sale

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Impairment expense - On assets classified as held for sale	970.79	-
	970.79	**-**

Refer note 16.2 for details

37 Tax expense

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
i) Current tax		
Tax pertaining to current year	1,789.87	1,439.79
Tax pertaining to earlier years	-	(32.13)
ii) Deferred tax expense/(credit)	(205.47)	(707.00)
	1,584.40	**700.66**

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 25.17%

Accounting profit before income tax	**6,886.90**	**3,262.22**
At country's statutory income tax rate of 25.17%	1,733.30	821.04
Adjustments in respect of taxes earlier years		
(i) Non-deductible expenses for tax purposes	4.03	64.26
(ii) Non-taxable incomes	(152.93)	(152.51)
(iii) Earlier year taxes	-	(32.13)
(iv) Deferred tax on allowable provisional expenditure of earlier year	-	-
(v) Deferred tax change due to rate change	-	-
	1,584.40	**700.66**

38 Basic/diluted earnings per share

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Net profit for the year	**5,302.50**	**2,561.56**
Weighted average number of equity shares for EPS	85,500	85,500
Par value per share (in ₹)	10	10
Earnings per share - Basic and diluted (in ₹)	**6,202**	**2,996**

(All amounts in ₹ lakh, unless stated otherwise)

39 Revenue from contracts with customers under Ind AS 115 are as follow:-

A The Group is engaged in providing following services-

The Group provides consultancy services in Power Transmission and Distribution sector to states/Union Territories under various central/state Government schemes such as Third Party Inspection Agency (TPIA)/Project Management Agency (PMA)/Project Management Consultancy (PMC) under Deendayal Upadhyaya Gram Jyoti Yojana(DDUGJY)/Integrated Power Development Scheme (IPDS)/Restructured Accelerated Power Development and Reforms Program (R-APDRP)/Backward Regions Grant Fund (BRGF) and other state schemes. The major activities undertaken in these types of projects include inspection of Village Electrification, Substation and Feeder inspection & Material inspection, Survey & preparation of Detailed project report, assisting DISCOMS in bid management, supervision & monitoring of electrification work and assisting Distribution Companies (DISCOMs) in closure of the project. Ministry of Power has appointed the Parent Company as Bid Process Coordinator (BPC) for Inter State Transmission Systems across the country on Tariff Based Competitive Mode. Some of the State Government has also appointed the Parent Company as BPC for intra state transmission projects under TBCB route. The Parent company is conducting the bidding process for ISTS projects, starting from selection of qualified bidders to handing over of the Special Purpose Vehicle to the lowest bidder. The Parent company is also working in various Smart Metering/ Smart Grid and Information Technology (IT) projects as Project Implementing Agency (PIA)/Project Management Agency (PMA) for implementation of various distribution infrastructure projects under various Govt. schemes and also working as monitoring agency for monitoring and supervision of Un-Electrified (UE) village electrification works and Household electrification work.

B Significant management judgments on revenue recognition

Recognized amounts of contract revenues and related receivables when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue from the contracts recognized over the period of time as and when the performance obligation is satisfied based on management's best estimates of each contract’s outcome and stage of completion which is determined based on progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spend, service performed (generally mentioned in the contracts with the customer) or any other method that management considered appropriate. When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

Also, while allocating that transaction price to the specific performance obligations identified in the contract. The transaction price is allocated to the performance obligations based on its relative standalone selling price, which generally is not readily available, hence management estimates the standalone selling prices basis upon its experience and contractual negotiations.

C Segregation of revenue

The Group's revenue mostly comes from core business of sale of services as consultancy (PMA/PMC, TPIA, Project implementation agency in case of distribution and transmission segments, Quality Control Projects and some turnkey projects of Solar/IT implementation from projects within India). In case of execution of IT/Solar implementation projects revenue is recognized at a point in time specifically when the control of goods/services is transferred to the customer. Also, in case of the selection of bidders/developers for transmission projects put on tariff based bidding revenue is recognized at a point in time when it is reasonably certain that the ultimate collection of the professional charges will be made. The total business portfolio of the group includes various Central/State Govt. entities e.g. State Distribution Companies (DISCOM), Power and Electricity Departments of States/UTs, Central Public Sector Undertaking (CPSUs) [Energy Efficiency Services Limited (EESL), Power Grid Corporation of India Limited (PGCIL), Solar Energy Corporation of India Limited (SECI) etc].

In accordance with Ind AS 115, set out below is the disaggregation of the Group's revenue from contracts with customers:

State/Union Territory of supply of services	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Andhra Pradesh	11.46	115.58
Arunachal Pradesh	72.48	(15.61)
Assam	92.79	74.83
Bihar	-	295.27
Chhattisgarh	589.70	592.39
Delhi	3,806.36	1,906.57
Goa	850.04	810.92
Jharkhand	346.22	118.76

(All amounts in ₹ lakh, unless stated otherwise)

State/Union Territory of supply of services	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Jammu and Kashmir	449.98	5,305.93
Karnataka	552.85	138.31
Madhya Pradesh	116.09	67.60
Rajasthan	774.46	774.35
Telangana	8.98	198.00
Uttar Pradesh	2,748.37	5,004.55
West Bengal	1,289.47	1,232.21
Haryana	3,769.89	-
Maharashtra	521.86	409.31
Total revenue from contracts with customers	**16,001.02**	**17,028.97**

D Reconciliation of revenue recognized with contract price

Particular	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Contract price*	16,001.02	17,028.97
Adjustments for:		
Rebates and discounts	-	-
Revenue from contracts with customers	**16,001.02**	**17,028.97**

* It includes services in the form of Consultancy services, project implementing agency of distribution projects, project implementing agency of transmission projects, Government scheme management / monitoring and bid process coordinator of TBCB projects.

E Contract balances

Particular	As at 31 March, 2022	As at 31 March, 2021
Assets		
Trade Receivables (net of provisions)	10,064.63	14,563.78
Contract assets		
Contract assets*	2,090.96	2,174.20
Cost of fulfillment carried forward**	-	-
Contract liability		
Contract Liability***	9.45	1.05
Deferred income****	-	-

***Contract assets** are the unbilled revenue that has been recognized due to satisfaction of the performance obligation, but the invoicing of the same is pending.

****Cost of fulfillment** relates to contract assets recognized equivalent to the recoverable costs incurred in fulfilling a contract (contract related) with a customer , which generates or enhances the resources of the entity that will be used in satisfying the future performance obligations.

*****Contract Liability** is advance from customer, where money has been received and performance obligations are not yet satisfied.

******Deferred income** are contract liabilities , where performance obligations are not yet satisfied.

F **Reconciliations of Contract assets**

(All amounts in ₹ lakh, unless stated otherwise)

Particular	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening balance	2,174.20	2,262.42
Invoices raised during the year	(1,616.71)	(2,116.90)
Contract assets recognized during the year	2,090.96	2,028.68
Reversal of previous year's contract assets	(557.49)	-
Closing balance	**2090.96**	**2174.20**

G **Reconciliations of Contract liability**

Particular	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening balance	1.05	15.43
Revenue recognized during the year	(1.05)	(14.38)
Addition during the year	9.45	-
Closing balance	**9.45**	**1.05**

H **Reconciliations of cost of fulfillment carried forward**

Particular	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening balance	-	319.45
Addition/(Deletion) during the year	-	(319.45)
Closing balance	**-**	**-**

I **Reconciliation of deferred income**

Particular	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening balance	-	89.09
Revenue recognized during the year	-	(89.09)
Addition received during the year	-	-
Closing balance	**-**	**-**

J **Remaining performance obligations**

Particular	As at 31 March, 2022	As at 31 March, 2021
Amount of the unsatisfied performance obligations (or partially unsatisfied)	33,347.42	36,218.18

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the group expects to recognize these amounts in revenue. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized. The entity expects to satisfy the above performance obligations within the contracted terms.

K Group has not incurred any cost for obtaining contracts except administrative cost required for preparation of offers and the same is charged to Statement of Profit and Loss.

(All amounts in ₹ lakh, unless stated otherwise)

40 Advance for deposit work:

UT of Jammu & Kashmir & UT of Ladakh through their respective company / department has appointed RECPDCL (erstwhile REC Power Distribution Company Limited) as a Project Implementing Agency (PIA) for design, engineering, procurement, supply, erection, testing and commissioning of all the material and services works to be taken-up for execution of distribution work under RAPDRP, IPDS, PMDP 8 PMDP-15 on nomination basis, as per actual cost to be discovered through competitive biddings. RECPDCL has also been appointed as material procurement agency under Saubhagya and DDUGJY Schemes for north eastern states by REC Limited. Further Chandigarh Electricity Department (CED) has appointed RECPDCL as implementing agency for installation of smart meters and SCADA and for laying the underground cable work. The funds received for disbursement to various agencies under the above stated schemes/departments are kept in a separate bank account. The undisbursed funds for the scheme including interest earned thereto are classified under “Advance for Deposit Work” under the head “Other Financial Liabilities (Current)”.

During the year, interest earned of ₹544.43 lakh (Previous year ₹524.96 lakh) has been taken to advance for deposit work account. Further, during the year, an amount of ₹ 2,387.32 lakh (Previous year ₹ 197.52 lakh) has been refunded back to MoP out of the total interest on advance for deposit work.

The movement of Advance for deposit work is explained as under:

Particular	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening Balance	22185.58	15,785.28
Add: Amount received during the year	15,129.86	32,377.19
Less: Amount refunded to Govt. during the year	-	-
Less: Disbursement during the year	(26,673.16)	(25,976.89)
Closing Balance	**10,642.28**	**22,185.58**

The movement of interest on Advance for deposit work is explained as under:

Particular	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening balance	2,668.83	2,341.39
Add: Interest earned during the year	544.43	524.96
Less: Interest refunded during the year	(2,387.32)	(197.52)
Closing Balance	**825.94**	**2,668.83**

41 Government fund for schemes

11 kV Rural Feeder Monitoring Scheme is being implemented by the Company, sanctioned under Power System Development Fund (PSDF) on Pan India basis on the behalf of Ministry of Power- GoI. The sole objective of the scheme is to monitor quality & quantity parameter of rural power supply across the country. Under the scheme, Modems/DCUs are being installed on 11 kV Outgoing Rural, Agriculture and Mixed (i.e. Rural + Agriculture) feeder meters on such 66/33 kV incoming Feeder from where such 11 kV feeder are emanating. The work includes supply, installation, commissioning of Modems & integration with Central MDAS with Operation & Maintenance of Modems/DCUs for a year of 5 years’ post Go-Live. The funding of scheme is being done through 2 sources, mainly from PSDF and through DDUGJY enabling activity.

The undisbursed funds for the scheme including interest earned thereto are classified under “Government Fund for Schemes” under the head “Other Financial Liabilities” and recoverable fund (if any) is classified under “Recoverable from Ministry of Power, Government of India” under the head “Other Financial Assets (Current)”.

During the year, interest earned of ₹ 13.35 lakh has been considered in other Income and the same has been charged as finance cost to transfer the amount to Government fund for schemes.

42 Related party transactions

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

a Details of related parties:

(All amounts in ₹ lakh, unless stated otherwise)

Description of relationship	Names of related parties
Ultimate holding Company	Power Finance Corporation Limited
Holding company	REC Limited (Formerly Rural Electrification Corporation Limited)
Society registered for undertaking CSR activities	REC Foundation
Associate Companies	Mandar Transmission Limited (w.e.f. 26 March, 2018)
	Koderma Transmission Limited (w.e.f. 19 March, 2018)
	Dumka Transmission Limited (w.e.f. 25 March, 2018)
	Chandil Transmission Limited (w.e.f. 14 March, 2018)
	Bidar Transmission Limited (w.e.f. 8 June, 2020)
	Fatehgarh Bhadla Transco Limited (2 June, 2020 to 4 June, 2021) *
	Gadag Transmission Limited (2 June, 2020 to 17 March 2021) *
	Kallam Transmission Limited (28 May, 2020 to 28 December, 2021) *
	Rajgarh Transmission Limited (w.e.f. 6 June, 2020)
	Sikar new Transmission Limited (11 June, 2020 to 4 June ,2021)) *
	MP Power Transmission Package-I Limited (w.e.f. 4 August, 2020)
	MP Power Transmission Package-II Limited (20 August,2020 to 1 November,2021) *
	ER NER Transmission Limited (w.e.f. 06.10.2021)
	Dinchang Transmission Limited (Struck off from ROC)**

* indicates associates sold / transferred in FY 2021-22

**The Company has been denotified by MoP on 25 March, 2019 and No objection from Ministry of Power for striking off the name of Dinchang Transmission Limited has been received on 31 March, 2020. Application for strike off has been filed in RoC and accordingly the company has been struck off from the register of companies and has been dissolved vide MCA letter dated 17.08.2021

Key management personnel (KMP)

The Parent Company is a wholly owned subsidiary of REC Limited, a Govt. of India Enterprise. The Key Managerial Personnel of the Parent Company are employees of the Holding Company (REC Limited) deployed on part time basis. The details of such Key Managerial Personnel are as follows:-

Name	Designation	Tenure		Date of Appointment
		From	To	
Sh. R. Lakshmanan (IAS)	Chief Executive Officer	10 January, 2020		10 January, 2020
Sh. Sudhir Kumar Gangadhar Rahate	Chairman & Director	22 February, 2022		22 February, 2022
Sh. Sanjay Malhotra	Chairman & Director	9 November, 2020	10 Feb, 2022	9 November, 2020
Sh. Sanjeev Kumar Gupta	Director	12 October, 2015	31 Oct, 2021	12 October, 2015
Sh. Sanjay Kumar	Director	16 March, 2020		16 March, 2020
Sh. V.K. Singh	Director	12 June, 2020		12 June, 2020
Sh.. Ajoy Choudhury	Director	25 March, 2019		25 March, 2019
Sh. Mohan Lal Kumawat	Company Secretary	13 March, 2007		13 March, 2007
Sh. S. Muralidhran	CFO	01 March, 2021	24 Sept, 2021	01 March, 2021
Sh. Sahab Narain	CFO	26 Sept, 2021		26 September, 2021

b Transactions with Holding Company and KMP are as under:

	Year ended	Holding Company	Society registered for undertaking CSR activities	Key management personnel
(I) Transactions during the year				
Services rendered	Year ended 31 March, 2022	1,263.49	-	-
	Year ended 31 March, 2021	681.38	17.44	-

(All amounts in ₹ lakh, unless stated otherwise)

	Year ended	Holding Company	Society registered for undertaking CSR activities	Key management personnel
Services received from related party	Year ended 31 March, 2022	1,996.52	-	-
	Year ended 31 March, 2021	1,130.12	-	-
Remuneration to KMP's (through Holding Company)	Year ended 31 March, 2022	-	-	106.12
	Year ended 31 March, 2021	-	-	122.73
Reimbursement of expenditure incurred by the Parent Company on behalf of the related party	Year ended 31 March, 2022	-	-	-
	Year ended 31 March, 2021	-	15.23	-
Interest income from investment in tax free bonds	Year ended 31 March, 2022	455.52	-	-
	Year ended 31 March, 2021	454.57	-	-
Dividend on equity shares	Year ended 31 March, 2022	2,242.67	-	-
	Year ended 31 March, 2021	842.50	-	-
(ii) Outstanding Balances at year end				
Amount payables	Year ended 31 March, 2022	597.76	-	-
	Year ended 31 March, 2021	416.25	-	-
Amount receivables	Year ended 31 March, 2022	641.33	-	-
	Year ended 31 March, 2021	569.92	-	-
Non-current investment (Investment in tax free bonds, NCD's & Staggered papers incl. of accrued interest)	Year ended 31 March, 2022	5,894.68	-	-
	Year ended 31 March, 2021	5,894.68	-	-
Other current liabilities	As at 31 March, 2022	-	-	-
	As at 31 March, 2021	-	1.05	-

With respect to the key management personnel, disclosure has been given for those relatives with whom the Parent Company has made transactions during the year. (if any)

Key management personnel remuneration includes the following expenses:

Particular	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Short-term employee benefits	93.05	109.11
Post-employment benefits	13.07	13.62
Total remuneration	**106.12**	**122.73**

Note:
As provisions for gratuity and leave benefits are made for the Group as a whole, the amounts pertaining to the Key management personnel are not specifically identified and hence are not included above.

Transactions with associates are as under:

		For the year ended 31 March, 2022	For the year ended 31 March, 2021
(i)	**Dinchang Transmission Limited**		
	(Struck off from Register of Companies on 17.08.2021)	-	-
(ii)	**Dumka Transmission Limited (w.e.f. 25 March, 2018:)**		
	Interest income	-	-
	Reimbursement/ expenses reimbursement	0.44	4.00
	Advance received from parties	-	-
	Investment made	-	-
(iii)	**Chandil Transmission Limited (w.e.f. 14 March, 2018:)**		
	Interest income	-	-
	Reimbursement/ expenses reimbursement	0.44	4.08
	Advance received from parties	-	-
	Investment made	-	-

(All amounts in ₹ lakh, unless stated otherwise)

		For the year ended 31 March, 2022	For the year ended 31 March, 2021
(iv)	**Mandar Transmission Limited (w.e.f. 26 March, 2018:)**		
	Interest income	-	-
	Reimbursement/ expenses reimbursement	0.44	3.71
	Advance received from parties	-	-
	Investment made	-	-
(v)	**Koderma Transmission Limited (w.e.f. 19 March, 2018)**		
	Interest income	-	-
	Reimbursement/ expenses reimbursement	0.44	3.77
	Advance received from parties	-	-
	Investment made	-	-
(vi)	**Kallam Transmission Limited (28 May, 2020 - 28 December,2021)**		
	Consultancy Fees	229.39	-
	Interest income	2.27	-
	Reimbursement/ expenses reimbursement	51.60	41.20
	Advance received from parties	11.80	40.20
	Investment made	-	5.00
	Sale of investments	5.00	-
(vii)	**Bidar Transmission Limited (w.e.f. 8 June , 2020)**		
	Interest income	-	-
	Reimbursement/ expenses reimbursement	1.65	26.82
	Advance received from parties	-	39.07
	Investment made	-	5.00
(viii)	**Gadag Transmission Limited (2 June 2020 - 17 March, 2022)**		
	Consultancy Fees	393.54	-
	Interest income	2.64	-
	Reimbursement/ expenses reimbursement	45.12	43.80
	Advance received from parties	23.60	52.00
	Investment made	-	5.00
	Sale of investments	5.00	-
(ix)	**Ramgarh New Transmission Limited (26 June, 2020 - 9 March, 2021)**		
	Interest income	-	2.38
	Reimbursement/ expenses reimbursement	-	128.05
	Advance received from parties	-	52.00
	Consultancy fee	-	468.24
	Investment made	-	5.00
	Sale of investment	-	5.00
(x)	**Fatehgarh Bhadla Transco Limited (2 June 2020 - 4 June 2021)**		
	Consultancy fee	1,204.72	-
	Interest income	2.40	3.02
	Reimbursement/ expenses reimbursement	0.97	112.97
	Advance received from parties	-	34.07
	Investment made	-	5.00
	Sale of investments	5.00	-
(xi)	**Sikar New transmission Limited (11 June, 2020 - 4 June, 2021)**		
	Consultancy Fees	1,770.00	-
	Interest income	2.01	1.41

(All amounts in ₹ lakh, unless stated otherwise)

		For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Reimbursement/ expenses reimbursement	0.97	114.51
	Investment made	-	5.00
	Sale of investments	5.00	-
(xii)	**Rajgarh Transmission Limited (w.e.f. 6 June, 2020)**		
	Interest income	2.62	-
	Reimbursement/ expenses reimbursement	34.30	33.99
	Advance received from parties	41.30	49.06
	Investment made	-	5.00
	Sale of investments	-	-
(xiii)	**MP Power Transmission Package-I Limited (w.e.f. 4 August, 2020)**		
	Interest income	14.45	4.80
	Reimbursement/ expenses reimbursement	85.95	132.84
	Advance received from parties	-	29.80
	Investment made	-	5.00
	Sale of investments	-	-
(xiv)	**MP Power Transmission Package-II Limited (w.e.f. 20 August, 2020)**		
	Consultancy Fees	438.96	-
	Interest income	8.83	4.81
	Reimbursement/ expenses reimbursement	50.04	134.48
	Advance received from parties	-	29.80
	Investment made	-	5.00
(xv)	**ER NER Transmission Limited (w.e.f. 6 October 2021)**		
	Interest income	1.17	-
	Reimbursement/ expenses reimbursement	29.86	-
	Advance received from parties	4.70	-
	Investment made	5.00	-
(xvi)	**Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part C1 (Ramgarh II Transmission Limited incorporated on 20-04-2022)**		
	Interest income	0.13	-
	Reimbursement/ expenses reimbursement	10.69	-
	Advance received from parties	-	-
	Investment made	-	-
(xvii)	**Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part D * (Sikar Khetri Transmission Limited incorporated on 06-05-2022)**		
	Interest income	0.13	-
	Reimbursement/ expenses reimbursement	10.69	-
	Advance received from parties	-	-
	Investment made	-	-
(xviii)	**Transmission system for evacuation of power from Neemuch SEZ (Neemuch Transmission Limited incorporated on 12-04-2022)**		
	Interest income	0.13	-
	Reimbursement/ expenses reimbursement	10.69	-
	Advance received from parties	-	-
	Investment made	-	-

(All amounts in ₹ lakh, unless stated otherwise)

		For the year ended 31 March, 2022	For the year ended 31 March, 2021
(xix)	**Establishment of Khavda Pooling Station-2 (KPS2) in Khavda**		
	RE Park * (KPS2 Transmission Limited incorporated on 02-05-2022)		
	Interest income	0.13	-
	Reimbursement/ expenses reimbursement	10.69	-
	Advance received from parties	-	-
	Investment made	-	-
(xx)	**Establishment of Khavda Pooling Station-3 (KPS3) in Khavda**		
	RE Park * (KPS3 Transmission Limited incorporated on 29-04-2022)		
	Interest income	0.13	-
	Reimbursement/ expenses reimbursement	10.69	-
	Advance received from parties	-	-
	Investment made	-	-
(xxi)	**Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase – III Part F * (Beawar**		
	Transmission Limited incorporated on 27-04-2022)		
	Interest income	0.10	-
	Reimbursement/ expenses reimbursement	11.13	-
	Advance received from parties	-	-
	Investment made	-	-
(xxii)	**Transmission Scheme for Solar Energy Zone in Gadag**		
	(1500 MW), Karnataka: Part A-Phase-II *		
	Interest income	0.10	-
	Reimbursement/ expenses reimbursement	11.13	-
	Advance received from parties	-	-
	Investment made	-	-

* Special purpose Vehicles(SPVs)/ Transmission projects are in the process of Incorporation.

d **Outstanding balances w.r.t. associates are as under**

Receivable from associates/(Payable to associates)	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Chandil Transmission Limited	253.75	253.35
Dumka Transmission Limited	247.57	247.16
Mandar Transmission Limited	221.82	221.42
Koderma Transmission Limited	227.51	227.10
Bidar Transmission Limited	(1.05)	(2.56)
Gadag Transmission Limited	-	1.38
Fatehgarh Bhadla Transco Limited	-	90.93
Sikar New transmission Limited	-	76.23
Rajgarh Transmission Limited	28.18	(5.57)
Kallam transmission Limited	-	10.62
MP Power Transmission Package-I Limited	199.03	107.37
MP Power Transmission Package-II Limited	-	109.01
ER NER Transmission Limited	28.38	-
Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part C1 (Ramgarh II Transmission Limited incorporated on 20-04-2022)	10.82	-
Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part D * (Sikar Khetri Transmission Limited incorporated on 06-05-2022)	10.82	-

(All amounts in ₹ lakh, unless stated otherwise)

Receivable from associates/(Payable to associates)	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Transmission system for evacuation of power from Neemuch SEZ (Neemuch Transmission Limited incorporated on 12-04-2022)	10.82	-
Establishment of Khavda Pooling Station-2 (KPS2) in Khavda RE Park * (KPS2 Transmission Limited incorporated on 02-05-2022)	10.82	-
Establishment of Khavda Pooling Station-3 (KPS3) in Khavda RE Park * (KPS3 Transmission Limited incorporated on 29-04-2022)	10.82	-
Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase – III Part F * (Beawar Transmission Limited incorporated on 27-04-2022)	11.23	-
Transmission Scheme for Solar Energy Zone in Gadag (1500 MW), Karnataka: Part A-Phase-II *	11.22	-
	1,281.72	**1,336.44**

* Special purpose Vehicles(SPVs)/ Transmission projects are in the process of Incorporation.

Investments in SPVs	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Chandil Transmission Limited	5.00	5.00
Dumka Transmission Limited	5.00	5.00
MandarTransmission Limited	5.00	5.00
KodermaTransmission Limited	5.00	5.00
Bidar Transmission Limited	5.00	5.00
Gadag Transmission Limited	-	5.00
Fatehgarh Bhadla Transco Limited	-	5.00
Sikar New transmission Limited	-	5.00
Rajgarh Transmission Limited	5.00	5.00
Kallam transmission Limited	-	5.00
MP Power Transmission Package-I Limited	5.00	5.00
MP Power Transmission Package-II Limited	-	5.00
ER NER Transmission Limited	5.00	-
	40.00	**60.00**

e **Advances/dues from directors & other key officers of the group:**

Designation of officer	As at 31 March, 2022	Maximum amount outstanding for the year ended 31 March, 2022	As at 31 March, 2021	Maximum amount outstanding for the year ended 31 March, 2021
Chairman	NIL	NIL	NIL	NIL
Company Secretary	NIL	NIL	NIL	NIL

43 Employee benefit obligations

Defined contribution plans

The Group makes contributions to the Provident Fund for all eligible employees. Under the plan, the Group is required to contribute a specified percentage of payroll costs. Accordingly, the Group has recognized ₹ 32.87 lakh as expense in the statement of profit and loss during the current year (Year ended 31 March, 2021 ₹ 33.47 lakh).

Other long term employee benefit plans

i. Leave encashment (Compensated absence)

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 recognized on the basis of actuarial valuation.

(All amounts in ₹ lakh, unless stated otherwise)

The following table sets out the funded status of other long term employee benefit plans and the amount recognized in the financial statements:

Components of Employee expense	**For the year ended 31 March, 2022**		**For the year ended 31 March, 2021**	
	Loyalty incentive	**Leave encashment**	**Loyalty incentive**	**Leave encashment**
Current service cost	-	13.88	5.34	19.96
Interest	-	3.89	2.12	1.79
Actuarial loss/(gain)	-	(7.10)	12.21	12.18
Total	**-**	**10.67**	**19.67**	**33.93**

Net defined benefit liability/ (asset)	**As at 31 March, 2022**		**As at 31 March, 2021**	
	Loyalty incentive	**Leave encashment**	**Loyalty incentive**	**Leave encashment**
Current	-	1.84	14.42	2.19
Non-current	-	38.01	-	55.16
Present value of obligation at year end	**-**	**39.85**	**14.42**	**57.35**

Change in obligations during the year	**For the year ended 31 March, 2022**		**For the year ended 31 March, 2021**	
	Loyalty incentive	**Leave encashment**	**Loyalty incentive**	**Leave encashment**
Present value at beginning of the year	14.42	57.35	31.14	26.35
Current service cost	-	13.88	5.34	19.96
Interest cost	-	3.89	2.12	1.79
Actuarial loss/(gain)	-	(7.10)	12.21	12.18
Benefits	(14.42)	(28.18)	(36.39)	(2.93)
Present value at the end of the year	**-**	**39.84**	**14.42**	**57.35**

Particulars	**For the year ended 31 March, 2022**		**For the year ended 31 March, 2021**	
	Loyalty incentive	**Leave encashment**	**Loyalty incentive**	**Leave encashment**
Actuarial assumptions				
Discount rate*	0.00%	7.18%	0.00%	6.79%
Expected return on plan assets	NA	NA	NA	NA
Salary escalation	NA	6.00%	NA	6.00%
Attrition				
Upto 30 Years	3.00%	3.00%	3.00%	3.00%
From 31 to 44 Years	2.00%	2.00%	2.00%	2.00%
Above 44 Years	1.00%	1.00%	1.00%	1.00%
Method used **	PUCM	PUCM	PUCM	PUCM

**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.*

The group has discontinued the Loyalty bonus scheme so no liability created against this.

***Projected unit credit method (PUCM)*

Maturity profile of obligations - Leave encashment

(All amounts in ₹ lakh, unless stated otherwise)

SL No.	Years	For the year ended 31 March, 2022	For the year ended 31 March, 2021
a)	0 to 1 Year	1.84	2.19
b)	1 to 2 Year	0.80	1.15
c)	2 to 3 Year	0.76	1.12
d)	3 to 4 Year	0.75	1.09
e)	4 Year onwards	35.69	51.80

Sensitivity analysis in respect of obligation*

Particulars	Loyalty incentive		Leave encashment	
	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2022	For the year ended 31 March, 2021
a) Impact of the change in discount rate				
Present value of obligation at the end of the year	-	14.42	39.85	57.35
a) Impact due to increase of 0.50 %	-	(0.11)	(3.30)	(4.89)
b) Impact due to decrease of 0.50 %	-	0.11	3.67	5.46
b) Impact of the change in salary increase				
Present value of obligation at the end of the year	-	14.42	39.85	57.35
a) Impact due to increase of 0.50 %	-	0.11	3.70	5.47
b) Impact due to decrease of 0.50 %	-	(0.11)	(3.35)	(4.95)

**Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.*

**Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.*

44 Financial instruments

i) Financial instruments by category measured at amortized cost:

Particulars	As at 31 March, 2022	As at 31 March, 2021
Financial assets		
Investments*	9,151.49	9,105.81
Trade receivables	10,064.63	14,563.78
Cash and cash equivalents	1,459.03	3,874.74
Other bank balances	15,864.47	29,354.88
Other financial assets (Note 7 & Note 13)	8,934.09	2,577.55
Total	**45,473.71**	**59,476.76**
Financial liabilities		
Borrowings	-	-
Trade payable	3,647.82	6,185.91
Other financial liabilities (Note 19 & Note 23)	14,487.07	28,863.15
Total	**18,134.89**	**35,049.06**

*Aggregate fair value of investment in tax free bonds, NCD's and staggered paper is ₹ 10,692.80 lakh (31 March, 2021 : ₹ 11,108.55 lakh)

ii) Fair values hierarchy

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

(All amounts in ₹ lakh, unless stated otherwise)

45 Financial risk management

i) Risk management

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 44. The main types of risks are credit risk, liquidity risk and market risk.

The Group's risk management is coordinated in close co-operation with the Board of Directors, and focuses on securing the Group's short to medium term cash flows. The Group does not engage in trading of financial assets for speculative purposes.

A) Credit risk

a) Credit risk rating

The entity assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date
B: Moderate credit risk
C: High credit risk

The entity provides for expected credit loss based on the following:

Asset entity	Basis of categorization	Provision for expected credit
Low credit risk	Cash and cash equivalents, other bank balances, loans, investments and other financial assets	12 month expected credit loss
	Contract asset and trade receivable	Lifetime expected credit loss

Assets are written off when there is no reasonable expectation of recovery, such as litigation of debtor decided against the entity or funds not allocated against grant. The entity continues to engage with parties whose balances are written off and attempts to enforce repayment. The entity has written off certain irrecoverable debts.

Credit risk assets are as follows:

Credit rating	Particulars
A: Low credit risk	Cash and cash equivalents, other bank balances, loans, investments and other financial assets
B: Medium credit risk	Trade receivables
C: High credit risk	Trade receivables

b) Credit risk exposure

i Provision for expected credit losses

The entity provides for expected credit losses for following financial assets –

31 March, 2022

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	9,151.49	-	9,151.49
Cash and cash equivalents	1,459.03	-	1,459.03
Other bank balances	15,864.47	-	15,864.47
Trade receivables	18,336.63	(8,272.00)	10,064.63
Other financial assets	8,982.93	(48.85)	8,934.08

31 March, 2021

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	9,105.81	-	9,105.81
Cash and cash equivalents	3,874.74	-	3,874.74
Other bank balances	29,354.88	-	29,354.88
Trade receivables	23,213.90	(8,650.12)	14,563.78
Other financial assets	2,626.41	(48.85)	2,577.55

(ii) Expected credit loss for trade receivables under simplified approach

31 March, 2022

Particulars	Gross carrying value	Expected loss rate	Expected credit loss (provision)	Carrying amount (net of impairment)
< 6 months	7,154.80	9.49%	679.10	6,475.70
6 months - 1 year	2,348.64	22.09%	518.83	1,829.81
1 year - 2 year	1,934.85	37.16%	719.00	1,215.85
2 year - 3 year	1,455.52	72.81%	1,059.70	395.82
>3 Years	5,442.82	97.29%	5,295.37	147.45
Total	**18,336.63**	**45.11%**	**8,272.00**	**10,064.63**

31 March, 2021

Particulars	Gross carrying value	Expected loss rate	Expected credit loss (provision)	Carrying amount (net of impairment)
< 6 months	10,441.00	12.78%	1,334.18	9,106.82
6 months - 1 year	2,560.97	22.59%	578.41	1,982.56
1 year - 2 year	2,285.45	19.01%	434.53	1,850.92
2 year - 3 year	3,246.96	50.00%	1,623.48	1,623.48
>3 Years	4,679.52	100.00%	4,679.52	-
Total	**23,213.90**	**37.26%**	**8,650.12**	**14,563.78**

Note: The entity has measured the expected credit loss on trade receivables using simplified approach on lifetime basis.

For the same the Company has used the practical expedient available under Ind AS 109 and computed the expected credit loss using the provision Metrix.

Reconciliation of loss provision – Trade receivables

Reconciliation of loss allowance	Amount
Loss allowance on 1 April, 2020	**6,280.79**
Provision created during the year	2,575.25
Provisions utilized (reversal against bad debts) during the year	(205.92)
Loss allowance on 31 March, 2021	**8,650.12**
Provisions utilized (reversal against bad debts) during the year	(23.29)
Provision created during the year	(354.84)
Loss allowance on 31 March, 2022	**8,272.00**

B) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The group manages liquidity risk by maintaining adequate reserves, back-up facilities such as deposits and by continuously monitoring forecast and actual cash

(All amounts in ₹ lakh, unless stated otherwise)

flows, and by matching the maturity profiles of financial assets and liabilities. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities

All the financial liabilities of the Group are current in nature and are maturing within 12 months period, except for earnest money deposits and Performance bank guarantee which are recoverable in more than 12 months period. However expected date of the same is not determinable.

C) Market risk

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

Currency risk:

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

Interest rate risk

In current financial year there is no credit facility availed by the Group.

Particulars	**For the year ended 31 March, 2022**	**For the year ended 31 March, 2021**
Floating rate borrowings (-0.5% Change in interest rate)	-	0.39
Floating rate borrowings (+0.5% Change in interest rate)	-	(0.39)

Price risk:

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

46 Contingencies and Commitments

Particulars	**As at 31 March, 2022**	**As at 31 March, 2021**
(a) Income tax demand for AY 2017-18	29.86	29.86
(b) Income tax demand against notice U/s 245 of Income Tax Act for AY 2018-19	0.01	0.01
(c) Income tax demand against notice U/s 245 of Income Tax Act for AY 2019-20	1,462.13	1,462.13
(d) Un-expired performance bank guarantees	3,106.29	3,848.73
(e) Committed liability against corporate social responsibility	117.21	158.54
(f) Outstanding claims of contractors pending in arbitration and courts	2,943.03	2,943.03
	7,658.53	**8,442.30**

(A) The amount referred in (a) above are against the demands raised by the Income Tax Department for AY 2017-18 against which an appeal has been filed before CIT (Appeals) and 20% of demand is deposited in FY 19-20 for ₹ 5.97 lakh. So the group is contesting this tax demands and the management believes that its position will likely be upheld in the appellate process. Further, the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

(B) Refer Pt. No. (e) above - In previous year outstanding committed liability against CSR was Rs. 158.54 lakhs. Amount of Rs 75.66 sanctioned in current year. Out of total Rs. 234.20 lakhs, Rs. 116.99 lakhs disbursed for the sanctioned purpose and remaining Rs. 117.21 lakhs will be disbursed in coming years.

(C) The amount referred in (c) above are against the demand raised by the income tax department for the AY 2019-20 against which rectification request had already been submitted and is under consideration. So the management opine that the matter will be resolved soon.

(D) The amount referred in (f) above, is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Group's results of operations or financial condition.

(All amounts in ₹ lakh, unless stated otherwise)

(E) Un-expired performance bank guarantees are secured against current assets excluding earmarked balances for deposit works and government fund account, as indicated in Note (12) Other bank balances.

47 Impact of Covid-19 Outbreak

The Group has taken into account all the possible impacts of COVID-19 in preparation of the financial statements, including but not limited to its assessment of, recoverable values of its financial and non-financial assets, impact on revenue and cost, impact on investments and liquidity assumption. The Group has carried out this assessment based on internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material and expects to recover the carrying amount of its assets.

The Group deals with the Government departments or companies, it seems non-probable to the management that any of the customers of the Group will default any payments. There have been a few cases of delays in the collection, but the management estimates that these are receivable very soon, once the situations get normalised.

Considering the line of business of the Group, COVID-19 has not impacted the revenue recognition of theGroup.

48 Impairment of non financial assets:

In the opinion of management, there is no impairment of the non financial assets of the Group in terms of IND AS-36. Accordingly, no provision for impairment loss has been made.

49 Corporate social responsibility expenses

Disclosure on CSR Expenses U/s 135 of the Companies Act, 2013

Particulars	31 March, 2022	31 March, 2021
(a) Gross amount required to be spent on CSR activities	167.95	195.48
(b) Amount approved by the Board to be spent during the year	167.95	195.48
(c) Amount of expenditure incurred during the year		
- on construction/acquisition of assets	-	-
- on purpose other than above	167.95	253.48
(d) Shortfall at the end of the year	-	-
(e) Total of previous years shortfall	-	-

(f) Nature of CSR activities

The group has contributed/incurred expenditure in the below mentioned CSR activities-

(i) Contribution to the Clean Ganga Fund setup by the Central Government

(ii) Contribution to the Swach Bharat Kosh set-up by the Central Government

(iii) Contribution towards PM Cares Fund

(iv) Ensuring environmental sustainability, conservation of natural resources and maintaining quality of water.

(v) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution for the promotion of sanitation and making available safe drinking water.

(vi) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects

(vii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups

(All amounts in ₹ lakh, unless stated otherwise)

(g) The group has not entered any transaction with related party in relation to CSR expenditure during the year.

(h) Movements of provision with respect to CSR liability/expenditure

Particulars	31 March, 2022	31 March, 2021
Opening balance of provision	-	-
Add - Provision made during the year	4.09	-
Less - Provision utilised during the year	-	-
Closing balance of provision	4.09	-

50 Leases

The Group has leases for office building, warehouses, office equipment and related facilities. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the group to sublease the asset to another party, the right-of-use asset can only be used by the group. Some leases contain an option to extend the lease for a further term. The group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the group is required to pay maintenance fees in accordance with the lease contracts.

A Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Short-term leases	469.06	255.74
Total	**469.06**	**255.74**

B Total cash outflow for leases for the year ended 31 March, 2022 was ₹ 469.06 Lakh, (31 March, 2021 - ₹ 336.24 Lakh).

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Short-term leases	469.06	255.74
Long-term leases	-	80.50
Leases of low value assets	-	-
Total	**469.06**	**336.24**

C The Group has total commitment for short-term leases of ₹ 325.93 lakh as at 31 March, 2022 (31 March, 2021 ₹ 69.59 lakh).

D Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

As at 31 March, 2022	Minimum lease payments due		
	Within 1 year	1-3 years	More than 3 years
Lease payments	**-**	**-**	**-**

As at 31 March, 2021	Minimum lease payments due		
	Within 1 year	1-3 years	More than 3 years
Lease payments	-	-	-

(All amounts in ₹ lakh, unless stated otherwise)

E Set out below are the carrying amount of lease liabilities and the movement during the year:

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening balance	**-**	**204.99**
Additions	-	-
Accretion of interest	-	9.71
Payments	-	(80.50)
Reassessment of lease liability	-	(134.20)
Closing balance	**-**	**-**
Current	**-**	**-**
Non current	**-**	**-**

The Group has terminated the lease of the office block on 31 January, 2021. Accordingly the balances of lease liability and right of use asset-building are disposed off in the books of accounts as on 31st March, 2021.

F Extension and termination options

The Group has lease contracts for "office block and work sites" which are used for regular operations of its business. There are several lease contracts that include extension and termination options which are further discussed below.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgment in determining whether these extension and termination options are reasonably certain to be exercised.

The Group has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

Critical judgments in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

51 Ratios Analysis

Ratio	31 March, 2022			31 March, 2021			Analysis	
	Numerator	Denominator	Ratios	Numerator	Denominator	Ratios	% Variance	Reason
Current Ratio	32,430.45	18,803.82	1.72	52,397.38	36,257.59	1.45	19.34	
Return on Equity Ratio	5,302.50	31,329.12	0.17	2,561.56	28,939.68	0.09	91.21	refer pt. (a)
Trade Receivables Turnover Ratio	16,001.02	12,314.21	1.30	17,028.97	12,242.32	1.39	-6.59	
Trade Payables Turnover Ratio	7,983.60	4,916.87	1.62	10,205.55	5,536.78	1.84	-11.91	
Net capital Turnover Ratio	16,001.02	13,626.63	1.17	17,028.97	16,139.80	1.06	11.29	
Net Profit Ratio	5,302.50	16,001.02	0.33	2,561.56	17,028.97	0.15	120.30	refer pt. (b)
Return on Capital employed	7,148.22	32,859.04	0.22	3,714.68	29,799.21	0.12	74.51	refer pt. (c)

1. Current ratio - Numerator includes current assets and Denominator includes current liabilities
2. Return on Equity ratio - Numerator includes Net profit after taxes and Denominator includes average shareholders equity.
3. Trade receivable turnover ratio - Numerator includes Revenue from operations and Denominator includes average trade receivables.

4. Trade payable turnover ratio - Numerator includes Cost of services rendered and Denominator includes average trade payables.
5. Net capital turnover ratio - Numerator includes Revenue from operations and Denominator includes working capital.
6. Net profit ratio - Numerator includes profit after tax and Denominator includes Revenue from operations.
7. Return on capital employed - Numerator includes earning before interest and taxes and Denominator includes capital employed (Tangible networth plus total debt plus deferred tax liabilities).

Reasons for variation more than 25%

(a) Return on equity ratio improved due to increase in profit after tax.

(b) Net profit ratio improved due to decrease in expenses on account of impairment of financial assets and cost of services rendered.

(c) Return on capital employed improved due to increase in profit before interest and tax.

52 Other notes

I There were twelve opening associate companies (SPVs), in the previous years, namely Chandil Transmission Limited, Dumka Transmission Limited., Koderma Transmission Limited, Mandar Transmission Limited, Kallam Transmission Limited, Bidar Transmission Limited, Gadag Transmission Limited, Fatehgarh Bhadla Transco Limited, Sikar New Transmission Limited, Rajgarh Transmission Limited, MP Power Transmission Package-I Limited, MP Power Transmission Package-II Limited.

One of the associate namely ER NER Transmission Limited has been incorporated during FY 2021-22. Further, five SPVs namely Fatehgarh Bhadla Transco Limited , Sikar New Transmission Limited , MP Power Transmission package II Limited, Kallam Transmission Limited and Gadag Transmission Limited has been transferred / sold during FY 2021-22.

Hence, there are eight associates(SPVs) as at 31 March, 2022.

One of the SPV namely Dinchang Transmission Limited was given No Objection by MoP for for striking off the name of Dinchang Transmission Limited under Section 248 of Companies Act, 2013 from the Register of Companiesand the application for strike off has been filed with RoC during FY 2020-21 and accordingly the company has been struck off from the register of companies and has been dissolved vide MCA letter dated 17.08.2021.

II a) Government of Jharkhand vide its letter dated 21 August, 2017 had nominated the Parent Company as the Bid Process Coordinator for the development of Intra-State transmission elements of Jharkhand State through Tariff Based Competitive Bidding route. Further, Government of Jharkhand vide its letter dated 30 September, 2020, has decided to reinitiate the bidding process. Hence, the four projects has been kept in abeyance w.e.f. 1 October, 2020. Provision of amount recoverable from these SPV's has been created in books of accounts.

b) The Government of India appointed REC Power Development and Consultancy Limited (formerly REC Power Distribution Company Limited) as Bid Process Co-ordinator for selection of the developer for the project "Transmission Scheme for Solar Energy Zone in Bidar (2500 MW), Karnataka". Accordingly, Bidar Transmission Limited was incorporated for the project on 08.06.2020. Further, MoP, Power System Planning Appraisal-I Division vide its letter has conveyed that as per minutes of meeting held on 16.10.2020, the bidding of the project has been put on hold. Hence, the project has been kept in abeyance.

III There are no foreign currency transactions during the year. Therefore no disclosures are required under Schedule III of the Companies Act, 2013.

IV The Parent Company does not have more than 2 layers as specified in sub-rule (2) of Companies (Restriction on number of layers) Rules, 2017. As on 31.03.2022, the Company has 9 SPVs, In which it has directly invested and holds 100% of its shares. So group does not violate the provision of Section 2(87) of companies Act.

V The group is operating in a single segment i.e. providing engineering consultancy services and therefore disclosure requirements of Ind AS 108 is not applicable. The group has a single geographical segment, as all its project offices are located within the Country.

VI No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the group (Ultimate Beneficiaries). The group has not received any fund from any party(s) (Funding Party) with the understanding that the group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

VII There is no transaction under section 248 of the Companies Act,2013 with Struck off companies during the F.Y.21-22.

VIII The code on social securtiy 2020 (Code) relating to employee benefit during employment and post employment benefit received presidential accent in September 2020. The code has been published in the Gazette of India. However, the date onwhich the code will come in to effect has not been notified. The group will assess the impact of the code when it comes in to effect and will record any related impact in the period the code becomes effective.

IX The group has no non material adjustment event after reporting period.

X As per the provision of the Companies Act, 2013 the figures have been rounded off to the nearest of lakh and decimal thereof.

XI Negative figures have been shown in bracket.

Summary of significant accounting policies 1 to 3
The accompanying notes from 4 to 52 are integral part of the financial statements.
These are the Consolidated financial statements referred to in our report of even date.

For A. K. Batra & Associates **Chartered Accountants** **Firm Registration No. 003499N**	**For and on behalf of Board of Directors of** **REC Power Development and Consultancy Limited**	
CA Nitin Grover **Partner** **Membership No. 516604**	**Sanjay Kumar** **Director** **DIN - 08722752**	**Ajoy Choudhury** **Director** **DIN - 06629871**

Date : May 11, 2022
Place: New Delhi

Form AOC-1

(Pursuant to provisio to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of Subsidiaries/ Associate Companies/ Joint Ventures for the Year 2021-22

Part A: Subsidiaries

Statement Pursuant to Section 129(3) of the Companies Act,2013 related to Subsidiary Companies is not Applicable

Part B: Associates and Joint Ventures

(In Lakhs)

	Name of Associates/Joint Ventures	Bidar Transmission Limited*	MP Power Transmission Package I Limited *	Rajgarh Transmission Limited *	ER NER Transmission Limited *	Koderma Transmission Limited *	Chandil Transmission Limited #	Dumka Transmission Limited #	Mandar Transmission Limited #
1	Latest audited/ unaudited Balance Sheet Date	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
2	Shares of Associate/Joint Ventures held by the company on the year end								
	Number	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Amount of Investment in Associates/ Joint Venture	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
	Extent of Holding (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3	Description of how there is significant influence	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1
4	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA
5	Networth attributable to Shareholding as per latest Balance Sheet *#	6.59	-162.26	-10.24	-25.81	-192.29	-215.02	-209.55	-187.47
6	Profit / (Loss) for the year / period	-0.57	-80.33	-19.98	-30.81	-0.32	-0.32	-0.32	-0.32
i.	Considered in Consolidation **	-	-	-	-	-	-	-	-
ii.	Not Considered in Consolidation	-0.57	-80.33	-19.98	-30.81	-0.32	-0.32	-0.32	-0.32

** The latest audited Balance Sheet available for associates have been prepared on the basis of IND-AS.*
 # The latest management certified Balance Sheet available for associates have been prepared on the basis of IND-AS.
***Associates classified under held for sale and valued at cost or fair market value (less cost to sales) whichever is less, hence profit not considered.*
Note : 1. The company is holding 100% of shares but these investments are managed as per the mandate from Government of India and company does not have the practical ability to direct the relevant activities of these companies unilaterally, hence treated as associate company.
Note : 2. Five associates was transferred during FY 2021-22 whose details are as follows:

Name of SPV	Date of transfer
Fatehgarh Bhadla Transco Limited	04.06.2021
Sikar New Transmission Limited	04.06.2021
MP Power Transmission Package II Limited	01.11.2021
Kallam Transmission Limited	28.12.2021
Gadag Transmission Limited	17.03.2022

For A. K. Batra & Associates
Chartered Accountants
Firm Registration No. 003499N

For and on behalf of Board of Directors of
REC Power Development and Consultancy Limited

CA Nitin Grover
Partner
Membership No. 516604
Date : May 11,2022
Place : NewDelhi

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

INDEPENDENT AUDITOR'S REPORT
To the Members of REC Power Development and Consultancy Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **REC Power Development and Consultancy Limited** ("the Company") and its associates (the Company and its associates together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2022, the consolidated Statement of Profit and Loss (including other comprehensive income), for year ended on that date, the Consolidated Statement of changes in Equity and the Consolidated Statement of Cash Flows for the year on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statement").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the Companies Act,2013 (the Act') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31,2022, the consolidated profit and consolidated state affairs of the Group as at March 31, 2022, the consolidated profit and consolidated total comprehensive income for the year ended on that date, consolidated changes in equity and the consolidated cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the other matters paragraph below are sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to the following matters in the Notes to consolidated Ind AS Financial Statement:

Reference is invited to Note No.52 regarding denotified one of the associate companies (i.e. Dinchang Transmission Ltd.) Application for strike off has been filed with Roc during F.Y.2020-21 and accordingly the company has been struck off from the Registrar of Companies and has been dissolved vide MCA letter dated 17.08.2021.

Our opinion is not modified in respect of these matters.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. On the basis of Audit Report received for Koderma Transmission Limited, Bidar Transmission Limited, MP Power Transmission I Ltd, Rajgarh Transmission Ltd., ER NER Transmission Ltd., we have determined that there are no key audit matters to communicate in our report.

5. Further it is informed that financial information for, Chandil Transmission Limited, Dumka Transmission Limited and Mandar Transmission Limited are furnished unaudited and have been furnished to us by the management. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Holding company.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1.	**Valuation of account Receivable in view of risk of credit loss** (Refer to Note no. 44 "Financial Instrument" and note no 10 "Trade Receivable") Accounts receivables is a significant item in the Company's financial statements as at March 31, 2022 and assumptions used for estimating the credit loss on receivables is an area which is influenced by management's judgment. The Company makes an assessment of the estimated credit losses basis credit risk, project status, past history, latest discussion/ correspondence with the customer. Given the relative significance of these receivables to the financial statements and the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter	**Principal Audit Procedures** Our audit incorporated the following procedure with regards to provisioning of receivables: • Understood and evaluated the accounting policy of the company. • We evaluated the design and tested the operating effectiveness of key controls in relation to determination of estimated credit loss. • Inquired with senior management regarding status of collectability of the receivable • For material balances, the basis of provision was discussed with the management. • Assessed and challenged the information used by the Management to determine the expected credit losses by considering credit risk of the customer, cash collection, performance against historical trends and the level of credit loss charges over time.
2.	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"** The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Refer Notes 3.2 and 39 to the Financial Statements	**Principal Audit Procedures** We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. We carried out the following procedures: • Understand the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. • Regarding the stage of completion and revenue in respect of ongoing projects, we have relied upon the reports of the Technical Experts of the Company as we did not have that technical expertise with us. • Selected a sample of continuing and new contracts and performed the following procedures: • Read, analyzed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • Calculations in respect of unearned revenue were test-checked using reports provided by project experts with respect to the percentage of work completed. • In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with the terms of contracts and status of work provided by the project experts of the company. • Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.

Information Other than the Consolidated financial statements and Auditor's Report Thereon

7. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in an entity's annual report,but does not include the consolidated financial statements and our auditor's report thereon.

8. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance/conclusion thereon.

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

10. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management Responsibility for the Consolidated Financial Statements

Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the requirement of the Companies Act, 2013 and other accounting principles generally accepted in India. Including the accounting standards specified under section 133 of the Act. The respective board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding the assets of the Group 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 which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Company, as aforesaid.

11. In preparing the financial statements, the respective Board of Directors of the companies included in the Group asre responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using basis of accounting unless Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

12. The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial process of the Group.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

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

14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional **scepticism** throughout the audit. We also:
    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statement of such entity included in the consolidated financial statements of which we are independent auditor. For the other entities included in the consolidated financial statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

15. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) The consolidated financial statements also include the Holding company's net profit/loss of Rs. 5302.50 lacs and for the year ended 31st March,2022, as considered in the consolidated financial statement, in respect of eight associate companies, whose financial statement have not been audited by us. These financial statements have been audited by other auditors whose reports are furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosure included in respect of these associates, and our report in terms of subsection 3 & 11 of section 143 of the Act, in so far as it relates to aforesaid associates, is based solely on the reports of other auditors.

(b) The consolidated financial statement also includes the Holding company's net profits/loss of Rs. 5302.50 lacs for the year ended 31st March 2022 as considered in the 5302.50 lacs financial statements, in respect of 3 associate companies, whose financial statements have not been audited by us. These financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosure included in respect of these associates and our report in terms of subsection 3 of section 143 of the Act, in so far as it relates to aforesaid associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanation given to us by the management, these financial statements are not material to the Holding company.

(c) Five of the associate companies, namely Fatehgarh Badla Transco Ltd., Sikar Transmission Ltd., MP Power Transmission Package-II Ltd., Kallam Transmission Ltd., Gadag Transmission Ltd. were transferred/sold during the year and further one associate company namely Dinchang Transmission Ltd., for which application for strike off had been filed with Roc during F.Y.2020-21, has been struck off from the Registrar of Companies and dissolved vide MCA letter dated 17.08.2021.

Thus there were total 13 associate during the year.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below, is not modified in respect of other matters with respect to our reliance on the work done and reports of other auditors and financial statement certified by the management.

Report on Other Legal and Regulatory Requirements

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

20. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub section (5) of Section 143 of the Companies Act 2013, the compliance of which is set out in **"Annexure B"**.

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

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by so far as it appears from our examination of those books and reports of other auditors;

    c) The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of cash flows and the consolidated statement of changes in equity and dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statement;

    d) In our opinion, the aforesaid consolidated financial statements comply with IND AS Accounting Standards specified under Section 133 of the Act, read Rule 7 of the Companies (Accounts) Rules, 2014.

    e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) Vide Notification No. G.S.R. 463(E) dated 5 June, 2015 issued by Ministry of Corporate Affairs, Government Companies have been exempted from applicability of the provisions of Section 164(2) of the Companies Act, 2013

    g) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure C"**; and

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

        i. The Group has Rs. 2943.03 lakh pending litigations as on 31st March 2022.

        ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

        iii. The provision of transferring the amount to the Investor Education and Protection Fund is not applicable to the company.

        iv. (a) The respective managements of the company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in the standalone financial statements

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

(c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For A. K. Batra & Associates
Chartered Accountants
Firm Registration No. 003499N

Date: 11.05.2022
Place: NewDelhi

CA Nitin Grover
Partner
Membership No. 516604
UDIN: 22516604AIVLKJ2786

Annexure A to the Independent Auditor's Report on Consolidated Accounts

The annexure referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of REC Power Development and Consultancy Limited on the Ind AS consolidated financial statements for the financial year ended on 31st March 2022.

1. In respect of its fixed assets

    (a) The Group is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment on the basis of available information.

    (b) The Group has an approved regular program of verification for all assets to cover all the items yearly, which, in our opinion, is reasonable having regard to the size of the group and the nature of its fixed assets. Pursuant to the program, Assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

    (c) According to the information and explanations given to us and on the basis of our examination of the records of the group, the group does not have any immovable properties which are freehold and held in the name of group as at the balance sheet date.

    (d) The group has not revalued its assets during the year.

    (e) The group is not holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

2. (a) The group being a consultancy provider does not has any inventory during the year.

    (b) No working capital limit has been sanctioned to the company during the year.

3. In our opinion and according to the information and explanations given to us, the group has not provided any guarantee or security or granted any loans or advances secured or unsecured to the companies/ firms, limited liability partnership or other parties.

4. In our opinion and according to the information and explanations given to us, the group has not given loans, guarantees, security or made any investments which need to comply with the section 185 and 186 of Companies Act, 2013.

5. According to the information and explanations given to us, the Group has not accepted any deposit during the year within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013.

6. The Group is not required to maintain cost records which have been specified by the Central Government under sub-section (1) of section 148 of companies act, 2013.

7. (a) According to the records of the group examined by us, in our opinion, the group is generally regular in depositing undisputed statutory dues including Goods and service tax, Excise Duty, Provident Fund, ESI and other statutory dues applicable over the group.

    (b) According to the information given to us and as per the books of accounts produced before us, the group has no dues relating to Goods and service tax, sales tax, income tax, custom tax, excise duty, cess as at 31st March,2022 that have not been deposited on account of any dispute except income tax demand for A.Y. 2017-18 of Rs.23.89 lakh for which appeal has been filed before CIT (Appeals).

8. According to the information given to us and as per the books of accounts produced before us, no transactions have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.

9. Based on our audit procedures and according to the information and explanations given to us, the Group has not defaulted in repayment of dues to a financial institution or bank or debenture holders.

10. (a) The group has not raised any money by way of initial public deposit offer, further public offer (including debt instruments) during the year.

    (b) The group has not made any preferential allotment or private placement of shares or convertible debenture during the year.

11. (a) According to the information and explanations given to us, based upon the audit procedures performed and representations made by the management, we report that no fraud on or by the Group has been noticed or reported during course of our audit.

    (b) There is no fraud reported during the year accordingly filling of report under sub-section (12) of section 143 of the Act is not required.

    (c) According to the information and explanations given to us, no whistle-blower complains received during the year by the company.

12. The group is not a Nidhi company and hence this clause is not applicable.

13. In our opinion and according to information and explanation given to us, all transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and are disclosed in the financial statements as required by the applicable accounting standards.

14. (a) The group has appointed an internal auditors for the year.

    (b) Internal Audit report for the half year period ended 30th September 2021 has been provided by the group. The report for the period half year ended 31st March 2022 is yet to be received from the internal auditors.

15. Based on the representation given by the management, the group has not entered into any non-cash transactions with the directors or other persons connected to directors and hence the provision of section 192 of the companies act is not applicable.

16. The group is not required to be registered under section 45-IA of Reserve Bank of India, 1934.

17. Based on the representation given by the management, the group has not incurred any cash losses during the financial year and immediately preceding financial year.

18. No statutory auditors has resigned during the year.

19. On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and management plans, we are in the opinion that no material uncertainty exists as on the date of the audit report that the group is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

20. (a) The group has spent all the funds allocated during the year and accordingly no unspent amount available under section 135 of the Act.

    (b) The group did not have any unspent amount under sub-section (5) of section 135 of the Companies Act and accordingly this clause is not applicable.

For A. K. Batra & Associates
Chartered Accountants
Firm Registration No. 003499N

CA Nitin Grover
Partner
Membership No. 516604
UDIN: 22516604AIVLKJ2786

Date: 11.05.2022
Place: NewDelhi

Annexure B to the Independent Auditor's Report

Annexure referred to in paragraph 2 under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **REC Power Development and Consultancy Limited** on the financial statements for the financial year ended on 31st March 2022.

S. No.	Directions	Our Report
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	According to the information and explanations given to us and on the basis of our examination of the records of the Group, the group has proper system in place to process all the accounting transactions through IT system (Tally ERP.9). The group does not have any processing outside IT system of accounting transactions.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off debts /loans/interest etc. made by a lender to the company due to the group's inability to repay the loan? If yes, the financial impact may be stated. Whether, such cases are properly accounted for (in case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	According to information and explanations given to us, there are no cases of restructuring / waiver / write off debts / loans / interest made by a lender to the group due to group's inability to repay the loan.
3.	Whether funds received / receivable for specific schemes from central / state agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	According to the information and explanations given to us, the funds received/receivable for specific schemes from central/state agencies has been properly accounted for /utilized by the group.

Annexure C to the Independent Auditor's Report

Annexure referred to in paragraph 3(f) under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of REC Power Development and Consultancy Limited on the financial statements for the financial year ended on 31st March 2022.

Report on the Internal Financial Control 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 Development and Consultancy Limited** ("the Group") as on 31st March 2022 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Group'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 Ind AS 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 Group;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Group; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated Ind AS 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, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, 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 A. K. Batra & Associates
Chartered Accountants
Firm Registration No. 003499N

CA Nitin Grover
Partner
Membership No. 516604
UDIN: 22516604AIVLKJ2786

Date: 11.05.2022
Place: NewDelhi

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF REC POWER DEVELOPMENT AND CONSULTANCY LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of consolidated financial statements of REC Power Development and Consultancy Limited for the year ended 31 March 2022 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) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) 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 11.05.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of REC Power Development and Consultancy Limited for the year ended 31 March 2022 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of financial statements of REC Power Development and Consultancy Limited but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities listed in Annexure for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

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

(D. K. Sekar)
Director General of Audit (Energy),
Delhi

Date: 11.07.2022
Place: New Delhi

ANNEXURE

List of Subsidiaries, Associates Companies and Jointly Controlled Entities of REC Power Development and Consultancy Limited whose financial statements were not audited by the Comptroller and Auditor General of India

Associate Companies and Joint Ventures:

1. MP Power Transmission Package I Limited
2. Rajgarh Transmission Limited
3. ER NER Transmission Limited
4. Koderma Transmission Limited
5. Chandil Transmission Limited
6. Dumka Transmission Limited
7. Mandar Transmission Limited
8. Bidar Transmission Limited

REC Power Development and Consultancy Limited
(formerly REC Power Distribution Company Limited)
Regd.Office : Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003
CIN : U40101DL2007GOI165779
Tel.: 011-43091500
Email: co@recpdcl.in Website: www.recpdcl.in

ATTENDANCE SLIP

15TH ANNUAL GENERAL MEETING TO BE HELD ON MONDAY, SEPTEMBER 19, 2022 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 15th Annual General Meeting of the Company held on Monday, September 19, 2022 at 5:00 P.M at Core-4, SCOPE Complex, 7, Lodhi Road, New-Delhi-110003.

Signature of Member/ Proxy

NOTES:

1. The attendance slip should be signed as per the specimen signature registered with Company. Such duly completed and signed Attendance Slip(s) should be handed over at the venue of AGM. Members in person and Proxy holders may please carry photo-ID card for identification/verification purposes.

2. Shareholder(s) present in person or through registered proxy shall only be entertained.

3. Due to strict security reasons mobile phones, brief cases, eatables and other belongings are not allowed inside the venue. Shareholder(s)/proxy holder(s) will be required to take care of their belonging(s).

4. No gifts/ coupons will be distributed at the Annual General Meeting.

REC Power Development and Consultancy Limited
(formerly REC Power Distribution Company Limited)
Regd.Office : Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003
CIN : U40101DL2007GOI165779
Tel.: 011-43091500
Email: co@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 15th Annual General Meeting of the Company, to be held on Monday, September 19, 2022 at 5:00 P.M at Core-4, SCOPE Complex, 7, Lodhi Road, New-Delhi-110003 and at any adjournment thereof in respect of such businesses as are indicated below:

Sl. No	Particulars
Ordinary Business	
1.	To receive, consider, approve and adopt the audited financial statements of the Company for the Financial year ended March 31, 2022 along with the Reports of the Board of Directors and Auditors thereon.
2.	To confirm the payment of Interim Dividend for the financial year 2021-22 and to declare Final Dividend on equity shares of the Company for the financial year 2021-22.
3.	To appoint a Director in place of Shri Sanjay Kumar (DIN: 08722752), who retires by rotation and being eligible, offers himself for re-appointment.
4.	To fix the remuneration of Statutory Auditors for the Financial year 2022-23.
Special Business	
5.	To appoint Shri Vivek Kumar Dewangan (DIN : 01377212) as Director of the Company, not liable to retire by rotation.

Signed this....................... day of..................... 2022

Signature of Shareholder …………………Signature of Proxy holder(s) ……………………..

Affix
Revenue
Stamp
of ₹1/-

REC Power Development and Consultancy Limited
(Formerly REC Power Distribution Company Limited)
Regd. Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003
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Email: co@recpdcl.in Website: www.recpdcl.in