

INDEPENDENT AUDITOR'S REPORT

To the Members of
REC Power Development and Consultancy Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **REC Power Development and Consultancy Limited** ("the Company") (A wholly owned subsidiary of REC Limited), which comprise the balance sheet as at March 31, 2024, the statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 as amended ("the act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Matters

The Standalone financial statements of the company for the year ended March 31, 2023 were audited by A. K. Batra & Associates whose report dated May 16, 2023 expressed an unmodified opinion on those financial statements.

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Key Audit Matters

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.	<p>Valuation of account Receivable in view of risk of credit loss (refer to Note No. 43 "Financial Instruments" and note no. 11 "Trade Receivable")</p> <p>Account receivables is a significant item in the Company's financial statements as at March 31, 2024 and assumptions used for estimating the credit loss on receivables is an area which is influenced by management's judgment.</p> <p>The Company makes an assessment, of the estimated credit losses basis credit risk, project status, past history, latest discussion/correspondence with the customer.</p> <p>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.</p>	<p>Principal Audit Procedures</p> <p>Our audit incorporated the following procedure with regards to provisioning of receivables:</p> <ul style="list-style-type: none"> 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.	<p>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"</p> <p>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</p>	<p>Principal Audit Procedures</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>We carried out the following procedures:</p> <ul style="list-style-type: none"> Understand the design of internal controls relating to implementation of the new revenue accounting standard. Selected a sample of continuing and new



	<p>appropriateness of the basis used to measure revenue recognized over a period.</p> <p>Refer Notes 3.2 and 38 to the Financial Statement.</p>	<p>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.</p> <ul style="list-style-type: none"> • 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 this performance obligation 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 signed 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 serving offering
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Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Management and Those Charged with Governance for the Standalone Financial Statements

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 Standalone financial statements that give a true and fair view of the financial position, financial performance, including other Comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and 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 Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the 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 the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an



audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these Standalone Financial Statements.

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

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

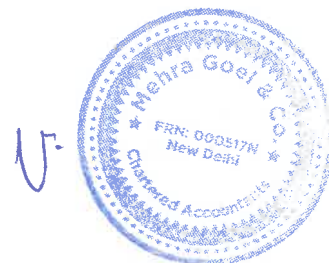
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**"; a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 if which is set out in "**Annexure B**".
3. (A) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Statement of other comprehensive income, the Statement of Changes in Equity, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind-AS) specified under Section 133 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 with reference to Standalone Financial Statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure -C**" to this report;
- (B) 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:



- (a) The Company has disclosed the impact of pending litigations as at March 31, 2024 in its financial position in its Standalone Financial Statements -Refer Note 46 to the Standalone Financial Statements;
- (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- (d)
- (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in notes to the accounts, 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:
- 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 or on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall:
- 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; and
- (iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.
- (e) As state 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 Companies Act 2013, as applicable.
- (b) The Board of Director of the Company has 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 Companies Act 2013, as applicable.



- (C) With respect to the matters to be included in the Auditor's Report under Section 197(16) of the Act:
The provisions of Section 197 is not applicable to Government Company.
- (D) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023 but company has enabled the audit trail feature with effect from 30th October, 2023.

Date: April 19, 2024
Place: New Delhi

For MEHRA GOEL & CO.
Chartered Accountants
FRN: - 000517N

Vaibhav Jain



Vaibhav Jain
Partner

M. No. 515700

UDIN: 24515700BKBYf8230

Annexure — “A” to Independent Auditors’ Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that:

(i) Property, Plant & Equipment

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property Plant and Equipment & Intangible assets.
- (b) Property, plant and equipment are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the programme, Property, plant and equipment has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The company does not have any immovable property.
- (d) The Company has not revalued its Property, plant and equipment or Intangible assets or both during the year.
- (e) No proceedings has been initiated during the year or are pending against the company as at reporting date for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.

ii. Inventory

- (a) The Company 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.

iii. According to the information and explanations given to us and on the basis of our examination of records of the company, the company has not provided any guarantee or security or granted any secured loan or secured advances in the nature of loans, to companies, firms, limited liability partnerships or any other parties during the year.

The company has made investments in, granted unsecured loans and advances in the nature of loans to companies and other parties in respect of which the requisite information are as below:

- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the company has provided loans to subsidiaries/others as below:



(Rs. In Lakhs)			
Particulars	Guarantees	Investments	Security
Aggregate amount granted/provided during the year			
Subsidiaries	-	75.00	-
Others	45.71	-	7.98
Balance outstanding (gross) as at balance sheet date in respect of the above cases			
Subsidiaries	-	-	-
Others	1,521.27	-	11.13

- (b) In respect of the aforesaid investments, guarantees, securities and loans, the terms and conditions under which such investments were made, guarantees provided, securities provided and loans were granted are, prima facie, not prejudicial to the interest of the Company.
- (c) No loan is outstanding as on the balance sheet date.
- (d) In our opinion and according to the information given to us, no loan is outstanding as on the balance sheet date. Accordingly, there is no overdue amount in respect of loans granted.
- (e) In our opinion and according to information and explanation given to us, the Company has not given any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) According to the information and explanation given to us and on the basis of our examination of the records, the Company has not granted any loan during the year which is repayable on demand or without specifying the terms or period of repayment.
- iv. In our opinion and according to information and explanations given to us, the company has complied with the provision of section of 185 and 186 of Companies Act, 2013 in respect of loans and investment made, and guarantees and securities provided by it, as applicable.
- v. The Company has not accepted any deposits or amounts deemed to be deposits from the public covered under section 73 or any other provisions of the Companies Act 2013. Accordingly, clause 3(v) of the Order is not applicable.
- vi. 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.



vii.

- a. In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' state insurance, Sales tax, VAT, Income-tax, duty of customs, Cess and any other statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of GST, Provident fund, Employees' state insurance, Sales tax, VAT, Income-tax, Duty of Customs, Cess and any other statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- b. There were no dues in respect of GST, Provident fund, Employees' state insurance, Income-tax, Duty of Customs, Duty of Excise, VAT, Wealth tax, Cess as at 31st March, 2024 that have not been deposited on account of any dispute except Income Tax demand u/s 143(3) for A.Y. 2017-18 of Rs. 29.86 lakh for which appeal has been filed before CIT (Appeals).

viii. The Company has not surrendered or disclosed any transactions, previously unrecorded income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

ix. According to the information and explanations given to us and on the basis of our examination of records of the company, we report that:

- (a) The Company has not defaulted in repayment of any loans or other borrowings or in the payment of interest thereon at any time during the year.
- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) The Company does not have any term loan during the year.
- (d) No funds that have been raised on short-term basis by the Company for long-term purposes.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013.

x.

- (a) The Company did not raise any money by way of initial public offer or further public offer including debt instruments and term loans during the year.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



xi.

- (a) During the course of examination of books to and record of the Company, carried out in accordance with generally accepted auditing practice in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 was required to be filed with Central Government by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, no whistle blower complaints have been received by the Company during the year (and up to the date of this report).

xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

xiii. In our opinion and According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, and details of the related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Indian accounting standards.

xiv.

- (a) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) to 3(xvi)(d) of the Order are not applicable.

xvii. According to the information and explanations given to us, The Company has not incurred any cash losses in current financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.



xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx.

- a. The Company did not have any unspent amount in respect of other than ongoing project under sub section (5) of section 135 of the Act.
- b. The Company has spent all the funds during the year pursuant to ongoing project and accordingly, no unspent amount available under section 135 of the Act.

xxi. In our opinion and according to the information and explanation given to us, reporting under clause 3(xxi) of the order is not applicable in respect of audit of Standalone Financial Statements.

For MEHRA GOEL & CO.

Chartered Accountants

FRN: - 000517N

Vaibhav Jain

Date: April 19, 2024

Place: New Delhi

Vaibhav Jain

Partner

M. No. 515700

UDIN: 24515700BKBYF8230



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 2024.

S. No.	Directions	Our Report
1.	Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing 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 Prime Edit Log Gold). There is no implication on integrity of accounts for processing of transactions outside IT system, if any.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loan/ 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 during the year.
3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its 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 for specific schemes from central/ state agencies has been properly accounted for/ utilized by the company.



Compliance Certificate

We have conducted the audit of annual accounts of **REC Power Development and Consultancy Limited** for the year ended March 31, 2024 in accordance with the directions/sub-directions issued by the C&AG of the India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

For MEHRA GOEL & CO.
Chartered Accountants
FRN: - 000517N

Vaibhav Jain



Date: April 19, 2024
Place: New Delhi

Vaibhav Jain
Partner
M. No. 515700
UDIN: 24515700BKBX4F8230

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Annexure - "C" to the Independent Auditors' Report

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

Opinion

We have audited the internal financial controls with reference to Standalone Financial Statements of **REC Power Development and Consultancy Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls were operating effectively as at March 31, 2024, based on the internal control with reference to Standalone Financial Statements 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.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to Standalone financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, 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 with reference to Standalone financial statements was established and maintained and whether 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 with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls, 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 Standalone 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 with reference to Standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone financial statements

A company's internal financial control with reference to Standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone financial statements 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial statements, 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.

Date: April 19, 2024
Place: New Delhi

For MEHRA GOEL & CO.
Chartered Accountants
FRN: - 000517N

Vaibhav Jain

Vaibhav Jain
Partner
M. No. 515700
UDIN: 24515700BKBYf8230



Particulars	Notes	As at 31 March, 2024	As at 31 March, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	76.85	26.37
Other intangible assets	5	-	0.88
Financial assets			
Investments	6	7,671.41	7,671.41
Other financial assets	7	2,300.87	7,085.71
Income tax assets (net)	8	653.97	1,011.46
Deferred tax assets (net)	9	1,550.04	3,057.10
Other non current assets	10	-	2.81
Total non current assets		12,253.14	18,855.74
Current assets			
Financial assets			
Trade receivables	11	15,497.85	11,443.07
Cash and cash equivalents	12	21,649.89	969.87
Other bank balances	13	22,430.01	32,770.21
Other financial assets	14	2,992.10	3,100.55
Current tax assets (Net)	15	865.55	-
Other current assets	16	2,855.61	478.78
Total current assets		66,291.01	48,762.48
Assets classified as held for sale	17	2,015.08	431.47
TOTAL ASSETS		80,559.23	68,049.69
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	8.55	8.55
Other equity	19	56,708.70	44,084.83
Total equity		56,717.25	44,093.38
Non-current liabilities			
Provisions	20	34.50	25.26
Total non-current liabilities		34.50	25.26
Current liabilities			
Financial liabilities			
Trade payables	21	-	-
(a) Total outstanding dues of micro & small enterprises		-	-
(b) Total outstanding dues of Creditors other than micro & small enterprises		9,051.31	4,167.59
Other financial liabilities	22	8,418.37	15,804.93
Other current liabilities	23	6,295.40	2,848.73
Provisions	24	42.40	43.09
Current tax liabilities (net)	25	-	1,064.92
Total current liabilities		23,807.48	23,929.26
Liabilities directly associated with assets classified as held for sale	17	-	1.79
Total liabilities		23,841.98	23,956.31
TOTAL EQUITY & LIABILITIES		80,559.23	68,049.69

Summary of material accounting policies 1 to 3

The accompanying notes from 4 to 50 are integral part of the financial statements.

These are the financial statements referred to in our report of even date.

For Mehra Goel & Co.

Chartered Accountants

Firm Registration No. 000147

Vaibhav Jain

CA Vaibhav Jain

Partner

Membership No. 515700



For and on behalf of Board of Directors of

REC Power Development and Consultancy Limited

Sanjay Kumar

Sanjay Kumar

Director

DIN - 08722752

V K Singh

V K Singh

Director

DIN - 02772733

Date: April 19, 2024

Place: New Delhi

Standalone Statement of Profit and Loss for the year ended 31 March, 2024

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	Notes	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Revenue from operations	26	35,782.02	28,484.41
Other income	27	3,281.50	2,242.55
Total Income		39,063.52	30,726.96
Expenses			
Cost of services rendered	28	18,644.69	7,242.92
Employee benefits expense	29	580.34	646.31
Finance costs	30	218.08	17.93
Depreciation and amortization expense	31	26.59	16.62
Impairment on financial assets	32	(2,118.50)	2,725.61
Corporate social responsibility expenses	33	191.90	126.16
Other expenses	34	1,259.53	1,313.57
Impairment on assets classified as held for sale	35	(8.91)	2.56
Total expenses		18,793.72	12,091.68
Profit/(Loss) before tax		20,269.80	18,635.28
Tax expense	36		
Current tax		3,610.48	5,191.83
Deferred tax expense/(credit)		1,507.06	(519.54)
Earlier year taxes/(credit)		188.26	(15.91)
Total tax expenses		5,305.80	4,656.38
Net profit/(loss) for the year		14,964.00	13,978.90
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		14,964.00	13,978.90
Earnings per equity share			
Basic/diluted earnings per share (In ₹)	37	17,501.75	16,349.60

Summary of material accounting policies 1 to 3

The accompanying notes from 4 to 50 are integral part of the financial statements.

These are the financial statements referred to in our report of even date.

For Mehra Goel & Co.

Chartered Accountants

Firm Registration No. 000517N

CA Vaibhav Jain

Partner

Membership No. 515700



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

Sanjay Kumar
Sanjay Kumar
Director

DIN - 08722752

V K Singh
V K Singh
Director

DIN - 02772733

Date: April 19, 2024

Place: New Delhi

Standalone Statement of Cash Flows for the year ended 31 March, 2024

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	20,269.80	18,635.28
Adjustments for:		
Add/(Less)		
Depreciation and amortization expense	26.59	16.62
Impairment on financial assets	(2,118.50)	2,725.61
Impairment on assets classified as held for sale	(8.91)	2.56
Interest expense on other financial liabilities measured at amortized cost	11.49	17.93
Loss on sale/write off of property, plant and equipment	1.71	0.80
Liabilities/Provisions written back	(220.91)	(156.62)
Interest income on fixed deposit	(1,629.04)	(722.72)
Interest income on tax free bonds	(610.60)	(607.82)
Interest income from SPVs	(70.86)	(56.96)
Interest income on NCDs	-	(49.92)
Interest income on staggered papers	-	(7.41)
Interest income on other financial assets measured at amortized cost	(9.50)	(16.20)
Profit on sale of property, plant and equipment	(0.36)	(0.04)
Operating profit before working capital changes	15,640.91	19,781.11
Changes in working capital:		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables (current)	(1,936.28)	(4,104.05)
Other financial assets (current)	108.45	(386.77)
Other bank balances (excluding term deposits with maturity more than 3 months but less than 12 months)	9,049.81	(3,700.07)
Other current assets	(2,376.83)	1,792.26
Other non-current assets	2.81	(2.81)
<i>Adjustments for increase/ (decrease) in operating liabilities:</i>		
Trade payables	5,099.84	519.77
Other financial liabilities (current)	(7,393.31)	1,565.28
Other financial liabilities (non current)	-	(149.38)
Other current liabilities	3,456.17	2,114.94
Provisions (current)	(0.64)	5.92
Provisions (non current)	9.24	(12.75)
Liabilities held for sale	(1.79)	0.74
Movement in operating assets and liabilities	6,017.47	(2,356.92)
Cash generated from operations	21,658.38	17,424.19
Less: Tax Expenses	(5,371.72)	(3,936.12)
Net cash flow from operating activities (A)	16,286.66	13,488.07



Standalone Statement of Cash Flows for the year ended 31 March, 2024

(All amounts in ₹ lakh, unless stated otherwise)

B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work-in-progress)	(82.04)	(5.11)
Sale/Write Off of property, plant and equipment	4.50	0.39
Sale/Write Off of intangible assets	-	0.26
Deposits with bank (maturity more than 3 months but less than 12 months)	1,290.39	(13,205.67)
Deposit with Bank having original maturity period more than 12 Months	4,784.84	(585.32)
Interest received on fixed deposit	1,629.04	722.72
Interest received from SPV	70.86	56.96
Interest received on tax free bonds	610.60	607.82
Interest income on NCDs	-	49.92
Interest income on staggered papers	-	7.41
Sale/(Purchase) of investments	-	1,200.00
Sale/(investment) of/in shares of subsidiary companies (net)	(1,574.70)	(82.05)
Net cash (used in)/flow from investing activities (B)	6,733.49	(11,232.67)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(2,340.13)	(2,744.56)
Net cash used in financing activities (C)	(2,340.13)	(2,744.56)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	20,680.02	(489.16)
Manpower Cost allocated to NFMS	-	-
Cash and cash equivalents at the beginning of the year	969.87	1,459.03
Cash and cash equivalents at the end of the year	21,649.89	969.87
Reconciliation of cash and cash equivalents as per the cash flow statement	20,680.02	(489.16)

Explanatory notes -

a) 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, 2024	As at 31 March, 2023
Balance held with schedule bank		
-in current account	2,141.25	969.87
-in deposit account	19,508.64	-

b) Amount of expenditure incurred in cash on Corporate Social Responsibility during the year

	As at 31 March, 2024	As at 31 March, 2023
- on construction/acquisition of assets	-	-
- on purpose other than above	210.46	117.70

Summary of material accounting policies 1 to 3

The accompanying notes from 4 to 50 are integral part of the financial statements.

These are the financial statements referred to in our report of even date.

For Mehra Goel & Co.

Chartered Accountants

Firm Registration No. 000517N

Vai'Ghañal

CA Vaibhav Jain

Partner

Membership No. 515700



For and on behalf of Board of Directors of

REC Power Development and Consultancy Limited

Sanjay Kumar

Sanjay Kumar

Director

DIN - 08722752

V K Singh

V K Singh

Director

DIN - 02772733

Date: **April 19, 2024**

Place: **New Delhi**

Standalone Statement of changes in equity for the year ended 31 March, 2024

(All amounts in ₹ lakh, unless stated otherwise)

- A Equity share capital

Particular	Amount
Balance as at 1 April, 2023	8.55
Changes in equity share capital during the year	-
Balance as at 31 March, 2024	8.55
Balance as at 1 April, 2022	8.55
Changes in equity share capital during the year	-
Balance as at 31 March, 2023	8.55

B Other equity

Particulars	31 March, 2024			
	General reserve	Retained earnings	Capital reserve	Total
Balance as at 1 April, 2023	5,313.55	38,769.83	1.45	44,084.83
Profit/(Loss) for the year	-	14,964.00	-	14,964.00
Dividend				
- Final dividend for the previous year (2022-23)	-	(2,340.13)	-	(2,340.13)
- Interim dividend for the year	-	-	-	-
Balance as at 31 March, 2024	5,313.55	51,393.70	1.45	56,708.70

Particulars	31 March, 2023			
	General reserve	Retained earnings	Capital reserve	Total
Balance as at 1 April, 2022	5,313.55	27,535.49	1.45	32,850.49
Profit/(Loss) for the year	-	13,978.90	-	13,978.90
Dividend				
- Final dividend for the previous year (2021-22)	-	(890.91)	-	(890.91)
- Interim dividend for the year (2022-23)	-	(1,853.65)	-	(1,853.65)
Balance as at 31 March, 2023	5,313.55	38,769.83	1.45	44,084.83

Summary of material accounting policies 1 to 3

The accompanying notes from 4 to 50 are integral part of the financial statements.

These are the financial statements referred to in our report of even date.

For Mehra Goel & Co.

Chartered Accountants

Firm Registration No. 000517N

CA Vaibhav Jain

Partner

Membership No. 515700



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

Sanjay Kumar
Director
DIN - 08722752

V K Singh
Director
DIN - 02772733

Date: April 19, 2024
Place : New Delhi

REC Power Development & Consultancy Limited

Summary of standalone material accounting policies and other explanatory information for the year ended 31 March, 2024

1. CORPORATE INFORMATION

REC Power Distribution Company Limited ("the Company"/"RECPDCL") having CIN U40101DL2007GOI165779 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 engineering consultancy services involving DPR preparation, project monitoring, project implementation, handholding etc. to different power sector utilities for their projects not covered under Govt. of India schemes.
- (ii) 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.
- (iii) in preparation of detailed project report (DPR), project management consultancy (PMC) and project management agency (PMA) under the Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme (IPDS) Schemes and Revamped Distribution Sector Scheme (RDSS).
- (iv) in execution of works of Information Technology (IT) implementation and installation of IT Infrastructure under R-APDRP Part A Schemes, project management agency (PMA) / project implementation agency (PIA) 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), National Feeder Monitoring Scheme (NFMS) and Implementation of Smart Metering Project under RDSS.
- (v) 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.



REC Power Development & Consultancy Limited

Summary of standalone material accounting policies and other explanatory information for the year ended 31 March, 2024

- (vi) Bid Process Coordinator (BPC) under Scheme for flexibility in Generation and Scheduling of Thermal / Hydro Power Stations through bundling with Renewable Energy and Storage Power, 2022.
- (vii) 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 standalone financial statements for the financial year ended 31st March, 2024 were authorized and approved by the Board of Directors on 19th April, 2024.

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.

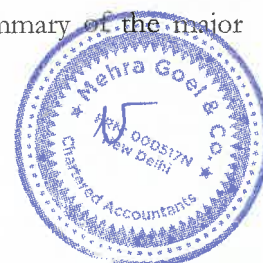
2.1 RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

(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 2023. The Company has not made earlier adoption any other standard or amendment that has been issued but is not yet effective:

Standard/ amendments applied time w.e.f 01.04.2023: -

The Companies (Indian Accounting Standards) Amendment Rules, 2023 shall be effective from 01st Day of April 2023. An entity applies these amendments for annual reporting periods beginning on or after 1st April 2023. The summary of the major amendments and its impact on the Company are given hereunder:



REC Power Development & Consultancy Limited

Summary of standalone material accounting policies and other explanatory information for the year ended 31 March, 2024

- i) Ind AS 1 – Presentation of financial statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. Accounting Policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company has evaluated the amendment and the impact of the amendment on the Company's financial statements is insignificant.
- ii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Company has evaluated the amendment and there is no impact on the Company's financial statements.
- iii) Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Company has evaluated the amendment and there is no impact on the Company's financial statements.
- iv) Amendments/ revision in other standards (IND AS 101, IND AS 102, IND AS 103, IND AS 107, IND AS 109 and IND AS 115) are either not applicable or do not have any material impact on the Company's financial statements.

(B) Recent accounting pronouncements: Standards issued but not yet Effective - Nil

(C) Changes in Companies Act 2013.

The Ministry of Corporate Affairs (MCA) issued the Companies (Audit and Auditors) Amendment Rule 2021 on 24th March 2021. One of its inter alia new Rule 11 (g) dealing with reporting on the use of the accounting software by a company for maintaining its books of accounts which has a feature of recording audit trail. This has become effective from 01st Day of April 2023.

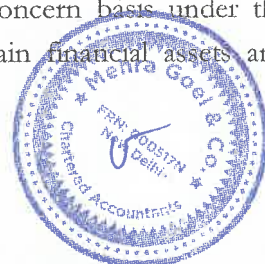
3. MATERIAL ACCOUNTING POLICIES

The material 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



REC Power Development & Consultancy Limited

Summary of standalone material accounting policies and other explanatory information for the year ended 31 March, 2024

financial liabilities are measured at fair values and amortized cost 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.

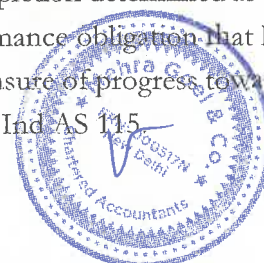
The Company, to determine that how much and when revenue is recognized, what is the nature, amount, timing and uncertainty of revenues etc. uses the principles laid down by the Ind AS 115. Revenue is recognized through a 5-step approach:

- (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) Recognize 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.



REC Power Development & Consultancy Limited

Summary of standalone material accounting policies and other explanatory information for the year ended 31 March, 2024

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) has been recognized as other income in the books of the company.

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 to the extent of 95% of the cost of the asset and in accordance to 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:



REC Power Development & Consultancy Limited

Summary of standalone material accounting policies and other explanatory information for the year ended 31 March, 2024

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.



REC Power Development & Consultancy Limited

Summary of standalone material accounting policies and other explanatory information for the year ended 31 March, 2024

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.



REC Power Development & Consultancy Limited

Summary of standalone material accounting policies and other explanatory information for the year ended 31 March, 2024

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.



REC Power Development & Consultancy Limited

Summary of standalone material accounting policies and other explanatory information for the year ended 31 March, 2024

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.



REC Power Development & Consultancy Limited

Summary of standalone material accounting policies and other explanatory information for the year ended 31 March, 2024

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.



REC Power Development & Consultancy Limited

Summary of standalone material accounting policies and other explanatory information for the year ended 31 March, 2024

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. 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.



REC Power Development & Consultancy Limited

Summary of standalone material accounting policies and other explanatory information for the year ended 31 March, 2024

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



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Summary of standalone material accounting policies and other explanatory information for the year ended 31 March, 2024

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



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Summary of standalone material accounting policies and other explanatory information for the year ended 31 March, 2024

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.



REC Power Development & Consultancy Limited

Summary of standalone material accounting policies and other explanatory information for the year ended 31 March, 2024

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.



REC Power Development & Consultancy Limited

Summary of standalone material accounting policies and other explanatory information for the year ended 31 March, 2024

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 & transmission, BPC TBCB business (BPC) – Transmission SPV and Developer mode & 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 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.

In accordance to the applicable guidelines of TBCB process as issued by Ministry of Power, Govt. of India, all the direct & indirect expenses, interest incurred by the company on behalf of SPV are debited to SPV and recoverable from transmission service provider / successful bidder.

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



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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.

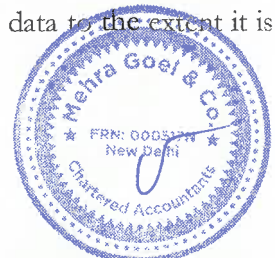
Evaluation of indicators for impairment of assets – The evaluation of the applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Allocation of indirect / common expenses - Indirect/Common Expenses of the company has been allocated in proportionate basis to different segments. The allocation percentage has been reviewed based on the prevailing business activities of the company during the financial year.

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



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Summary of standalone material accounting policies and other explanatory information for the year ended 31 March, 2024

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
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Notes forming part of Financial Statements for the year ending 31 March, 2024

4 Property, plant and equipment (All amounts in ₹ lakh, unless stated otherwise)

Description	31 March, 2023			
	Furniture & fixtures	Office equipments	Computers	Total
Gross carrying value				
As at 1 April, 2022	33.93	76.49	265.18	375.60
Additions	0.78	0.38	3.95	5.11
Adjustment/ Disposal	(0.41)	(4.38)	(9.25)	(14.04)
As at 31 March, 2023	34.30	72.49	259.88	366.67
Accumulated depreciation				
As at 1 April, 2022	30.07	66.73	241.47	338.27
Charge for the year	1.67	3.75	9.50	14.92
Adjustment/ Disposal	(0.40)	(4.11)	(8.38)	(12.89)
As at 31 March, 2023	31.34	66.37	242.59	340.30
Net block as at 31 March, 2023	2.96	6.12	17.29	26.37

Description	31 March, 2024			
	Furniture & fixtures	Office equipments	Computers	Total
Gross carrying value				
As at 1 April, 2023	34.30	72.49	259.88	366.67
Additions	6.58	5.82	69.64	82.04
Adjustment/ Disposal	(9.36)	(20.54)	(75.22)	(105.12)
As at 31 March, 2024	31.52	57.77	254.30	343.59
Accumulated depreciation				
As at 1 April, 2023	31.34	66.37	242.59	340.30
Charge for the year	3.24	2.46	20.01	25.71
Adjustment/Disposal	(9.03)	(19.80)	(70.44)	(99.27)
As at 31 March, 2024	25.55	49.03	192.16	266.74
Net block as at 31 March, 2024	5.97	8.74	62.14	76.85

a) Gross block includes obsolete fixed assets but not disposed off of ₹ 60.99 lakhs and depreciation reserve in respect of these assets ₹ 57.94 lakhs.

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



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Notes forming part of Financial Statements for the year ending 31 March, 2024

5 Other intangible assets

(All amounts in ₹ lakh, unless stated otherwise)

Description	31 March, 2023	
	Computer software	Total intangible assets
Gross carrying value		
As at 1 April, 2022	14.72	14.72
Additions	-	-
Adjustment/Disposal	(9.97)	(9.97)
As at 31 March, 2023	4.75	4.75
Accumulated amortisation		
As at 1 April, 2022	11.88	11.88
Amortisation charge for the year	1.70	1.70
Adjustment/Disposal	(9.71)	(9.71)
As at 31 March, 2023	3.87	3.87
Net block as at 31 March, 2023	0.88	0.88

Description	31 March, 2024	
	Computer software	Total intangible assets
Gross carrying value		
As at 1 April, 2023	4.75	4.75
Additions	-	-
Adjustment/Disposal	-	-
As at 31 March, 2024	4.75	4.75
Accumulated amortisation		
As at 1 April, 2023	3.87	3.87
Amortisation charge for the year	0.88	0.88
Adjustment/Disposal	-	-
As at 31 March, 2024	4.75	4.75
Net block as at 31 March, 2024	-	-



REC Power Development and Consultancy Limited
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Notes forming part of Financial Statements for the year ending 31 March, 2024

(All amounts in ₹ lakh, unless stated otherwise)

6 Investments (Non Current)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Investments in debentures or bonds		
(a) Investment in tax free bonds-quoted (at amortized cost) (in holding company)		
(i) REC Limited 7.38% tax free 15 years Secured Redeemable Non Convertible Bonds of face value of ₹ 1000/- each, fully paid (31 March, 2024 / 31 March, 2023 : 100,000 / 100,000) Maturity date 06-12-2027.	1,000.00	1,000.00
(ii) REC Limited 15 years secured redeemable tax free bonds @8.46%, bonds of face value of ₹ 1000/- each, fully paid (31 March, 2024 / 31 March, 2023 : 300,000 / 3,00,000) Bond includes Rs. 2500.00 Lakh with maturity date 30-08-2028 , Rs. 310.00 Lakh with maturity date 03-09-2028 and Rs 190.00 Lakh with maturity date 13-09-2028.	3,000.00	3,000.00
(iii) REC Limited 15 years secured redeemable tax free bonds @8.63%, bonds of face value of ₹ 1000/- each, fully paid (31 March, 2024 / 31 March, 2023 : 20,000/20,000) Maturity date 23-03-2029.	200.00	200.00
(iv) REC Limited 20 years secured redeemable tax free bonds @7.18%, bonds of face value of ₹ 1000/- each, fully paid (31 March, 2024 / 31 March, 2023 : 34,351/34,351) Maturity date 11-05-2035.	343.51	343.51
(b) 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, 2024 / 31 March, 2023: 50,000 / 50,000) Maturity date 12-01-2034.	500.00	500.00
7.39% tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of ₹ 1000/- each, fully paid (31 March, 2024 / 31 March, 2023: 86,798 /86,798) Bond includes Rs. 476.46 lakh with maturity date 08-02-2031 , Rs. 391.51 lakh with maturity date 15-03-2031.	867.98	867.98
(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, 2024 / 31 March, 2023: 42,855/42,855) Maturity date 11-01-2031.	428.55	428.55
7.39% tax free 15 years secured redeemable non convertible bonds of face value of ₹ 1000/- each, fully paid (31 March, 2024 / 31 March, 2023: 35,463/35,463) Maturity date 09-03-2031.	354.63	354.63
(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, 2024 / 31 March, 2023: 61,308 /61,308) with maturity date 21-01-2031.	613.08	613.08
(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, 2024 / 31 March, 2023: 22,338 /22,338) with maturity date 22-03-2031.	223.38	223.38
(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, 2024 / 31 March, 2023: 14,028 /14,028) with maturity date 22-03-2031.	140.28	140.28
	7,671.41	7,671.41
Aggregate market value of quoted investment	8,880.98	9,039.03



REC Power Development and Consultancy Limited

(Formerly REC Power Distribution Company Limited)

Notes forming part of Financial Statements for the year ending 31 March, 2024

(All amounts in ₹ lakh, unless stated otherwise)

(a) Refer Note 43 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, 2024	As at 31 March, 2023
Term deposits with maturity more than 12 months	2,300.87	7,085.71
	2,300.87	7,085.71

(a) The above term deposits are not earmarked.

8 Income tax assets (net)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Income Tax Refundable	734.24	1,011.46
Provision Against Income Tax Refund	(80.27)	-
Assessment Year wise detail of Income tax refundable: -for AY 2017-18 - Rs. 42.74 Lakhs, AY 2018-19 - Rs.44.43 Lakhs, AY 2019-20 - Rs.419.23 Lakhs, AY 2020-21(TPCL) - Rs.13.53 Lakhs, AY 2020-21 - Rs. 80.27 AY 2021-22 - Rs.51.03 Lakhs, AY 2022-23 - Rs. 64.44 Lakhs & AY 2023-24 - Rs.18.57 Lakhs		
	653.97	1,011.46

9 Deferred tax assets (net)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Deferred Tax Asset	1,550.04	3,057.10
	1,550.04	3,057.10

Movement in deferred tax balances as at 31 March, 2024

	As at 31 March, 2023	Charged to profit and loss account	As at 31 March, 2024
Tax effect of items constituting deferred tax liabilities			
Financial assets and liabilities measured at amortized cost	-	-	-
Total deferred tax liabilities	-	-	-
Tax effect of items constituting deferred tax assets:			
Allowance for expected credit loss	3,012.64	(1,498.50)	1,514.14
On employee's retirement benefits	(11.95)	20.84	8.89
Property, plant and equipment: Impact of difference between depreciation charged as per income tax act and charged in the books	44.30	(10.03)	34.27
Provision for expenses	12.11	(19.37)	(7.26)
Financial assets and liabilities measured at amortized cost	-	-	-
Total deferred tax assets	3,057.10	(1,507.06)	1,550.04
Deferred tax assets (net)	3,057.10	(1,507.06)	1,550.04



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(All amounts in ₹ lakh, unless stated otherwise)

Movement in deferred tax balances as at 31 March, 2023

	As at 31 March, 2022	Charged to profit and loss account	As at 31 March, 2023
Tax effect of items constituting deferred tax liabilities			
Financial assets and liabilities measured at amortized cost	0.94	(0.94)	-
Property, plant and equipment: Impact of difference between depreciation as per income tax act and depreciation charged in the books	-	-	-
Total deferred tax liabilities	0.94	(0.94)	-
Tax effect of items constituting deferred tax assets:			
Allowance for expected credit loss	2,340.47	672.17	3,012.64
On employee's retirement benefits	29.15	(41.10)	(11.95)
Property, plant and equipment: Impact of difference between depreciation as per income tax act and depreciation charged in the books	47.27	(2.97)	44.30
Right of Use asset (net of lease liability)	-	-	-
Provision for expenses	121.61	(109.50)	12.11
Financial assets and liabilities measured at amortized cost	-	-	-
Total deferred tax assets	2,538.50	518.60	3,057.10
Deferred tax assets (net)	2,537.56	519.54	3,057.10

10 Other non current assets

Particulars	As at 31 March, 2024	As at 31 March, 2023
Prepaid expenses	-	2.81
	-	2.81

11 Trade receivables

Particulars	As at 31 March, 2024	As at 31 March, 2023
Unsecured, considered good	11,628.14	12,859.15
Less: Allowance for expected credit loss	(883.52)	(2,566.59)
	10,744.62	10,292.56
Trade receivables with significant increase in credit risk	5,890.56	3,762.60
Less: Allowance for expected credit loss	(1,657.53)	(2,807.29)
	4,233.03	955.31
Credit impaired	3,946.45	5,634.66
Less: Allowance for expected credit loss	(3,426.25)	(5,596.48)
	520.20	38.18
	15,497.85	11,286.05
Gross Trade Receivable	21,465.15	22,256.41
Less: Allowance for expected credit loss*	(5,967.30)	(10,970.36)
TDS Unreconciled Assets	-	157.02
Trade Receivables	15,497.85	11,443.07

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

ii) Trade receivables more than one year and upto three year have been categorised as receivables having significant increase in credit risk. Trade receivables more than three years has been categorised as credit impaired receivables.



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(All amounts in ₹ lakh, unless stated otherwise)

iii) Ageing of trade receivables: -

As at 31st March 2024

Particulars	Not Due	Less than 6 month	6 month to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Unsecured, considered good	5,547.78	3,104.08	2,976.28	-	-	-	11,628.14
Trade receivables with significant increase in credit risk	-	-	-	5,010.33	880.23	-	5,890.56
Credit impaired	-	-	-	-	-	3,946.45	3,946.45
	5,547.78	3,104.08	2,976.28	5,010.33	880.23	3,946.45	21,465.15

As at 31st March 2023

Particulars	Not Due	Less than 6 month	6 month to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Unsecured, considered good	3,874.79	5,863.52	3,120.84	-	-	-	12,859.15
Trade receivables with significant increase in credit risk	-	-	-	2,131.89	1,630.71	-	3,762.60
Credit impaired	-	-	-	-	-	5,634.66	5,634.66
	3,874.79	5,863.52	3,120.84	2,131.89	1,630.71	5,634.66	22,256.41

*Refer note 44 - Financial risk management for assessment of expected credit losses.

12 Cash and cash equivalents

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balances with banks:		
- with scheduled banks in current accounts	2,141.25	969.87
Term deposits (with maturity upto 3 months)	19,508.64	-
Term Deposits (with maturity upto 3 months) *	19,056.43	-
	21,649.89	969.87

13 Other bank balances

Particulars	As at 31 March, 2024	As at 31 March, 2023
Earmarked balances for deposit works*	4,620.71	13,163.06
Earmarked balances with government fund accounts	970.15	1,477.61
Term deposits with remaining maturity more than 3 months but less than 12 months	16,839.15	18,129.54
	22,430.01	32,770.21

* 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.

14 Other financial assets (Current)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Contract assets*	2,407.45	2,483.05
Deen Dayal Upadhyaya Gram Jyoti Yojana Fund**	-	302.40
Retention money deposits	48.85	86.37
Interest Accrued on bonds	207.67	205.61
Security deposits paid	11.12	49.44
Receivable against NFMS	365.83	-
Other receivables	0.03	22.53
	3,040.95	3,149.40
ECL against Retention money deposits	(48.85)	(48.85)
	2,992.10	3,100.55

*Refer Note 38F for details of Contract assets.

**Refer Note for details



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Notes forming part of Financial Statements for the year ending 31 March, 2024

(All amounts in ₹ lakh, unless stated otherwise)

15 Current tax assets (Net)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Advance tax and TDS	4,476.03	-
Less : Provision for income tax	(3,610.48)	-
	865.55	-

16 Other current assets

Particulars	As at 31 March, 2024	As at 31 March, 2023
Advances to employees	1.28	0.09
Prepaid expenses	4.71	2.00
Balances with statutory and government authorities*	488.97	470.43
Advance to suppliers	0.29	0.29
CSR Pre-Spent	18.56	-
Tax deposited on income tax demands under contest	5.97	5.97
Advance to smart meter contractors	2,335.83	-
	2,855.61	478.78

* 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.

17 Assets/Liabilities classified as held for sale

Particulars	As at 31 March, 2024	As at 31 March, 2023
Assets classified as held for sale		
(A) Investment in subsidiaries (refer note 17.1)	90.00	65.00
(B) Amount receivable from subsidiaries (refer note 17.2)	1,925.08	1,339.82
(C) Provision for impairment on assets classified as held for sale	-	(973.35)
Total (A+B+C)	2,015.08	431.47
Liabilities directly associated with assets classified as held for sale		
(D) Payable to subsidiaries (refer note 17.3)	-	1.79
Total(D)	-	1.79
Disposal group (A+B+C-D)	2,015.08	429.68

Note - Refer Note 41 for details related to related party transaction.

17.1 Investments in Subsidiaries

Particulars	As at 31 March, 2024	As at 31 March, 2023
Investments in Equity Instruments of subsidiaries (fully paid up)		
Chandil Transmission Limited 50000 equity shares of ₹ 10/-each	-	5.00
Durnka Transmission Limited 50000 equity shares of ₹ 10/-each	-	5.00
Koderma Transmission Limited 50000 equity shares of ₹ 10/-each	-	5.00
Mandar Transmission Limited 50000 equity shares of ₹ 10/-each	-	5.00
Bidar Transmission Limited 50000 equity shares of ₹ 10/-each	-	5.00
Beawar Transmission Limited 50000 equity shares of ₹ 10/-each	-	5.00
Khavda II-D Transmission Limited 50000 equity shares of ₹ 10/-each	-	5.00
KPS1 Transmission Limited 50000 equity shares of ₹ 10/-each	-	5.00
Ramgarh II Transmission Limited 50000 equity shares of ₹ 10/-each	-	5.00
Sikar Khetri Transmission Limited 50000 equity shares of ₹ 10/-each	-	5.00
Luhri Power Transmission Limited 50000 equity shares of ₹ 10/-each	5.00	5.00



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Meerut Shamli Power Transmission Limited 50000 equity shares of ₹ 10/-each	5.00	5.00
NERES XVI Power Transmission Limited 50000 equity shares of ₹ 10/-each	5.00	5.00
Jalpura Khurja Power Transmission Limited 50000 equity shares of ₹ 10/-each	5.00	
Rajasthan Part 1 Power Transmission Limited 50000 equity shares of ₹ 10/-each	5.00	
Shongtong Power Transmission Limited 50000 equity shares of ₹ 10/-each	5.00	
Kallam Transco Limited 50000 equity shares of ₹ 10/-each	5.00	
Khavda IV C Power Transmission Limited 50000 equity shares of ₹ 10/-each	5.00	
Khavda IVA Power Transmission Limited 50000 equity shares of ₹ 10/-each	5.00	
Khavda IV-B2 Power Transmission Limited 50000 equity shares of ₹ 10/-each	5.00	
Khavda V A Power Transmission Limited 50000 equity shares of ₹ 10/-each	5.00	
Rajasthan IV A Power Transmission Limited 50000 equity shares of ₹ 10/-each	5.00	
Rajasthan IV C Power Transmission Limited 50000 equity shares of ₹ 10/-each	5.00	
Rajasthan IV E Power Transmission Limited 50000 equity shares of ₹ 10/-each	5.00	
Rajasthan IV H1 Power Transmission Limited 50000 equity shares of ₹ 10/-each	5.00	
Kankani Power Transmisison Limited 50000 equity shares of ₹ 10/-each	5.00	
NERGS-I Power Transmission Limited 50000 equity shares of ₹ 10/-each	5.00	
Tumkur-II REZ Power Transmission Limited 50000 equity shares of ₹ 10/-each	5.00	
Total	90.00	65.00

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



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(All amounts in ₹ lakh, unless stated otherwise)

17.2 Amount receivable from Subsidiaries

Particulars	As at 31 March, 2024	As at 31 March, 2023
Chandil Transmission Limited	0.25	254.43
Dumka Transmission Limited	0.25	248.24
Mandar Transmission Limited	0.25	222.50
Koderma Transmission Limited	0.25	228.18
Bidar Transmission Limited	-	10.08
Sikar Khetri Transmission Limited	-	67.30
KPS1 Transmission Limited	-	58.35
Ramgarh II Transmission Limited	-	69.60
Beawar Transmission Limited	-	70.94
Luhri Power Transmission Limited	107.43	48.15
Meerut Shamli Power Transmission Limited	184.98	43.29
NERES XVI Power Transmission Limited	91.35	18.76
ERES-XXXXIX Power Transmission Limited	5.16	-
Jalpura Khurja Power Transmission Limited	380.56	-
Rajasthan Part 1 Power Transmission Limited	66.79	-
Shongtong Power Transmission Limited	56.46	-
Khavda IV A Power Transmission Limited	54.15	-
Khavda IV C Power Transmission Limited	41.36	-
Khavda IV E2 Power Transmission Limited	33.30	-
Khavda V-A Power Transmission Limited	42.41	-
Rajasthan IVA Power Transmission Limited	40.94	-
Rajasthan IVC Power Transmission Limited	33.54	-
Rajasthan IV E Power Transmission Limited	38.09	-
Rajasthan IV H1 Power Transmission Limited	51.39	-
Kallam Transco Limited	641.10	-
NERGS-1 Power Transmission Limited	35.21	-
Tumkur-II REZ Power Transmission Limited	19.81	-
Kankani Power Transmission Limited	0.05	-
	1,925.08	1,339.82
Provision for impairment on assets classified as held for sale		
Chandil Transmission Limited	-	259.43
Dumka Transmission Limited	-	253.24
Mandar Transmission Limited	-	227.50
Koderma Transmission Limited	-	233.18
	-	973.35
Amount receivable from subsidiaries (net of provisions)	1,925.08	366.47

17.3 Payable to Subsidiaries

Particulars	As at 31 March, 2024	As at 31 March, 2023
Khavda II-D Transmission Limited	-	1.79
	-	1.79



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Notes forming part of Financial Statements for the year ending 31 March, 2024

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18 Equity share capital

Particulars	As at 31 March, 2024	As at 31 March, 2023
Authorized equity share capital		
20,050,000 (31 March, 2024 : 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, 2024 : 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

	As at 31 March, 2024		As at 31 March, 2023	
	No. of shares	(₹)	No. of shares	(₹)
Equity share capital of ₹ 10 each fully paid up				
Balance at the beginning of the year	85,500	8,55,000.00	85,500	8,55,000.00
Add: Issued during the year	-	-	-	-
Balance at the end of the year	85,500	8,55,000.00	85,500	8,55,000.00

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

	As at 31 March, 2024		As at 31 March, 2023	
	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:

	As at 31 March, 2024		As at 31 March, 2023	
	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 2023-24.

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.



REC Power Development and Consultancy Limited
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Notes forming part of Financial Statements for the year ending 31 March, 2024

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19 Other equity

Particulars	As at 31 March, 2024	As at 31 March, 2023
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	38,769.83	27,535.49
Add : Transferred from statement of profit and loss	14,964.00	13,978.90
	53,733.83	41,514.39
Less: Dividends		
- Final Dividend for the previous year	(2,340.13)	(890.91)
- Interim Dividend for the year	-	(1,853.65)
Balance at the end of the year	51,393.70	38,769.83
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
Total other equity	56,708.70	44,084.83

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, 2024; the Board of Directors of the Company on a meeting held on 19th April, 2024 has proposed total dividend amounting to ₹ 5251 per share on 85500 no. of shares totaling ₹ 4489.61 lakh (FY 2022-23 - Proposed final Dividend: ₹ 2737 per share on 85500 no. of shares totaling ₹ 2340.13 lakh), 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.



REC Power Development and Consultancy Limited

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(All amounts in ₹ lakh, unless stated otherwise)

20 Provisions (Non current)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Provision for employee benefits		
Provision for compensated absences	34.50	25.26
	34.50	25.26
Provision for compensated absences		
Opening Balance	25.26	38.01
Addition During the year	34.50	13.58
Utilised during the year	(25.26)	(26.33)
Adjusted during the year	-	-
Closing balance	34.50	25.26

*Refer Note 42 for details

21 Trade payables

Particulars	As at 31 March, 2024	As at 31 March, 2023
Total outstanding dues of micro & small enterprises	-	-
Total outstanding dues of Creditors other than micro & small enterprises	9,051.31	4,167.59
	9,051.31	4,167.59

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.

As on 31st March 2024

Particulars	Less than 1 year	More than 1 years to 2 years	More than 2 years to 3 years	More than 3 years	Total
Micro & Small enterprises	-	-	-	-	-
Others	7,419.86	1,284.35	344.92	2.18	9,051.31

As on 31st March 2023

Particulars	Less than 1 year	More than 1 years to 2 years	More than 2 years to 3 years	More than 3 years	Total
Micro & Small enterprises	-	-	-	-	-
Others	1,631.42	1,263.66	32.70	1,239.81	4,167.59



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iii) 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	31 March, 2024	31 March, 2023
I) (a) Principal amount remaining unpaid to any supplier as at the end of the accounting year		
(b) 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) Suppliers for whom confirmation not received is deemed not registered under MSMED, 2006 Act and Interest payable on payment made but not claimed has not been provided.	-	-
IV) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
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 of MSMED, 2006 ACT.	-	-

22 Other financial liabilities (Current)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Earnest money deposits	29.48	140.41
Expenses payables	1,557.81	1,432.49
Advance for deposit work	4,790.22	11,966.61
Payable to REC Limited	695.89	669.79
Performance bank guarantee retained	365.07	192.11
Employee payable	11.80	8.11
Government fund for schemes -		
Power System Development Fund for Rural Feeder Monitoring Scheme	953.44	1,387.58
Urja Mitra Scheme Fund	14.66	7.83
	8,418.37	15,804.93

Refer Note 39 for details on Advance for deposit works.

Refer Note for details on Government fund for schemes.

Refer Note 41 for details on Payable to related parties.



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(All amounts in ₹ lakh, unless stated otherwise)

23 Other current liabilities

Particulars	As at 31 March, 2024	As at 31 March, 2023
Contract Liability	2,918.11	700.82
Statutory dues	575.06	519.05
Advance as performance bank guarantee*	-	9.50
Statutory dues for deposit work	1,442.23	259.08
Unidentified Receipts	-	0.28
BG Invoked	1,360.00	1,360.00
	6,295.40	2,848.73

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

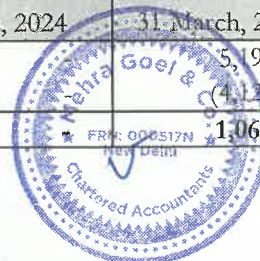
BG Invoked - M/s Adani Transmission Limited has submitted bid security in form of bank guarantee in the request for proposal (RFP) floated for KPS 1 Transmission Limited. This bid security is subject to invocation in case the bidder withdrawn from the bid after qualification. M/s Adani Transmission Limited has withdrawn from the bid and accordingly RECPDCL has invoked the bid security in form of bank guarantee. However M/s Adani Transmission Limited has filed a writ petition (3206/2023) before Delhi High Court against this invocation. Pending outcome in the subject matter the amount has been accounted for as Other Current Liability.

24 Provisions (Current)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Provision for employee benefits		
Provision for compensated absences	1.50	1.52
Provision for Performance Linked Incentive	40.90	41.57
	42.40	43.09
Provision for compensated absences		
Opening Balance	1.52	1.84
Addition During the year	1.50	1.52
Utilised during the year	(1.52)	(1.84)
Adjusted during the year	-	-
Closing balance	1.50	1.52
Provision for Performance Linked Incentive		
Opening Balance	41.57	75.98
Addition During the year	40.90	41.57
Utilised during the year	(34.98)	(35.33)
Adjusted during the year	(6.59)	(40.65)
Closing balance	40.90	41.57

25 Current tax liabilities (net)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Provision for income tax		5,191.83
Less: Advance tax and TDS		(4,126.91)
		1,064.92



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Notes forming part of Financial Statements for the year ending 31 March, 2024

(All amounts in ₹ lakh, unless stated otherwise)

26 Revenue from operations

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Income from Consultancy Services	4,658.43	12,312.19
Project implementing agency (PIA)- Infrastructure works (including distribution & transmission)	2,104.83	3,014.28
Government Scheme Management/Monitoring Fees	168.00	96.00
Bid Process Coordinator Business (TBCB Projects/Others)	11,641.81	12,593.48
Smart Metering Projects (PIA Fee)	2,561.10	-
Gross invoicing Projects Revenue	14,647.85	468.46
	35,782.02	28,484.41

Note:-

1) Detail of Unbilled Revenue (Revenue has been recognised due to satisfaction of performance obligation, but invoicing of the same is pending at the year end) :-

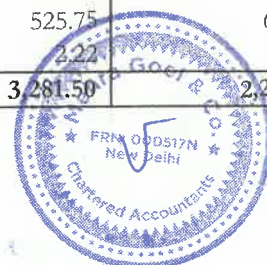
	31 March, 2024	31 March, 2023
Income from Consultancy Services	418.81	1,273.59
Project implementing agency (PIA)- Infrastructure works (including distribution & transmission)	-	477.42
Bid Process Coordinator Business (TBCB Projects/Others)	700.00	-
Smart Metering Projects (PIA Fee)	1,288.64	564.46
	2,407.45	2,315.47

2) Bid Process Coordinator Business (TBCB Projects/Others) includes revenue of Rs. 1200 Lacs (Previous year Nil) from Bid Process Coordinator under scheme for flexibility in generation and scheduling of thermal / hydro power stations through bundling with Renewable Energy.

Refer note 38 for details related to revenue from operations.

27 Other income

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Interest income on fixed deposits	1,629.04	722.72
Interest income on tax free bonds	610.60	607.82
Interest on income tax refund	27.81	-
Interest income from SPVs	70.86	56.96
Interest income on NCDs	-	49.92
Interest income on Advance to parties	183.03	-
Interest income on staggered papers	-	7.41
Interest income on other financial assets measured at amortized cost	9.50	16.20
Liabilities/Provisions written back	220.91	156.62
Liquidation damages	1.42	0.01
Profit on sale of property, plant and equipment	0.36	0.04
RFQ/RFP/Tender fee	525.75	624.55
Miscellaneous income	2.22	0.30
	3,281.50	2,242.55



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

Notes forming part of Financial Statements for the year ending 31 March, 2024

(All amounts in ₹ lakh, unless stated otherwise)

28 Cost of services rendered

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Project technical services - PMC/PMA/DPR	1,985.90	2,362.85
Project outsourced manpower	3,281.31	4,479.90
Manpower Charges for RDSS Scheme and REC Business	113.93	213.50
Survey charges	8.09	-
Gross invoicing Projects Expenses	14,647.85	468.46
	20,087.57	7,738.26
Manpower Cost allocated to DDUGJY	-	-
Manpower Cost allocated to PSDF/RFMS	(94.62)	(104.69)
Manpower Cost allocated to Urja Mitra Scheme	(34.59)	(32.54)
Manpower cost reimbursable from SPV-Cost of service rendered	(472.12)	(358.11)
IT Comp Expense Allocated to NFMS	(744.76)	-
Manpower/PMU Cost Allocated to NFMS	(96.79)	-
	18,644.69	7,242.92

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/ PMU Cost & IT Comp cost allocated to NFMS - The company is implementing & monitoring NFMS Scheme on pan India basis on the behalf of Ministry of Power - Government of India. The expenditure incurred related to NFMS is recoverable from the NFMS fund received / receivable from Ministry of Power. The company presented these debit to the fund / reimbursement as deduction to cost of services rendered for true and fair view of expense incurred by the company related to its operations.

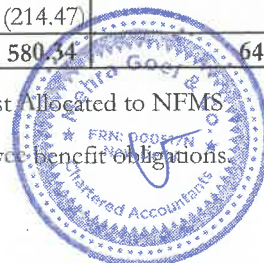
Manpower Cost allocated to rural feeder monitoring scheme (RFMS) & Urja Mitra Scheme - The company is implementing & monitoring RFMS & Urja Mitra Scheme on pan India basis on the behalf of Ministry of Power - Government of India. The expenditure incurred on deployment of manpower in RFMS are debited to fund received from power sector development fund (PSDF) managed by Power Grid Corporation of India Limited and expenditure incurred on deployment of manpower in Urja Mitra Scheme are debited to fund received from Ministry of Power to the company. The company presented these debit to the fund / reimbursement as deduction to cost of services rendered for true and fair view of expense incurred by the company related to its operations.

29 Employee benefits expense

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Salaries and wages	680.11	569.08
Contribution to provident and other funds	43.09	36.98
Staff welfare expenses	125.25	100.15
	848.45	706.21
Manpower cost reimbursable from SPV-Employee Benefit Exp	(53.64)	(59.90)
Employee Cost Allocated to NFMS	(214.47)	-
	580.34	646.31

* Refer Note 28 for noting on Manpower Cost reimbursable from SPV & Employee Cost Allocated to NFMS

Note - For disclosures related to provision for employee benefits, refer note 42 - Employee benefit obligations.



REC Power Development and Consultancy Limited

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Notes forming part of Financial Statements for the year ending 31 March, 2024

(All amounts in ₹ lakh, unless stated otherwise)

30 Finance costs

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Interest expense on other financial liabilities measured at amortized cost	11.49	17.93
Interest on income tax	206.59	-
	218.08	17.93

31 Depreciation and amortization expense

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Depreciation on Property, Plant & Equipment (Refer note 4)	25.71	14.92
Amortization of Other intangible assets (Refer note 5)	0.88	1.70
	26.59	16.62

32 Impairment on financial assets

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Provision (net of reversal)	(2,178.63)	2,720.82
Bad debts	60.13	4.79
	(2,118.50)	2,725.61

Note - The impairment is related to assets under contracts with customers.

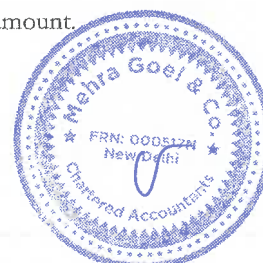
Refer Note 44 for details

33 Corporate social responsibility expenses

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
CSR expenditure	191.90	126.16
	191.90	126.16

Disclosure on CSR Expenses U/s 135 of the Companies Act, 2013	31 March, 2024	31 March, 2023
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(a) Gross amount required to be spent on CSR activities	191.9	126.16
(b) Amount approved by the Board to be spent during the year	191.9	126.16
(c) Amount of expenditure incurred during the year		
- on construction/acquisition of assets	-	-
- on purpose other than above	210.46	126.16
(d) Excess/ (Shortfall) at the end of the year	18.56	-
(e) Total of previous years shortfall	-	-
(f) Nature of CSR activities	(CSR expenses for the year includes Rs. Nil (previous year Rs. 8.46 lacs) of pre spent amount.)	



REC Power Development and Consultancy Limited

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Notes forming part of Financial Statements for the year ending 31 March, 2024

(All amounts in ₹ lakh, unless stated otherwise)

The company has contributed/incurred expenditure in the below mentioned CSR activities (For the year ended 31st March 2024)

Particulars	Activities as per Schedule VII	Amount
(i) CSR assistance for undertaking "Jan Arogyam" Community Healthcare Programme in district Gautam Buddha Nagar, Uttar Pradesh, CSR assistance to Chief Medical Officer district Kupwara for up-gradation of Sub-District Hospital (SDH) Kupwara by construction of boundary wall Distribution of Aids and Assistive Devices to Senior Citizens & Divyangjans (Person with Disabilities) - ALIMCO Procurement of C-Arm Machine for Enhancing Diagnostic and Surgical Excellence in Civil Hospital Sec-10, Gurugram	Health / Sanitation / Drinking Water	113.77
(ii) CSR Assistance for "Providing 1000 school benches made from recyclable plastic waste in government schools and conducting awareness programme in 75 schools towards climate change & sustainability" in Delhi	Education	62.69
(iii) CSR Assistance for "Women Empowerment through education in Art & Culture" at Chittaranjan Park, Delhi	Women empowerment	19.79
(iv) CSR Assistance for "Providing a Transport Vehicle for usage in Reducing Man-Animal conflict in Gajendragada and Rona Talukas of Gadag District, Karnataka"	Environment sustainability	14.21
		210.46

The company has contributed/incurred expenditure in the below mentioned CSR activities (For the year ended 31st March 2023)

Particulars	Activities as per Schedule VII	Amount
(i) CSR support to District Magistrate/ Collector of Bhojpur & Patna for development of medical infrastructure facilities in State of Bihar.	Health	38.95
(ii) Contribution towards PM Cares Fund.	PM Cares	12.50
(iii) CSR assistance to Healthy aging India for providing Cost-effective living facility to Needy and less-served older adults in Srinivaspuri, Ashram, Delhi.	Setting up old age Homes	42.00
(iv) CSR assistance to ASHI for aged welfare association (AHAWA) towards strengthening up of district school, Gollapalli, Eluru in State of Andhra Pradesh.	Rural Development & Education	24.25
		117.70

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



REC Power Development and Consultancy Limited

(Formerly REC Power Distribution Company Limited)

Notes forming part of Financial Statements for the year ending 31 March, 2024

(All amounts in ₹ lakh, unless stated otherwise)

(h) Movements of provision with respect to CSR liability/expenditure	31 March, 2024	31 March, 2023
Opening balance of provision	10.50	4.09
Add - Provision made during the year	-	10.50
Less - Provision utilised during the year	10.50	4.09
Closing balance of provision	-	10.50

34 Other expenses

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Rent & Hire Charges	630.20	676.10
Rates and taxes	85.39	9.57
Repairs, maintenance & electricity	205.54	233.61
Advertisement Expense	23.46	58.84
Publicity & Promotion Expenses	28.04	31.73
Meeting and Conference Expense	2.13	0.90
Communication cost	5.96	6.14
Travelling and conveyance	249.66	264.87
Printing and stationary	11.68	15.31
Legal & Professional charges	212.46	181.82
Bank charges	3.31	2.67
Auditors' remuneration	8.37	8.25
Loss on sale of property, plant and equipment (net)	1.71	0.80
Other Expenses	33.15	30.50
Expenses incurred for SPV's**	426.17	288.05
Other Expenses on NFMS	0.05	3.47
	1,927.28	1,812.63
Direct Cost reimbursable from SPV	(426.17)	(282.22)
Indirect Cost reimbursable from SPV	(187.45)	(216.84)
Other expenses allocated to NFMS	(54.13)	
	1,259.53	1,313.57

*Details of auditors remuneration are as under :

Statutory auditor

As auditors

- Audit fees	5.75	4.50
- Tax audit	1.60	2.00

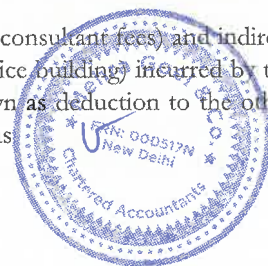
Internal auditor

- Audit fees	0.77	1.75
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Secretarial auditor

- Audit fees	0.25	-
	8.37	8.25

**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.



REC Power Development and Consultancy Limited

(Formerly REC Power Distribution Company Limited)

Notes forming part of Financial Statements for the year ending 31 March, 2024

(All amounts in ₹ lakh, unless stated otherwise)

35 Impairment on assets classified as held for sale

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Impairment expense - On assets classified as held for sale	(8.91)	2.56
	(8.91)	2.56

Refer note 17.2 for details

36 Tax expense

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Current tax		
Tax pertaining to current year	3,610.48	5,191.83
Tax pertaining to earlier years	188.26	(15.91)
Deferred tax expense/(credit)	1,507.06	(519.54)
	5,305.80	4,656.38

The major components of income tax expense and the reconciliation of expense based on domestic effective tax rate of at 25.168% (previous year 25.168%)

Accounting profit before income tax	20,269.80	18,635.28
At country's statutory income tax rate of 25.168%	5,101.50	4,690.13
Adjustments in respect of taxes earlier years		
(i) Non-deductible expenses for tax purposes	16.04	(17.84)
(ii) Non-taxable incomes		
(iii) Earlier year taxes	188.26	(15.91)
	5,305.80	4,656.38

37 Basic/diluted earnings per share

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Net profit for the year	14,964.00	13,978.90
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 ₹)	17,501.75	16,349.60



REC Power Development and Consultancy Limited
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(All amounts in ₹ lakh, unless stated otherwise)

38 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 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)/ Project Implementing Agency (PIA) etc. under Deendayal Upadhyaya Gram Jyoti Yojana(DDUGJY)/Integrated Power Development Scheme (IPDS)/Prime Minister Development Program (PMDP)/ Restructured Accelerated Power Development and Reforms Program (R-APDRP)/Backward Regions Grant Fund (BRGF)/ Revamped Distribution Sector Scheme (RDSS) 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 electrical infrastructure work, assisting Distribution Companies (DISCOMs) in closure of the project, getting executed the electrical infrastructure work etc. 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 Smart Metering Projects/ Smart Grid and Information Technology (IT) projects/ National Feeder Monitoring Scheme (NFMS) as Project Implementing Agency (PIA)/Project Management Agency (PMA). The company has been appointed Bid Process Coordinator (BPC) under Scheme for flexibility in Generation and Scheduling of Thermal / Hydro Power Stations through bundling with Renewable Energy and Storage Power, 2022.

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, Bid Process Coordinator, Quality Control Projects in power sector 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. 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) and selected bidders in private & public sectors.

In accordance with Ind AS 115, for disaggregation of the Company's revenue from contracts with customers has been done on the basis of different type service provided by the company. For detail of disaggregation pl. refer note no.26 on Revenue from Operation.



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

(All amounts in ₹ lakh, unless stated otherwise)

D Reconciliation of revenue recognized with contract price

Particular	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Contract price	35,782.02	28,484.41
Adjustments for:		
Rebates and discounts	-	-
Revenue from contracts with customers	35,782.02	28,484.41

For detail of contract price pl. refer note no.26 on Revenue from Operation.

E Contract balances

Particulars	As at 31 March, 2024	As at 31 March, 2023
Assets		
Trade Receivables (net of provisions)	15,497.85	11,443.07
Contract assets		
Contract assets*	2,407.45	2,483.05
Cost of fulfillment carried forward**	-	-
Contract liability		
Contract Liability***	2,918.11	700.82
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

Particular	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Opening balance	2,483.05	2,090.96
Invoices raised during the year	(2,262.95)	(1,913.55)
Contract assets recognized during the year	2,407.45	2,315.47
Reversal of previous year's contract assets	(220.10)	(9.83)
Closing balance	2407.45	2483.05

G Reconciliations of Contract liability

Opening balance	700.82	9.45
Revenue recognized during the year	(700.82)	-
Addition during the year	2,918.11	691.37
Closing balance	2918.11	700.82



REC Power Development and Consultancy Limited
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H Remaining performance obligations

	As at 31 March, 2024	As at 31 March, 2023
Amount of the unsatisfied performance obligations (or	3,84,498.61	61,474.47

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. It is expected that an amount of Rs. 43897.85 Lakh is expected to be recognized in next financial year. 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.

- I 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.

39 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 (U), PMDP-15, Smart Metering 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 (saving 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)".

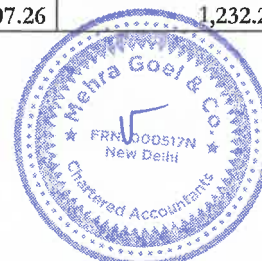
During the year, interest earned of ₹ 895.69 lakh (Previous year ₹ 1238.00 lakh) has been taken to advance for deposit work account. Further, during the year, an amount of ₹ 220.73 lakh (Previous year ₹ 831.65 lakh) has been refunded back to MoP out of the total interest on advance for deposit work.

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

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Opening Balance	10734.32	10642.28
Add: Amount received during the year	49,610.86	51,409.56
Less: Amount refunded to Govt. during the year		(3,698.77)
Less: Disbursement during the year	(57,462.22)	(47,618.75)
Closing Balance	2,882.96	10,734.32

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

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Opening balance	1,232.29	825.94
Add: Interest earned during the year	895.70	1,238.00
Less: Interest refunded during the year	(220.73)	(831.65)
Closing Balance	1,907.26	1,232.29



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

(All amounts in ₹ lakh, unless stated otherwise)

40 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 two 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 (Current)" 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 ₹ 32.46 lakh (previous year ₹ 6.33 lakh) has been credited to the Government fund for the scheme.

41 Related party transactions

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

a. Details of related parties:

Description of relationship	Names of related parties
Ultimate holding Company	Power Finance Corporation Limited
Holding company	REC Limited (Formerly Rural Electrification Corporation Limited)
Society registered for undertaking CSR activities	REC Foundation
Subsidiaries Companies (existing on the date of closing)	<p>Mandar Transmission Limited (w.e.f. 26 March, 2018) *</p> <p>Koderma Transmission Limited (w.e.f. 19 March, 2018) *</p> <p>Dumka Transmission Limited (w.e.f. 25 March, 2018) *</p> <p>Chandil Transmission Limited (w.e.f. 14 March, 2018) *</p> <p>Jalpura Khurja Transmission Limited (w.e.f. 28 April, 2023 to 5 April, 2024) **</p> <p>Kallam Transco Limited (w.e.f. 15 September, 2023 to 5 April, 2024) **</p> <p>Meerut Shamli Power Transmission Limited (w.e.f. 14 December, 2022 to 6 April, 2024) **</p> <p>Luhri Power Transmission Limited (w.e.f. 28 October, 2022)</p> <p>NERES XVI Power Transmission Limited (w.e.f. 10 January, 2023)</p> <p>Rajasthan Part 1 Power Transmission Limited (w.e.f. 30.04.2023)</p> <p>Shongtong Power Transmission Limited (w.e.f. 14.06.2023)</p> <p>Khavda IV C Power Transmission Limited (w.e.f. 27.09.2023)</p> <p>Khavda IV-E2 Power Transmission Limited (w.e.f. 05.10.2023)</p> <p>Khavda IVA Power Transmission Limited (w.e.f. 09.10.2023)</p> <p>Khavda V A Power Transmission Limited (w.e.f. 10.10.2023)</p> <p>Rajasthan IV A Power Transmission Limited (w.e.f. 10.10.2023)</p> <p>Rajasthan IV C Power Transmission Limited (w.e.f. 11.10.2023)</p> <p>Rajasthan IV H 1 Power Transmission Limited (w.e.f. 13.10.2023)</p> <p>Rajasthan IV E Power Transmission Limited (w.e.f. 14.10.2023)</p> <p>NERGS-I Power Transmission Limited (w.e.f. 13.12.2023)</p> <p>Tumkur-II REZ Power Transmission Limited (w.e.f. 13.12.2023)</p> <p>Kankani Power Transmisison Limited (w.e.f. 18.12.2023)</p> <p>ERES-XXXXIX Power Transmission Limited (w.e.f. 27.03.2024)</p>

* These companies are under process of strike off.

** Kallam Transco Limited & Jalpura Khurja Power Transmission Limited transferred to the successful bidder on 05.04.2024 and Meerut Shamli Power Transmission Limited transferred to the successful bidder on 06.04.2024.

Subsidiaries Companies (transferred during the Financial year)

KPS1 Transmission Limited (w.e.f. 6 May, 2022 to 20 April 2023)

Beawar Transmission Limited (w.e.f. 27 April, 2022 to 20.09.2023)

Ramgarh II Transmission Limited (w.e.f. 20 April, 2022 to 26.10.2023)

Bidar Transmission Limited (w.e.f. 8 June, 2020 to 09 Februray 2024)

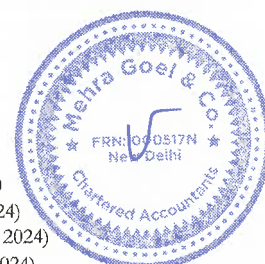
Sikar Khetri Transmission Limited (w.e.f. 6 May, 2022 to 09 Februray 2024)

Dhule Power Transmission Limited (w.e.f. 8 June, 2023 to 09 Februray 2024)

Ishanagar Power Transmission Limited (w.e.f. 9 June, 2023 to 09 Februray 2024)

Karera Power Transmission Limited (w.e.f. 14 June, 2023 to 09 Februray 2024)

Pachora Power Transmission Limited (w.e.f. 20 July, 2023 to 14 Februray 2024)



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

(All amounts in ₹ lakh, unless stated otherwise)

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. Vivek Kumar Dewangan	Chairman & Director	17 May, 2022		17 May, 2022
Sh. Rahul Dwivedi	Chief Executive Officer	14 November, 2022	30 June, 2023	14 November, 2022
Sh. Rajesh Kumar	Chief Executive Officer	01 July 2023		01 July 2023
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	31 January, 2024	25 March, 2019
Sh. T S C Bosh	Director	01 February, 2024		01 February, 2024
Sh. Mohan Lal Kumawat	Company Secretary	13 March, 2007	15 October, 2023	13 March, 2007
Sh. Ch Lakshman Acharyulu	Company Secretary	16 October, 2023		16 October, 2023
Sh. Sahab Narain	CFO	26 September, 2021	30 June, 2023	26 September, 2021
Sh. Ch Lakshman Acharyulu	CFO	01 July, 2023		01 July, 2023

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, 2024	255.93	-	-
	Year ended 31 March, 2023	354.03	-	-
Services received from related party	Year ended 31 March, 2024	2,527.58	-	-
	Year ended 31 March, 2023	2,440.66	-	-
Remuneration to KMP's (through Holding Company)	Year ended 31 March, 2024	-	-	152.47
	Year ended 31 March, 2023	-	-	114.91
Interest income from investment in tax free bonds	Year ended 31 March, 2024	370.54	-	-
	Year ended 31 March, 2023	369.52	-	-
Dividend on equity shares	Year ended 31 March, 2024	2,340.14	-	-
	Year ended 31 March, 2023	2,744.56	-	-
(ii) Outstanding Balances at year end				
Amount payables	Year ended 31 March, 2024	695.89	-	-
	Year ended 31 March, 2023	669.79	-	-
Amount receivables	Year ended 31 March, 2024	116.44	-	-
	Year ended 31 March, 2023	146.22	-	-
Non-current/Current investment (Investment in tax free bonds, NCD's & Staggered papers incl. of accrued interest)	Year ended 31 March, 2024	4,667.02	-	-
	Year ended 31 March, 2023	4,666.01	-	-



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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:

	For the year ended	For the year ended
	31 March, 2024	31 March, 2023
Short-term employee benefits	129.65	89.12
Post-employment benefits	22.82	25.79
Termination benefits	-	-
Total remuneration	152.47	114.91

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.

c. Transactions with subsidiaries during the financial year 2023-24 are as under:

	For the year ended	For the year ended
	31 March, 2024	31 March, 2023
(i) Dumka Transmission Limited (w.e.f. 25 March, 2018)	-	-
Interest income	-	-
Reimbursement/ expenses reimbursement	-	-
Investment made	-	-
(ii) Chandil Transmission Limited (w.e.f. 14 March, 2018)	-	-
Interest income	-	-
Reimbursement/ expenses reimbursement	-	-
Investment made	-	-
(iii) Mandar Transmission Limited (w.e.f. 26 March, 2018)	-	-
Interest income	-	-
Reimbursement/ expenses reimbursement	-	-
Investment made	-	-
(iv) Koderma Transmission Limited (w.e.f. 19 March, 2018)	-	-
Interest income	-	-
Reimbursement/ expenses reimbursement	-	-
Investment made	-	-
(v) Bidar Transmission Limited (w.e.f. 8 June, 2020 to 09th February 2024)		
Consultancy fee	1,500.00	-
Interest income	8.36	0.07
Reimbursement/ expenses reimbursement	79.90	10.28
Investment made	-	-
Sale of investments	5.00	-
(vi) Sikar Khetri Transmission Limited (w.e.f. 06 May, 2022 to 09th February 2024)		
Consultancy fee	1,500.00	-
Interest income	8.36	3.47
Reimbursement/ expenses reimbursement	67.18	67.99
Investment made	-	5.00
Sale of investments	5.00	-
(vii) KPS 1 Transmission Limited (w.e.f. 6 May, 2022 to 20th April 2023)		
Consultancy fee	1,101.52	-
Interest income	0.60	2.35
Reimbursement/ expenses reimbursement	20.70	59.34
Investment made	-	5.00
Sale of investments	5.00	-
(viii) Ramgarh II Transmission Limited (w.e.f. 20 April, 2022 to 26 October 2023)		
Consultancy Fees	1,500.00	-
Interest income	4.72	3.56
Reimbursement/ expenses reimbursement	41.13	70.27
Investment made	-	5.00
Sale of investments	5.00	-



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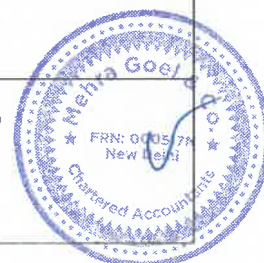
	For the year ended 31 March, 2024	For the year ended 31 March, 2023
(ix) Beawar Transmission Limited (w.e.f. 27 April, 2022 to 20 September, 2023)		
Consultancy Fees	1,500.00	
Interest income	4.00	3.66
Reimbursement/ expenses reimbursement	37.65	71.78
Investment made	-	5.00
Sale of investments	5.00	-
(x) Khavda II-D Transmission Limited (w.e.f. 25 April, 2022- Striked off)		
Interest income		-
(xi) Luhri Power Transmission Limited (w.e.f. 28 October, 2022)		
Interest income	6.85	1.16
Reimbursement/ expenses reimbursement	43.61	48.97
Advance received from parties		-
Investment made	-	5.00
(xii) Meerut Shamli Power Transmission Limited (w.e.f. 14 December, 2022 to 6 April, 2024)		
Consultancy Fees	72.39	
Interest income	5.64	0.51
Reimbursement/ expenses reimbursement	42.20	42.77
Investment made	-	5.00
Sale of investments		-
(xiii) NERES XVI Power Transmission Limited (w.e.f. 10 January, 2023)		
Interest income	5.25	0.22
Reimbursement/ expenses reimbursement	56.75	18.54
Investment made		5.00
(xiv) Rajasthan Part 1 Transmission Limited (w.e.f. 30 April 2023)		
Interest income	3.39	-
Reimbursement/ expenses reimbursement	53.49	-
Sale of investments		-
Investment made	5.00	-
(xv) Shongtong Power Transmission Limited (w.e.f. 14 June, 2023)		
Interest income	2.34	-
Reimbursement/ expenses reimbursement	45.66	-
Sale of investments		-
Investment made	5.00	-
(xvi) Khavda IVC Power Transmission Limited (w.e.f. 27 September, 2023)		
Interest income	1.09	-
Reimbursement/ expenses reimbursement	33.95	-
Sale of investments		-
Investment made	5.00	-
(xvii) Khavda IV E2 Power Transmission Limited (w.e.f. 5 October, 2023)		
Interest income	0.82	-
Reimbursement/ expenses reimbursement	27.39	-
Sale of investments		-
Investment made	5.00	-
(xix) Khavda IVA Power Transmission Limited (w.e.f. 9 October, 2023)		
Interest income	1.01	-
Reimbursement/ expenses reimbursement	44.87	-
Sale of investments		-
Investment made	5.00	-
(xx) Rajasthan IVA Power Transmission Limited (w.e.f. 10 October, 2023)		
Interest income	0.96	-
Reimbursement/ expenses reimbursement	33.72	-
Sale of investments		-
Investment made	5.00	-
(xxi) Rajasthan IVC Power Transmission Limited (w.e.f. 11 October, 2023)		
Interest income	0.83	
Reimbursement/ expenses reimbursement	27.59	
Sale of investments		
Investment made	5.00	



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(xxii) Rajathan IV H1 Power Transmission Limited (w.e.f. 13 October, 2023)			
Interest income	1.22		
Reimbursement/ expenses reimbursement	42.34		
Sale of investments			
Investment made	5.00		
(xxiii) Rajathan IVE Power Transmission Limited (w.e.f. 14 October, 2023)			
Interest income	0.94	-	
Reimbursement/ expenses reimbursement	31.33	-	
Sale of investments		-	
Investment made	5.00	-	
(xxiv) Khavda VA Power Transmission Limited (w.e.f. 10 October, 2023)			
Interest income	1.06	-	
Reimbursement/ expenses reimbursement	34.88	-	
Sale of investments		-	
Investment made	5.00	-	
(xxv) NERG-1 Power Transmission Limited (w.e.f. 13 December, 2023)			
Interest income	0.81	-	
Reimbursement/ expenses reimbursement	28.99	-	
Sale of investments		-	
Investment made	5.00	-	
(xxvi) Tumkur II Power Transmission Limited (w.e.f. 13 December, 2023)			
Interest income	0.32	-	
Reimbursement/ expenses reimbursement	16.42	-	
Sale of investments		-	
Investment made	5.00	-	
(xxvii) ERES XXXIX Power Transmission Limited (w.e.f. 27 March, 2024)			
Interest income	0.04	-	
Reimbursement/ expenses reimbursement	5.12	-	
Sale of investments		-	
Investment made		-	
(xxviii) Jalpura Khurja Transmission Limited (w.e.f. 28 April, 2023 to 5 April, 2024)			
Consultancy Fees	250.00	-	
Interest income	3.52	-	
Reimbursement/ expenses reimbursement	69.31	-	
Sale of investments		-	
Investment made	5.00	-	
(xxix) Dhule Power Transmission Limited (w.e.f. 8 June, 2023 to 9 February, 2024)			
Consultancy Fees	597.76	-	
Interest income	2.03	-	
Reimbursement/ expenses reimbursement	53.98	-	
Sale of investments	5.00	-	
Investment made	5.00	-	
(xxx) Ishanagar Power Transmission Limited (w.e.f. 9 June, 2023 to 9 February, 2024)			
Consultancy Fees	593.07	-	
Interest income	2.03	-	
Reimbursement/ expenses reimbursement	54.24	-	
Sale of investments	5.00	-	
Investment made	5.00	-	
(xxxi) Karera Power Transmission Limited (w.e.f. 14 June, 2023 to 09 February, 2024)			
Consultancy Fees	827.07	-	
Interest income	2.04	-	
Reimbursement/ expenses reimbursement	54.70	-	
Sale of investments	5.00	-	
Investment made	5.00	-	
(xxxii) Pachora Power Transmission Limited (w.e.f. 20 July, 2023 to 14 February, 2024)			
Consultancy Fees	500.00		
Interest income	1.50		
Reimbursement/ expenses reimbursement	49.83		
Sale of investments	5.00		
Investment made	5.00		
(xxxiii) Kallam Transco Limited (w.e.f. 15 September, 2023 to 5 April, 2024)			
Consultancy Fees	500.00		
Interest income	1.13		
Reimbursement/ expenses reimbursement	42.19		
Sale of investments			
Investment made	5.00		



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d. Outstanding balances w.r.t. subsidiaries are as under

	As at 31 March, 2024	As at 31 March, 2023
Receivable from subsidiaries/(Payable to subsidiaries)		
Chandil Transmission Limited	0.25	254.43
Dumka Transmission Limited	0.25	248.24
Mandar Transmission Limited	0.25	222.50
Koderma Transmission Limited	0.25	228.18
Bidar Transmission Limited	-	10.08
Sikar Khetri Transmission Limited	-	67.30
KPS1 Transmission Limited	-	58.35
Ramgarh II Transmission Limited	-	69.60
Beawar Transmission Limited	-	70.94
Luhri Power Transmission Limited	107.43	48.15
Meerut Shamli Power Transmission Limited	184.98	43.29
NERES XVI Power Transmission Limited	91.35	18.76
FRES XXXIX Power Transmission Limited	5.16	-
Jalpura Khurja Power Transmission Limited	380.56	-
Rajasthan Part 1 Power Transmission Limited	66.79	-
Shongtong Power Transmission Limited	56.46	-
Khavda IV A Power Transmission Limited	54.15	-
Khavda IV C Power Transmission Limited	41.36	-
Khavda IV E2 Power Transmission Limited	33.30	-
Khavda V-A Power Transmission Limited	42.41	-
Rajasthan IVA Power Transmission Limited	40.94	-
Rajasthan IVC Power Transmission Limited	33.54	-
Rajasthan IV E Power Transmission Limited	38.09	-
Rajasthan IV H1 Power Transmission Limited	51.39	-
Kallam Transco Limited	641.10	-
NERGS-1 Power Transmission Limited	35.21	-
Tumkur-II REZ Power Transmission Limited	19.81	-
Kankani Power Transmission Limited	0.05	-
	1,925.08	1,339.82
Receivable from subsidiaries/(Payable to subsidiaries)		
Khavda II-D Transmission Limited	-	(1.79)
	1,925.08	1,338.03

	As at 31 March, 2024	As at 31 March, 2023
Investments in SPVs		
Chandil Transmission Limited	-	5.00
Dumka Transmission Limited	-	5.00
Mandar Transmission Limited	-	5.00
Koderma Transmission Limited	-	5.00
Bidar Transmission Limited	-	5.00
Beawar Transmission Limited	-	5.00
Khavda II-D Transmission Limited	-	5.00
KPS1 Transmission Limited	-	5.00
Sikar Khetri Transmission Limited	-	5.00
Ramgarh II Transmission Limited	-	5.00
Luhri Power Transmission Limited	5.00	5.00
Meerut Shamli Power Transmission Limited	5.00	5.00
NERES XVI Power Transmission Limited	5.00	5.00
Jalpura Khurja Power Transmission Limited	5.00	-
Rajasthan Part 1 Power Transmission Limited	5.00	-
Shongtong Power Transmission Limited	5.00	-
Kallam Transco Limited	5.00	-



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Khavda IV C Power Transmission Limited	5.00	-
Khavda IVA Power Transmission Limited	5.00	-
Khavda IV-E2 Power Transmission Limited	5.00	-
Khavda V A Power Transmission Limited	5.00	-
Rajasthan IV A Power Transmission Limited	5.00	-
Rajasthan IV C Power Transmission Limited	5.00	-
Rajasthan IV E Power Transmission Limited	5.00	-
Rajasthan IV H1 Power Transmission Limited	5.00	-
Kankani Power Transmisison Limited	5.00	-
NERGS-I Power Transmission Limited	5.00	-
Tumkur-II REZ Power Transmission Limited	5.00	-
	90.00	65.00

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

Designation of officer	As at 31 March, 2024	Maximum amount outstanding for the year ended 31 March, 2024	As at 31 March, 2023	Maximum amount outstanding for the year ended 31 March, 2023
Chairman	NIL	NIL	NIL	NIL
Company Secretary	NIL	NIL	NIL	NIL

42 **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 ₹ 43.09 lakh as expense in the statement of profit and loss during the current year (Previous Year ended 31 March, 2023 ₹ 36.98 lakh).

Other long term employee benefit plans

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 basis. The additional expenses recognised during the year is Rs. 9.22 Lakh (Previous Year Rs. (-) 10.73 Lakh)



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43 Financial instruments

i) Financial instruments by category measured at amortized cost:

Particulars	As at 31 March, 2024	As at 31 March, 2023
Financial assets		
Investments*	7,671.41	7,671.41
Trade receivables	15,497.85	11,443.07
Cash and cash equivalents	21,649.89	969.87
Other bank balances	22,430.01	32,770.21
Other financial assets (Note 7 & Note 14)	5,292.97	10,186.26
Total	72,542.13	63,040.82
Financial liabilities		
Borrowings	-	-
Trade payable	9,051.31	4,167.59
Other financial liabilities (Note 20 & Note 24)	8,418.37	15,804.93
Total	17,469.68	19,972.52

* Aggregate fair value of investment in tax free bonds / NCD's is ₹ 8880.98 lakh (31 March, 2023 : ₹ 9039.03 lakh)

ii) Fair values hierarchy

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

44 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 43. 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



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

Asset entity	Basis of categorization	Provision for expected credit loss
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

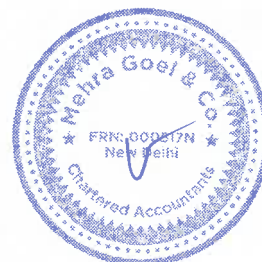
The entity provides for expected credit losses for following financial assets –

31 March, 2024

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	7,671.41	-	7,671.41
Cash and cash equivalents	21,649.89	-	21,649.89
Other bank balances	22,430.01	-	22,430.01
Trade receivables	21,465.15	(5,967.30)	15,497.85
Other financial assets (Note 7 & Note 14)	5,341.82	(48.85)	5,292.97

31 March, 2023

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	7,671.41	-	7,671.41
Cash and cash equivalents	969.87	-	969.87
Other bank balances	32,770.21	-	32,770.21
Trade receivables	22,413.43	(10,970.36)	11,443.07
Other financial assets (Note 7 & Note 14)	10,235.11	(48.85)	10,186.26



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

31 March, 2024

Particulars	Gross carrying value	Expected loss rate	Expected credit loss (provision)	Carrying amount (net of impairment)
< 6 months	8,651.86	3.18%	275.08	8,376.78
6 months - 1 year	2,976.28	20.44%	608.44	2,367.84
1 year - 2 year	5,010.33	24.83%	1,244.20	3,766.13
2 year - 3 year	880.23	46.96%	413.33	466.90
>3 Years	3,946.45	86.82%	3,426.25	520.20
Total	21,465.15	27.80%	5,967.30	15,497.85

31 March, 2023

Particulars	Gross carrying value	Expected loss rate	Expected credit loss (provision)	Carrying amount (net of impairment)
< 6 months	9,738.31	15.08%	1,468.86	8,269.45
6 months - 1 year	3,120.84	35.17%	1,097.73	2,023.11
1 year - 2 year	2,131.89	62.87%	1,340.35	791.54
2 year - 3 year	1,630.71	89.96%	1,466.94	163.77
>3 Years	5,634.66	99.32%	5,596.48	38.18
Total	22,256.41	49.29%	10,970.36	11,286.05

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 Matrix. In calculation, the quantum of trade payables in respect of back to back contracts shall be set off against the respective project trade receivables of respective years. Further additional impairment loss also created in such cases where specific information is available to company in relation to deterioration of quality of an asset.

Reconciliation of loss provision – Trade receivables

Reconciliation of loss allowance	Amount
Loss allowance on 1 April, 2022	8,271.99
Provisions utilized (used against bad debts) during the year	(22.45)
Provision created during the year	2,720.82
Loss allowance on 31 March, 2023	10,970.36
Provisions utilized (used against bad debts) during the year	(2,824.44)
Provision created / (reversed) during the year	(2,178.62)
Loss allowance on 31 March, 2024	5,967.30



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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 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.

Particular	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Floating rate borrowings (-0.5% Change in interest rate)	0.00	0.00
Floating rate borrowings (+0.5% Change in interest rate)	-	-

Price risk:

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

45 Capital Management

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



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	As at 31 March, 2024	As at 31 March, 2023
46 Contingent liabilities and commitments		
i) Contingent Liabilities (to the extent not provided for)		
a) Claims against the company not acknowledged as debt		
Disputed tax demands		
(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
(c) Income tax demand against notice U/s 245 of Income Tax Act for AY 2019-20	-	1,462.13
(d) GST demand against notice U/s 73(4) of GST for FY 2017-18	8.24	-
Others		
(a) Outstanding claims of contractors pending in arbitration and courts	2,732.39	2,670.95
	2,770.49	4,162.95

(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) The amount referred in (d) 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.

(C) A commercial suit is filed against the company (RECPDCL) & Ors by Ms. Sumotek Innovation Pvt. Ltd ("Sumotek") before the High Court of Judicature at Bombay. RECPDCL has been marked as Defendant No 1 in the suit. Brihan Mumbai Electric Supply & Transport Undertaking (BEST) is Defendant No 2 and Adani Transmission Limited is Defendant No 3. It has been stated in the suit that a patent was registered in the name of one Girish M Bachate ("Patentee") in the name and title head of 'Pre-paid- Post Paid Electricity Supply Machine', which was registered as Patent, number 208216. The Patentee has subsequently assigned the same in favour of the Petitioner. The petition alleges that floating of the tender No. RECPDCL/BD/e-tender/20222023/73759N (by RECPDCL on behalf of BEST) for appointment of advanced metering infrastructure service provider for implementing prepaid smart metering project allegedly infringes patent in the name of Patentee (now assigned to the Petitioner) as the technology and process of developing the smart meters covered under the tender is similar and identical to the Pre-paid Post Paid Electricity Supply Machine, which was patented to the Patentee. Adani Transmission Limited has emerged as the successful bidder in the said tender. Therefore, claims have been made by the Petitioner against RECPDCL, BEST and Adani Transmission Limited inter-alia for payment of Rs. 10806.60 Lakh (towards royalty) + Rs. 2106.33 Lakh (against damages) along with interest and other charges etc. along with other reliefs. Initially, RECPDCL had been appointed as project implementing agency by BEST for smart metering project and the tender on behalf of best has been floated accordingly by the RECPDCL for selection of suitable bidder for execution of the project. RECPDCL was only acting as an agent in the project and later on BEST has removed RECPDCL as PIA for the project and accordingly no such liability shall arise on RECPDCL due to this commercial suit and figure as mentioned above not shown in contingent liability.

(D) Outstanding claims of contractors pending in arbitration and courts includes the followings: -

- i) Power Grid Corporation of India Limited had filed a Claim against RECPDCL (Respondent No 2), Samalkot Power Limited (Respondent No 3) and Spectrum Power Generation Limited (Respondent No 4) for Rs. 1827.94 Lacs (towards acquisition cost) of Vemagiri Transmission System Limited + Rs. 843.01 Lacs (from date of acquisition and interest), on joint and/or several basis. The matter presently is in final stages of argument.
- ii.) Powertech Engineers has filed a claim of Rs. 61.44Lacs against the liquidated damages deducted by the RECPDCL along with interest. The deduction of liquidated damages is as per contract terms. The matter presently is being contested before MSME Facilitation Council Meerut and further order is still awaited.

ii) Commitments (to the extent not provided for)

- (A) The company submitted performance bank guarantee to its service recipient as per requirement of the contract. The Un-expired performance bank guarantees as on 31.03.2024 is Rs. 1521.27 Lakh (Previous year Rs. 2979.25 Lakh). These bank guarantees are secured against current assets excluding earmarked balances for deposit works and government fund account as indicated in Note 13 - Other bank balances.
- (B) The outstanding commitment on account of CSR activities which are sanctioned prior to/ during the financial year is Rs. 8.20 Lakh (previous year Rs. 165.58 Lakh).



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(All amounts in ₹ lakh, unless stated otherwise)

47 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.

48 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 The statement of Profit and Loss shows the following amounts relating

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Short-term leases	518.05	563.79
Total	518.05	563.79

B Total cash outflow:

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Short-term leases	382.07	462.13
Total	382.07	462.13

C The company has total balance commitment for short term lease of Rs. 135.98 Lakh as at 31st March 2024 (Previous year Rs. 106.66 Lakh).

D 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.

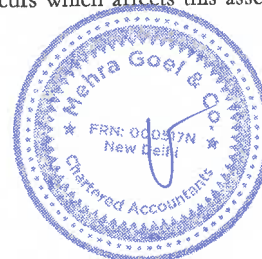
The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgment in determining whether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



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49 Ratios Analysis

Ratio	31 March, 2024			31 March, 2023			Analysis	
	Numerator	Denominator	Ratios	Numerator	Denominator	Ratios	% Variance	Reason for Variance
Current Ratio	66,291.01	23,807.48	2.78	48,762.48	23,929.26	2.04	36.64	refer pt. (a)
Return on Equity Ratio	14,964.00	50,405.32	0.30	13,978.90	38,476.21	0.36	(18.29)	
Trade Receivables Turnover Ratio	35,782.02	13,470.46	2.66	28,484.41	10,753.85	2.65	0.29	
Trade Payables Turnover Ratio	18,644.69	6,609.45	2.82	7,242.92	3,907.71	1.85	52.19	refer pt. (b)
Net capital Turnover Ratio	35,782.02	42,483.53	0.84	28,484.41	24,833.22	1.15	(26.57)	refer pt. (c)
Net Profit Ratio	14,964.00	35,782.02	0.42	13,978.90	28,484.41	0.49	(14.78)	
Return on Capital employed	20,487.88	56,717.25	0.36	18,653.21	44,093.38	0.42	(14.61)	

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 (Current Assets - Current Liabilities).
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 net worth plus total debt plus deferred tax liabilities).

Reasons for variation more than 25%

- (a) The current ratio has been increased due to increase in current asset (increased mainly due to increase in cash & cash equivalents and trade receivables).
- (b) The trade payable ratio has been improved due to significant pay out of trade payables during the financial year.
- (c) The net capital turnover ratio has been reduced due to increase in current assets. The current asset mainly increased due to increase in cash & cash equivalents and trade receivables.

50 Other notes

- I There were thirteen opening SPVs, namely Chandil Transmission Limited, Dumka Transmission Limited, Koderma Transmission Limited, Mandar Transmission Limited, KPS1 Transmission Limited, Beawar Transmission Limited, Ramgarh II Transmission Limited, Bidar Transmission Limited, Sikar Khetri Transmission Limited, Khavda II-D Transmission Limited, Luhri Power Transmission Limited, Meerut Shamli Power Transmission Limited, & NERES XVI Power Transmission Limited.

During the financial year 2023-24, twenty number of SPVs namely Rajasthan Part I Power Transmission Limited, Shongtong Power Transmission, Jalpura Kurja Power Transmission Limited, Kallam Transco Limited, Khavda IV C Power Transmission Limited, Khavda IV-E2 Power Transmission Limited, Khavda IV A Power Transmission Limited, Khavda V A Power Transmission Limited, Rajasthan IV A Power Transmission Limited, Rajasthan IV C Power Transmission Limited, Rajasthan IV H 1 Power Transmission Limited, Rajasthan IV E Power Transmission Limited, NERGS - I Power Transmission Limited, Tumkur - II REZ Power Transmission Limited, Kankani Power Transmission Limited, ERES-XXXXIX Power Transmission Limited, Dhule Power Transmission Limited, Ishanagar Power Transmission Limited, Karera Power Transmission Limited & Pachora Power Transmission Limited have been incorporated.

Further, during FY 2023-24 nine number of SPVs namely KPS1 Transmission Limited, Beawar Transmission Limited, Ramgarh II Transmission Limited, Bidar Transmission Limited, Sikar Khetri Transmission Limited, Dhule Power Transmission Limited, Ishanagar Power Transmission Limited, Karera Power Transmission Limited & Pachora Power Transmission Limited have been transferred to the successful bidders and one number SPVs namely Khavda II-D Transmission Limited has been strike off from the books of the company.

There are twenty three SPVs as at 31 March, 2024. Out of these 4 number SPVs of namely Chandil Transmission Limited, Dumka Transmission Limited, Koderma Transmission Limited & Mandar Transmission Limited are under process of strike off.



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- II Government of Jharkhand vide its letter dated 21 August, 2017 had nominated the company as 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 reinstate the bidding process and kept on hold the existing process till further orders. Based on no more development on these projects since past three years, the board of directors of the company in its 109th meeting dated 20th October 2023 has approved the write off of receivables/ investment pertains to these SPVs namely Chandil Transmission Limited, Dumka Transmission Limited., Koderma Transmission Limited & Mandar Transmission Limited. These companies are now in process of strike off approval from the Ministry of Power.
- 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 31.03.2024, the Company has 23 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 presently operating in a single segment i.e. providing engineering consultancy services and therefore disclosure requirements of Ind AS 108 is not applicable. The company presently has 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 During the Financial Year 2023-24, there is no transaction with companies Struck off under section 248 of the Companies Act, 2013.
- VIII The code on social security 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 on which 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 year the code becomes effective.
- IX The company has no 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.
- XII Previous year figures have been regrouped/reclassified wherever required.

Summary of material accounting policies 1 to 3

The accompanying notes from 4 to 50 are integral part of the financial statements.

These are the financial statements referred to in our report of even date.

For Mehra Goel & Co.

Chartered Accountants

Firm Registration No. 000517N

CA Vaibhav Jain

Partner

Membership No. 515700

Place : New Delhi

Date: April 19, 2024



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


Sanjay Kumar
Director
DIN - 08722752


V K Singh
Director
DIN - 02772733