A. K. BATRA & ASSOCIATES
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of REC Power Development and Consultancy Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **REC Power Development and Consultancy Limited** ("the Company") and its associates (the Company and its associates together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2022, the consolidated Statement of Profit and Loss (including other comprehensive income), for year ended on that date, the Consolidated Statement of changes in Equity and the Consolidated Statement of Cash Flows for the year on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statement").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the Companies Act,2013 (the Act') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31,2022, the consolidated profit and consolidated state affairs of the Group as at March 31, 2022, the consolidated profit and consolidated total comprehensive income for the year ended on that date, consolidated changes in equity and the consolidated cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the other matters paragraph below are sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to the following matters in the Notes to consolidated Ind AS Financial Statement:

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Reference is invited to Note No.52 regarding denotified one of the associate companies (i.e. Dinchang Transmission Ltd.) Application for strike off has been filed with Roc during F.Y.2020-21 and accordingly the company has been struck off from the Registrar of Companies and has been dissolved vide MCA letter dated 17.08.2021.

Our opinion is not modified in respect of these matters.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. On the basis of Audit Report received for Koderma Transmission Limited, Bidar Transmission Limited, MP Power Transmission I Ltd, Rajgarh Transmission Ltd., ER NER Transmission Ltd., we have determined that there are no key audit matters to communicate in our report.

5. Further it is informed that financial information for, Chandil Transmission Limited, Dumka Transmission Limited and Mandar Transmission Limited are furnished unaudited and have been furnished to us by the management. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Holding company.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1.	**Valuation of account Receivable in view of risk of credit loss** (Refer to Note no. 44 "Financial Instrument" and note no 10 "Trade Receivable") Accounts receivables is a significant item in the Company's financial statements as at March 31, 2022 and assumptions used for estimating the credit loss on receivables is an area which is influenced by management's judgment. The Company makes an assessment of the estimated credit losses basis credit risk, project status, past	**Principal Audit Procedures** Our audit incorporated the following procedure with regards to provisioning of receivables: • Understood and evaluated the accounting policy of the company. • We evaluated the design and tested the operating effectiveness of key controls in relation to determination of estimated credit loss. • Inquired with senior management regarding status of collectability of the receivable • For material balances, the basis of provision was discussed with the management.

S. No.	Key Audit Matter	Auditor's Response
	history, latest discussion/ correspondence with the customer. Given the relative significance of these receivables to the financial statements and the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter.	• Assessed and challenged the information used by the Management to determine the expected credit losses by considering credit risk of the customer, cash collection, performance against historical trends and the level of credit loss charges over time.
2.	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"** The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Refer Notes 3.2 and 39 to the Financial Statements	**Principal Audit Procedures** We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. We carried out the following procedures: • Understand the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. • Regarding the stage of completion and revenue in respect of ongoing projects, we have relied upon the reports of the Technical Experts of the Company as we did not have that technical expertise with us. • Selected a sample of continuing and new contracts and performed the following procedures: • Read, analyzed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to

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S. No.	Key Audit Matter	Auditor's Response
		compute revenue and to test the basis of estimation of the variable consideration. • Calculations in respect of unearned revenue were test-checked using reports provided by project experts with respect to the percentage of work completed. • In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with the terms of contracts and status of work provided by the project experts of the company. • Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.

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

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

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

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

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

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Management Responsibility for the Consolidated Financial Statements

Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the requirement of the Companies Act, 2013 and other accounting principles generally accepted in India. Including the accounting standards specified under section 133 of the Act. The respective board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Company, as aforesaid.

11. In preparing the financial statements, the respective Board of Directors of the companies included in the Group asre responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using basis of accounting unless Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

12. The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial process of the Group.

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

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

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

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

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resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statement of such entity included in the consolidated financial statements of which we are independent auditor. For the other entities included in the consolidated financial statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

Other Matters

(a) The consolidated financial statements also include the Holding company's net profit/loss of Rs. 5302.50 lacs and for the year ended 31st March,2022, as considered in the consolidated financial statement, in respect of eight associate companies, whose financial statement have not been audited by us. These financial statements have been audited by other auditors whose reports are furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosure included in respect of these associates, and our report in terms of subsection 3 & 11 of section 143 of the Act, in so far as it relates to aforesaid associates, is based solely on the reports of other auditors.

(b) The consolidated financial statement also includes the Holding company's net profits/loss of Rs. 5302.50 lacs for the year ended 31st March 2022 as considered in the 5302.50 lacs financial statements, in respect of 3 associate companies, whose financial statements have not been audited by us. These financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosure included in respect of these associates and our report in terms of subsection 3 of section 143 of the Act, in so far as it relates to aforesaid associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanation given to us by the management, these financial statements are not material to the Holding company.

(c) Five of the associate companies, namely Fatehgarh Badla Transco Ltd., Sikar Transmission Ltd., MP Power Transmission Package-II Ltd., Kallam Transmission Ltd., Gadag Transmission Ltd. were transferred/sold during the year and further one associate company namely Dinchang Transmission Ltd., for which application for strike off had been filed with Roc during F.Y.2020-21, has been struck off from the Registrar of Companies and dissolved vide MCA letter dated 17.08.2021.

Thus there were total 13 associate during the year.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below, is not modified in respect of other matters with respect to our reliance on the work done and reports of other auditors and financial statement certified by the management.

Report on Other Legal and Regulatory Requirements

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

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

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by so far as it appears from our examination of those books and reports of other auditors;

c) The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of cash flows and the consolidated statement of changes in equity and dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statement;

d) In our opinion, the aforesaid consolidated financial statements comply with IND AS Accounting Standards specified under Section 133 of the Act, read Rule 7 of the Companies (Accounts) Rules, 2014.

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

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

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

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

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

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

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

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

A. K. Batra & Associates New Delhi Chartered Accountants

CA Nitin Grover
Partner
Membership No. 516604
UDIN: 22516604AIVLKJ2786

Place: New Delhi

Date: 11.05.2022

Annexure A to the Independent Auditor's Report on Consolidated Accounts

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

1. In respect of its fixed assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10. (a) The group has not raised any money by way of initial public deposit offer, further public offer (including debt instruments) during the year.
(b) The group has not made any preferential allotment or private placement of shares or convertible debenture during the year.

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

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

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

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

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

14. (a) The group has appointed an internal auditors for the year.

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

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

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

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

18. No statutory auditors has resigned during the year.

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

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

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

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

A. K. Batra & Associates New Delhi Chartered Accountants

CA Nitin Grover
Partner
Membership No. 516604
UDIN: 22516604AIVLKJ2786

Place: New Delhi
Date: 11.05.2022

Annexure B to the Independent Auditor's Report

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

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

Annexure C to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of **REC Power Development and Consultancy Limited** ("the Group") as on 31st March 2022 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting with reference to consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Group; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated Ind AS financial statements.

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

Opinion
In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

A. K. Batra & Associates New Delhi Chartered Accountants

CA Nitin Grover
Partner
Membership No. 516604
UDIN: 22516604AIVLKJ2786

Place: New Delhi
Date: 11.05.2022

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REC Power Development

REC Power Development and Consultancy Limited

(Formerly REC Power Distribution Company Limited)

Consolidated Balance Sheet as at 31 March, 2022

(All amounts in ₹ lakh, unless stated otherwise)

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

Summary of significant accounting policies 1 to 3

The accompanying notes from 4 to 52 are integral part of the financial statements.

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

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

CA Nitin Grover
Partner
Membership No. 516604
Place : New Delhi
Date: 17-05-2022

A. K. Batra & Associates
New Delhi
Chartered Accountants

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

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

REC Power Development and Consultancy Limited

(Formerly REC Power Distribution Company Limited)

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

(All amounts in ₹ lakh, unless stated otherwise)

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

Summary of significant accounting policies 1 to 3
The accompanying notes from 4 to 52 are integral part of the financial statements.

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

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

A. K. Batra & Associates ★ New Delhi ★ Chartered Accountants

CA Nitin Grover
Partner
Membership No. 516604

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

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

Place : New Delhi
Date: 11-05-2022

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

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

(All amounts in ₹ lakh, unless stated otherwise)

A Equity share capital

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

B Other equity

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

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

Summary of significant accounting policies 1 to 3
The accompanying notes from 4 to 52 are integral part of the financial statements.

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

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

A. K. Batra & Associates
New Delhi
Chartered Accountants

CA Nitin Grover
Partner
Membership No. 516604

Place : New Delhi
Date: 11-05-2022

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

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

REC Power Development

REC Power Development and Consultancy Limited

(Formerly REC Power Distribution Company Limited)

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

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	6,886.90	3,262.22
Adjustments for:		
ADD:-		
Depreciation and amortization expense	28.03	132.65
Liabilities/Provisions written back	116.43	-
Impairment on financial assets	(328.91)	2,631.89
Impairment on assets classified as held for sale	970.79	-
Interest expense on other financial liabilities measured at amortized cost	16.00	14.29
Loss on sale of property, plant and equipment (net)	0.29	66.31
Interest expense on lease liability	-	9.71
Interest on working capital loans	-	6.14
Loss/(gain) on termination of lease	-	0.19
Less -		
Interest income on fixed deposit	(341.67)	(334.33)
Interest income on tax free bonds	(607.63)	(605.93)
Interest income from SPVs	(37.22)	(16.41)
Interest income on NCDs	(70.90)	(70.76)
Interest income on staggered papers	(15.10)	(15.04)
Interest income on other financial assets measured at amortized cost	(16.20)	(18.38)
Profit on sale of property, plant and equipment	-	(0.11)
Operating profit before working capital changes	**6,600.81**	**5,062.44**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables (non current)	-	1,361.52
Trade receivables (current)	4,828.05	(7,274.81)
Loans (non current)	-	16.14
Loans (current)	-	42.58
Other financial assets (current)	62.85	(24.54)
Financial Asset - Other bank balances	14,830.95	(5,649.22)
Other current assets	(147.40)	(215.38)
Other non-current assets	-	2.95
Adjustments for increase/ (decrease) in operating liabilities:		
Trade payables	(2,654.53)	1,298.25
Other financial liabilities (current)	(14,392.07)	6,391.09
Other current liabilities	(207.14)	226.00
Provisions (current)	61.21	2.21
Provisions (non current)	(17.15)	12.09
Other non-current liabilities	(16.20)	(16.29)
Liabilities held for sale	(7.08)	(60.10)
Movement in operating assets and liabilities	**2,341.49**	**(3,887.50)**
Cash generated from operations	**8,942.30**	**1,174.93**
Less: Tax paid	(2,474.54)	(180.61)
Net cash flow from operating activities (A)	**6,467.76**	**994.33**

A. K. Batra & Associates ★ New Delhi ★ Chartered Accountants

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

(All amounts in ₹ lakh, unless stated otherwise)

B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment (including capital work-in-progress)		(5.72)	(11.59)
Sale of property, plant and equipment		(0.07)	18.86
Purchase of intangible assets		-	(4.79)
Sale of intangible assets		0.08	-
Deposits with bank		(1,340.53)	(194.23)
Deposit with Bank having original maturity period more than 12 Months		(6,403.20)	(60.36)
Interest received on fixed deposit		341.67	334.33
Interest received from SPV's		37.22	16.41
Interest received on tax free bonds		607.63	605.93
Interest income on NCDs		70.90	70.77
Interest income on staggered papers		15.10	15.04
Purchase of investment in tax free bonds/ NCDs/ staggered bonds			
Sale/(Purchase) of investments		(45.68)	1.89
Sale/(investment) of/in shares of associate companies (net)		81.80	(451.10)
Maturity of term deposits			
Net cash (used in)/flow from investing activities	(B)	**(6,640.80)**	**341.16**
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(2,242.67)	(842.50)
Repayment of borrowings		-	(500.00)
Interest on working capital loans		-	(6.14)
Lease payment on account of principal payment of lease liability		-	(70.79)
Lease payment on account of interest payment on lease liability		-	(9.71)
Net cash used in financing activities	(C)	**(2,242.67)**	**(1,429.14)**
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	**(2,415.71)**	**(93.65)**
Cash and cash equivalents at the beginning of the year		3,874.74	3,968.39
Cash and cash equivalents at the end of the year		1,459.03	3,874.74
Reconciliation of cash and cash equivalents as per the cash flow statement		**(2,415.71)**	**(93.65)**

Explanatory notes -

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

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

Summary of significant accounting policies 1 to 3

The accompanying notes from 4 to 52 are integral part of the financial statements.

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

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

A. K. Batra & Associates ★ New Delhi ★ Chartered Accountants

CA Nitin Grover
Partner
Membership No. 516604

Place : New Delhi
Date: 11-05-2022

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

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

1. CORPORATE INFORMATION

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

The Group is engaged:

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

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

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

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

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

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2. STATEMENT OF COMPLIANCE

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

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

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

2.1 RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

(A) Application of new and revised standards

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

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

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

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.

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- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the consolidated financial statements of the Group.

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

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

These amendments had no impact on the consolidated financial statements of the Group.

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

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

These amendments had no impact on the consolidated financial statements of the Group.

Recent accounting pronouncements: Standards issued but not yet effective.

(i) Ind AS 16 – Proceeds before intended use

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

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

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

The amendment specify that the "Cost of fulfilling" a contract comprises the "cost that relate directly to the Contract". Cost that relate directly to the Contract can either be incremental costs of fulfilling the contract (example would be direct labour, material) or an allocation of other costs that relate directly to fulfilling the contract.
This amendment is essentially a clarification and the Group does not expect the amendment to have any impact in the consolidated financial statements.

(iii) Ind AS 103: Business Combination

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

These amendments have no impact on the consolidated financial statements of the Group.

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

The amendment clarifies which fees an entity includes when it applies the "ten percent" test of Ind AS 109 in assessing whether to derecognise a financial liability.
The Group does not expect the amendment to have any impact in the consolidated financial statements of the Group.

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

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Chartered Accountants

3.1 Basis of preparation and measurement

(i) Going concern and basis of measurement

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis except for certain financial assets and financial liabilities are measured at fair values at the end of each reporting period.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Companies Act, 2013. The Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

(ii) Functional and presentation currency:

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

3.2 Basis of Consolidation

The Group's interests in equity accounted investees comprise interests in the associates. An associate is an entity, including an unincorporated entity, over which the parent company has significant influence and that is neither a subsidiary nor an interest in a joint venture.

Interests in associates are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of Profit and Loss and Other Comprehensive Income (OCI) of equity-accounted investees until the date on which significant influence ceases. In cases where it is considered that the investment/interest in associate is held for sale, the interest in associate is accounted for under Ind AS 105.

3.3 Revenue recognition

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

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

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(i) Identify the contract(s) with customer;

(ii) Identify separate performance obligations in the contract;

(iii) Determine the transaction price;

(iv) Allocate the transaction price to the performance obligations; and

(v) Recognise revenue when a performance obligation is satisfied.

Income from Operation

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

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

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

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

(iii) Professional charges to be charged from the selected bidders/developers for transmission projects put on tariff based bidding is accounted for in the year in which it is reasonably certain that the ultimate collection of the professional charges will be made. Sale proceeds of Request for Proposal (RFP) documents is credited to the respective SPV and sale proceeds of Request for Qualification (RFQ) documents is retained by the Parent Company and accounted as income of the Parent Company. From 06th August 2021, MoP, Government of India revised guidelines, sale proceeds of RFP documents are credited to the BPC account.

Interest income

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

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New Delhi
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3.4 Property, Plant and Equipment:

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

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

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

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

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

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

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

De-recognition

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

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3.5 Intangible assets

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

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

Subsequent measurement (amortization method, useful lives and residual value)
For amortization of intangibles the amortization amount of intangible assets is allocated on a systematic basis over the best estimate of its useful life. Management estimates useful life of intangible assets to be 3 years.

3.6 Fair value measurement

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

• in the principal market for the asset or liability, or

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

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

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

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

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

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

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

3.7 Financial instruments

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

Financial assets:

Initial recognition and measurement

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

Subsequent measurement

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

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are

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an integral part of the EIR. The EIR amortization is included in interest income in the Statement of Profit and Loss.

De-recognition of financial assets

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

Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial guarantee contracts which are not measured at Fair value through profit & loss account.(FVTPL).

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

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

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

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

Financial liabilities:

Initial recognition and measurement

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

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

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

Subsequent measurement

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

De-recognition

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

Offsetting of financial instruments

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

3.8 Non-Current assets/Disposal Company held for sale

Non-current assets /Disposal Company are classified as held for sale if their carrying amount will have recovered principally through sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at lower of

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their carrying amount or fair value less cost to sell, except for assets such as deferred tax, assets arising from employee benefit, financials assets and contractual rights under insurance contracts, which are specifically exempted from this requirement.

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

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

3.9 Employee benefits:

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

a) Fixed Tenure Employees

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

b) Employees on secondment from holding company

The Group is managed by the employees deployed by REC Ltd (holding company) on seconded basis and pays their charges as service fee for deemed service of management service provided by its holding company. The Service charges being charged as a fixed liability on the basis of actual employee cost, added with fixed charges on account of future liability of Provident Fund, Gratuity, Superannuation and Postretirement benefit etc. With paying above charges, Group owes nothing to its holding company for any future liabilities whatsoever of such seconded employees. The Group recognize these cost along with service charge portion to cost of service.

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c) Employees on Third Party Role

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

3.10 Taxation

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

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

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

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

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

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

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

3.11 Provisions, Contingent Liabilities, and Contingent Assets

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

A contingent liability is disclosed for:

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

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

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

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

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3.12 Earnings per share

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

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

3.13 Impairment of assets

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

3.14 Cash and cash equivalents

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

3.15 Funds/grants received from government

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

3.16 Lease Accounting

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

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

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.
At the commencement date, the Group measures the lease liability at the present value of the future lease payments, discounted using the interest rate implicit in the lease if readily available, else the group's incremental borrowing rate.
Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

The Group as a lessor

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

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

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

3.17 Dividend

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

3.18 Material prior period errors

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

3.19 Prepaid Expenses

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

3.20 Rates and taxes

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

3.21 Recognition of expenses in case of SPVs

The Parent Company has been appointed by Government of India to act as Bid Process Co-Ordinator for selection of the Transmission Service Provider (developer) for Transmission Projects. Since the parent company is incurring expenses for its project specific associates (called SPVs), the expenses in these associates have been booked / allocated at the period / year end by raising invoices to the respective SPVs. Direct expenses have been booked to the respective associates for which the expenditure has been incurred. Indirect/Common Expenses of the parent company has been allocated in proportionate basis to different segments (such Consultancy, PIA – distribution, PIA – transmission, Government Schemes, BPC/ TBCB business & New initiatives). The expenses allocated to BPC/ TBCB business segment has been further distributed equally to the respective SPVs from the month of issue of RFQ or RFP or incorporation of SPV, whichever is earlier, till the month in which tenth day from the date of issue of Letter of Intent (LOI) for the transfer of the SPV falls. Part of the month, if any, is considered as full month for cost allocation. The parent company has also charged

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interest on the funds deployed by it. The rate of interest charged is as per interest rate applicable for transmission & distribution loan of REC Limited (the holding company) applicable for ungraded organisation. The rate applicable on the 1st of the financial year shall be applicable for that entire financial year. If bid process activity relating to any SPVs is kept in abeyance by the concerned authority due to any reason, no cost allocation and interest for such period of abeyance shall be made.

3.22 Business combination

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

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

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

3.23.1 Significant management judgments

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

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

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3.23.2 Significant estimates

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

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

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

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

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

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

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

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3.24 Rounding off amounts

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

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

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

4 Property, plant and equipment

(All amounts in ₹ lakh, unless stated otherwise)

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

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

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

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

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

5 Other intangible assets

(All amounts in ₹ lakh, unless stated otherwise)

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

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

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

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REC Power Development and Consultancy Limited

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

(All amounts in ₹ lakh, unless stated otherwise)

6 Investments (Non current)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Investments in debentures or bonds		
(a) Investment in tax free bonds-quoted (at amortized cost) (in holding company)		
(i) REC Limited 15 years secured redeemable tax free bonds @8.46%, bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022 / 31 March, 2021 : 300,000 / 3,00,000)	3,084.14	3,084.14
(ii) REC Limited 15 years secured redeemable tax free bonds @8.63%, bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022 / 31 March, 2021 : 20,000/20,000)	205.72	205.72
(iii) REC Limited 20 years secured redeemable tax free bonds @7.18%, bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022 / 31 March, 2021 : 34,351/34,351)	351.69	351.69
(iv) REC Limited 7.38% tax free 15 years Secured Redeemable Non Convertible Bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022 / 31 March, 2021 : 100,000 / 100,000)	1,024.47	1,024.47
(b) Investment in other securities-quoted (at amortized cost) (in holding company)		
(i) REC Limited 7.55% staggered papers of face value ₹ 1,000,000/- each, fully paid (31 March, 2022/31 March, 2021: 20 /20)	207.69	207.69
(ii) REC Limited 7.09% NCD of face value ₹ 1,000,000 /- each, fully paid (31 March, 2022/31 March, 2021: 100 / 100)	1,020.98	1,020.98
(c) Investment in tax free bonds (in others)-quoted (at amortized cost) **(i) Housing and Urban Development Corporation Limited (HUDCO)**		
20 years secured redeemable tax free bonds @8.76%, bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 50,000 / 50,000)	509.36	509.36
7.39% tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 86,978 /86,978)	881.11	881.30
(ii) National Highway Authority of India Limited (NHAI) 7.35% tax free 15 years secured redeemable non convertible bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 42,855/42,855)	459.79	459.79
7.39% tax free 15 years secured redeemable non convertible bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 35,463/35,463)	367.55	367.55
(iii) Indian Renewable Energy Development Agency (IREDA) 7.49% tax Free 15 years secured redeemable non convertible bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 61,308 /61,308)	667.68	621.76
(iv) Indian Railway Finance Corporation (IRFC) 7.35% tax free 15 years secured redeemable non convertible bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 22,338 / 22,338)	230.80	230.85
(v) National Bank for Agriculture and Rural Development (NABARD) 7.35% tax free 15 years secured redeemable non convertible bonds of face value of ₹ 1000/- each, fully paid (31 March, 2022/31 March, 2021: 14,028/14,028)	140.51	140.51
	9,151.49	**9,105.81**
Aggregate market value of quoted investment	**10,692.80**	**11,108.55**

(a) Refer Note 44 for fair value disclosure.

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

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

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

(All amounts in ₹ lakh, unless stated otherwise)

7 Other financial assets (Non Current)

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

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

(b) The above term deposits are not earmarked.

8 Income tax assets (net)

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

9 Deferred tax assets (net)

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

Movement in deferred tax balances as at 31 March, 2022

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

Movement in deferred tax balances as at 31 March, 2021

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

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10 Trade receivables

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

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

ii) Ageing of trade receivables: -

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

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

11 Cash and cash equivalents

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

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

12 Other bank balances

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

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

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(All amounts in ₹ lakh, unless stated otherwise)

13 Other financial assets (Current)

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

*Refer Note 39F for details of Contract assets.

**Refer Note 41 for details

14 Current tax assets (Net)

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

15 Other current assets

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

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

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

16 Assets/Liabilities classified as held for sale

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

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

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16.1 Investments in associates

Particulars	As at 31 March, 2022	As at 31 March, 2021
Investments in Equity Instruments of associates (fully paid up)		
Chandil Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
Dumka Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
Koderma Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
Mandar Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
Bidar Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
Fatehgarh Bhadla Transco Limited Nil equity shares of ₹ 10/- each (31 March, 2021: 50000)	-	5.00
Gadag Transmission Limited Nil equity shares of ₹ 10/- each (31 March, 2021: 50000)	-	5.00
Kallam Transmission Limited Nil equity shares of ₹ 10/- each (31 March, 2021: 50000)	-	5.00
MP Power Transmission Package I Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
MP Power Transmission Package II Limited Nil equity shares of ₹ 10/- each (31 March, 2021: 50000)	-	5.00
Rajgarh Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: 50000)	5.00	5.00
Sikar New Transmission Limited Nil equity shares of ₹ 10/- each (31 March, 2021: 50000)	-	5.00
ER NER Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2021: Nil)	5.00	0.00
Total	**40.00**	**60.00**

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

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16.2 Amount receivable from associates

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

Note: -

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

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

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

16.3 Payable to associates

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

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(All amounts in ₹ lakh, unless stated otherwise)

17 Equity share capital

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

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

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

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

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

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

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

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

iv) Shares held by promoter company:

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

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

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

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18 Other equity

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

Note:

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

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

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

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

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19 Other financial liabilities

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

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

20 Provisions (Non current)

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

*Refer Note 43 for details

21 Other non-current liabilities

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

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

22 Trade payables

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

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

ii) Ageing of trade payables: - MSME

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

ii) Ageing of trade payables: - Others

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

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

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

	As at 31 March, 2022	As at 31 March, 2021
(ia) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	0.76
(ib) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	53.18
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

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

23 Other financial liabilities (Current)

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

*Refer Note 40 for details

**Refer Note 42 for details

***Refer Note 41 for details

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24 Other current liabilities

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

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

25 Provisions (Current)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for employee benefits*		
Provision for loyalty bonus	-	14.42
Provision for compensated absences	1.84	2.19
Provision for Performance Linked Incentive	75.98	-
	77.82	**16.61**

Provision for loyalty bonus		
Opening Balance	14.42	8.53
Addition During the year	-	42.27
Utilised during the year	(14.42)	(36.38)
Adjusted during the year	-	-
Closing balance	-	**14.42**
Provision for compensated absences		
Opening Balance	2.19	2.19
Addition During the year	0.25	-
Utilised during the year		-
Adjusted during the year	(0.60)	-
Closing balance	**1.84**	**2.19**
Provision for Performance Linked Incentive		
Opening Balance	-	-
Addition During the year	75.98	-
Utilised during the year	-	-
Adjusted during the year	-	-
Closing balance	**75.98**	**-**

*Refer Note 43 for details

26 Current tax liabilities (net)

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

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27 Revenue from operations

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

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

Refer note 39 for details related to revenue from operations

28 Other income

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

29 Cost of services rendered

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

Note :

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

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

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30 Employee benefits expense

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

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

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

31 Finance costs

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

32 Depreciation and amortization expense

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

33 Impairment on financial assets

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

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

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

(All amounts in ₹ lakh, unless stated otherwise)

34 Corporate social responsibility expenses

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

Note - Refer Note 49 for details

35 Other expenses

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

*Details of auditors remuneration are as under :

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

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

36 Impairment on assets classified as held for sale

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

Refer note 16.2 for details

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REC Power Development and Consultancy Limited

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

(All amounts in ₹ lakh, unless stated otherwise)

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

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

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

38 Basic/diluted earnings per share		
Net profit for the year	**5,302.50**	**2,561.56**
Weighted average number of equity shares for EPS	85,500	85,500
Par value per share (in ₹)	10	10
Earnings per share - Basic and diluted (in ₹)	**6,202**	**2,996**

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

A The Group is engaged in providing following services-

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

B Significant management judgments on revenue recognition

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

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

C Segregation of revenue

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

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

(All amounts in ₹ lakh, unless stated otherwise)

State/Union Territory of supply of services	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Andhra Pradesh	11.46	115.58
Arunachal Pradesh	72.48	(15.61)
Assam	92.79	74.83
Bihar	-	295.27
Chhattisgarh	589.70	592.39
Delhi	3,806.36	1,906.57
Goa	850.04	810.92
Jharkhand	346.22	118.76
Jammu and Kashmir	449.98	5,305.93
Karnataka	552.85	138.31
Madhya Pradesh	116.09	67.60
Rajasthan	774.46	774.35
Telangana	8.98	198.00
Uttar Pradesh	2,748.37	5,004.55
West Bengal	1,289.47	1,232.21
Haryana	3,769.89	-
Maharashtra	521.86	409.31
Total revenue from contracts with customers	**16,001.02**	**17,028.97**

D Reconciliation of revenue recognized with contract price

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

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

E Contract balances

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

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

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

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

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

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(All amounts in ₹ lakh, unless stated otherwise)

F Reconciliations of Contract assets

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

G Reconciliations of Contract liability

Opening balance	1.05	15.43
Revenue recognized during the year	(1.05)	(14.38)
Addition during the year	9.45	-
Closing balance	**9.45**	**1.05**

H Reconciliations of cost of fulfillment carried forward

Opening balance	-	319.45
Addition/(Deletion) during the year	-	(319.45)
Closing balance	**-**	**0.00**

I Reconciliation of deferred income

Opening balance	-	89.09
Revenue recognized during the year	-	(89.09)
Addition received during the year	-	-
Closing balance	**-**	**-**

J Remaining performance obligations

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

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

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

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(All amounts in ₹ lakh, unless stated otherwise)

40 Advance for deposit work:

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

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

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

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

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

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

41 Government fund for schemes

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

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

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

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42 Related party transactions

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

a. Details of related parties:

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

* indicates associates sold / transferred in FY 2021-22

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

Key management personnel (KMP)

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

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

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(All amounts in ₹ lakh, unless stated otherwise)

b. Transactions with Holding Company and KMP are as under:

	Year ended	Holding Company	Society registered for undertaking CSR activities	Key management personnel
(i) Transactions during the year				
Services rendered	Year ended 31 March, 2022	1,263.49	-	-
	Year ended 31 March, 2021	681.38	17.44	-
Services received from related party	Year ended 31 March, 2022	1,996.52	-	-
	Year ended 31 March, 2021	1,130.12	-	-
Remuneration to KMP's (through Holding Company)	Year ended 31 March, 2022	-	-	106.12
	Year ended 31 March, 2021	-	-	122.73
Reimbursement of expenditure incurred by the Parent Company on behalf of the related party	Year ended 31 March, 2022	-	-	-
	Year ended 31 March, 2021	-	15.23	
Interest income from investment in tax free bonds	Year ended 31 March, 2022	455.52	-	-
	Year ended 31 March, 2021	454.57	-	-
Dividend on equity shares	Year ended 31 March, 2022	2,242.67	-	-
	Year ended 31 March, 2021	842.50	-	-
(ii) Outstanding Balances at year end				
Amount payables	Year ended 31 March, 2022	597.76	-	-
	Year ended 31 March, 2021	416.25	-	-
Amount receivables	Year ended 31 March, 2022	641.33	-	-
	Year ended 31 March, 2021	569.92	-	-
Non-current investment (Investment in tax free bonds, NCD's & Staggered papers incl. of accrued interest)	Year ended 31 March, 2022	5,894.68	-	-
	Year ended 31 March, 2021	5,894.68	-	-
Other current liabilities	As at 31 March, 2022	-	-	-
	As at 31 March, 2021	-	1.05	-

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

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Key management personnel remuneration includes the following expenses:

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

Note:

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

c. **Transactions with associates are as under:**

	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(i) Dinchang Transmission Limited		
(Struck off from Register of Companies on 17.08.2021)	-	-
(ii) Dumka Transmission Limited (w.e.f. 25 March, 2018:)		
Interest income	-	-
Reimbursement/ expenses reimbursement	0.44	4.00
Advance received from parties	-	-
Investment made	-	-
(iii) Chandil Transmission Limited (w.e.f. 14 March, 2018:)		
Interest income	-	-
Reimbursement/ expenses reimbursement	0.44	4.08
Advance received from parties	-	-
Investment made	-	-
(iv) Mandar Transmission Limited (w.e.f. 26 March, 2018:)		
Interest income	-	-
Reimbursement/ expenses reimbursement	0.44	3.71
Advance received from parties	-	-
Investment made	-	-
(v) Koderma Transmission Limited (w.e.f. 19 March, 2018)		
Interest income	-	-
Reimbursement/ expenses reimbursement	0.44	3.77
Advance received from parties	-	-
Investment made	-	-
(vi) Kallam Transmission Limited (28 May, 2020 - 28 December,2021)		
Consultancy Fees	229.39	
Interest income	2.27	-
Reimbursement/ expenses reimbursement	51.60	41.20
Advance received from parties	11.80	40.20
Investment made	-	5.00
Sale of investments	5.00	-
(vii) Bidar Transmission Limited (w.e.f. 8 June , 2020)		
Interest income	-	-
Reimbursement/ expenses reimbursement	1.65	26.82
Advance received from parties	-	39.07
Investment made	-	5.00
(viii) Gadag Transmission Limited (2 June 2020 - 17 March, 2022)		
Consultancy Fees	393.54	-
Interest income	2.64	-
Reimbursement/ expenses reimbursement	45.12	43.80
Advance received from parties	23.60	52.00
Investment made	-	5.00
Sale of investments	5.00	-

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	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(ix) Ramgarh New Transmission Limited (26 June, 2020 - 9 March, 2021)		
Interest income	-	2.38
Reimbursement/ expenses reimbursement	-	128.05
Advance received from parties	-	52.00
Consultancy fee	-	468.24
Investment made	-	5.00
Sale of investment	-	5.00
(x) Fatehgarh Bhadla Transco Limited (2 June 2020 - 4 June 2021)		
Consultancy fee	1,204.72	-
Interest income	2.40	3.02
Reimbursement/ expenses reimbursement	0.97	112.97
Advance received from parties	-	34.07
Investment made	-	5.00
Sale of investments	5.00	-
(xi) Sikar New transmission Limited (11 June, 2020 - 4 June, 2021)		
Consultancy Fees	1,770.00	-
Interest income	2.01	1.41
Reimbursement/ expenses reimbursement	0.97	114.51
Investment made	-	5.00
Sale of investments	5.00	-
(xii) Rajgarh Transmission Limited (w.e.f. 6 June, 2020)		
Interest income	2.62	-
Reimbursement/ expenses reimbursement	34.30	33.99
Advance received from parties	41.30	49.06
Investment made	-	5.00
Sale of investments	-	-
(xiii) MP Power Transmission Package-I Limited (w.e.f. 4 August, 2020)		
Interest income	14.45	4.80
Reimbursement/ expenses reimbursement	85.95	132.84
Advance received from parties	-	29.80
Investment made	-	5.00
Sale of investments	-	-
(xiv) MP Power Transmission Package-II Limited (w.e.f. 20 August, 2020)		
Consultancy Fees	438.96	-
Interest income	8.83	4.81
Reimbursement/ expenses reimbursement	50.04	134.48
Advance received from parties	-	29.80
Investment made	-	5.00
(xv) ER NER Transmission Limited (w.e.f. 6 October 2021)		
Interest income	1.17	-
Reimbursement/ expenses reimbursement	29.86	-
Advance received from parties	4.70	-
Investment made	5.00	-
(xvi) Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part C1 (Ramgarh II Transmission Limited incorporated on 20-04-2022)		
Interest income	0.13	-
Reimbursement/ expenses reimbursement	10.69	-
Advance received from parties	-	-
Investment made	-	-
(xvii) Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part D * (Sikar Khetri Transmission Limited incorporated on 06-05-2022)		
Interest income	0.13	-
Reimbursement/ expenses reimbursement	10.69	-
Advance received from parties	-	-
Investment made	-	-
(xviii) Transmission system for evacuation of power from Neemuch SEZ (Neemuch Transmission Limited incorporated on 12-04-2022)		
Interest income	0.13	-
Reimbursement/ expenses reimbursement	10.69	-
Advance received from parties	-	-
Investment made	-	-

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		For the year ended 31 March, 2022	For the year ended 31 March, 2021
(xix)	**Establishment of Khavda Pooling Station-2 (KPS2) in Khavda RE Park * (KPS2 Transmission Limited incorporated on 02-05-2022)**		
	Interest income	0.13	-
	Reimbursement/ expenses reimbursement	10.69	-
	Advance received from parties	-	-
	Investment made	-	-
(xx)	**Establishment of Khavda Pooling Station-3 (KPS3) in Khavda RE Park * (KPS3 Transmission Limited incorporated on 29-04-2022)**		
	Interest income	0.13	-
	Reimbursement/ expenses reimbursement	10.69	-
	Advance received from parties	-	-
	Investment made	-	-
(xxi)	**Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase – III Part F * (Beawar Transmission Limited incorporated on 27-04-2022)**		
	Interest income	0.10	-
	Reimbursement/ expenses reimbursement	11.13	-
	Advance received from parties	-	-
	Investment made	-	-
(xxii)	**Transmission Scheme for Solar Energy Zone in Gadag (1500 MW), Karnataka: Part A-Phase-II ***		
	Interest income	0.10	-
	Reimbursement/ expenses reimbursement	11.13	-
	Advance received from parties	-	-
	Investment made	-	-

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

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

Receivable from associates/(Payable to associates)	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Chandil Transmission Limited	253.75	253.35
Dumka Transmission Limited	247.57	247.16
Mandar Transmission Limited	221.82	221.42
Koderma Transmission Limited	227.51	227.10
Bidar Transmission Limited	(1.05)	(2.56)
Gadag Transmission Limited	-	1.38
Fatehgarh Bhadla Transco Limited	-	90.93
Sikar New transmission Limited	-	76.23
Rajgarh Transmission Limited	28.18	(5.57)
Kallam transmission Limited	-	10.62
MP Power Transmission Package-I Limited	199.03	107.37
MP Power Transmission Package-II Limited	-	109.01
ER NER Transmission Limited	28.38	-
Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part C1 (Ramgarh II Transmission Limited incorporated on 20-04-2022)	10.82	-
Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part D * (Sikar Khetri Transmission Limited incorporated on 06-05-2022)	10.82	-
Transmission system for evacuation of power from Neemuch SEZ (Neemuch Transmission Limited incorporated on 12-04-2022)	10.82	-
Establishment of Khavda Pooling Station-2 (KPS2) in Khavda RE Park * (KPS2 Transmission Limited incorporated on 02-05-2022)	10.82	-
Establishment of Khavda Pooling Station-3 (KPS3) in Khavda RE Park * (KPS3 Transmission Limited incorporated on 29-04-2022)	10.82	-
Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase – III Part F * (Beawar Transmission Limited incorporated on 27-04-2022)	11.23	-
Transmission Scheme for Solar Energy Zone in Gadag (1500 MW), Karnataka: Part A-Phase-II *	11.22	-
	1,281.72	**1,336.44**

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

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

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

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

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43 Employee benefit obligations

Defined contribution plans

The Group makes contributions to the Provident Fund for all eligible employees. Under the plan, the Group is required to contribute a specified percentage of payroll costs. Accordingly, the Group has recognized ₹ 32.87 lakh as expense in the statement of profit and loss during the current year (Year ended 31 March, 2021 ₹ 33.47 lakh).

Other long term employee benefit plans

i. **Leave encashment (Compensated absence)**

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

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

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

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

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

Actuarial assumptions				
Discount	0.00%	7.18%	0.00%	6.79%
Expected return on plan assets	NA	NA	NA	NA
Salary escalation	NA	6.00%	NA	6.00%
Attrition				
Upto 30 Years	3.00%	3.00%	3.00%	3.00%
From 31 to 44 Years	2.00%	2.00%	2.00%	2.00%
Above 44 Years	1.00%	1.00%	1.00%	1.00%
Method used **	PUCM	PUCM	PUCM	PUCM

*The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary takes into account the inflation, seniority, promotion, increments and other relevant factors.

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

**Projected unit credit method (PUCM)

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Maturity profile of obligations - Leave encashment

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

Sensitivity analysis in respect of obligation*

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

*Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.
*Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

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44 Financial instruments

i) Financial instruments by category measured at amortized cost:

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

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

ii) Fair values hierarchy

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

45 Financial risk management

i) Risk management

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

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

A) Credit risk

a) Credit risk rating

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

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

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

Asset entity	Basis of categorization	Provision for expected credit 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

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

Credit risk assets are as follows:

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

b) Credit risk exposure

(i) Provision for expected credit losses

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

31 March, 2022

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

31 March, 2021

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

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

31 March, 2022

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

31 March, 2021

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

Note: The entity has measured the expected credit loss on trade receivables using simplified approach on lifetime basis. For the same the Company has used the practical expedient available under Ind AS 109 and computed the expected credit loss using the provision Metrix.

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Reconciliation of loss provision – Trade receivables

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

B) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The group manages liquidity risk by maintaining adequate reserves, back-up facilities such as deposits and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities

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

C) Market risk

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

Currency risk:

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

Interest rate risk

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

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

Price risk:

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

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

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

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

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

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

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

47 Impact of Covid-19 Outbreak

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

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

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

48 Impairment of non financial assets:

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

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49 Corporate social responsibility expenses

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

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

(f) Nature of CSR activities

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

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

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

(iii) Contribution towards PM Cares Fund

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

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

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

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

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

(h) Movements of provision with respect to CSR liability/expenditure	31 March, 2022	31 March, 2021
Opening balance of provision	-	-
Add - Provision made during the year	4.09	-
Less - Provision utilised during the year	-	-
Closing balance of provision	4.09	-

50 Leases

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

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

A Lease payments not included in measurement of lease liability

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

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

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

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

C The Group has total commitment for short-term leases of ₹ 385.93 lakh as at 31 March, 2022 (31 March, 2021 ₹ 69.59 lakh).

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D Maturity of lease liabilities

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

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

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

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

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

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

F Extension and termination options

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

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

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

Critical judgments in determining the lease term

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

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

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51 Ratios Analysis

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

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

Reasons for variation more than 25%

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

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

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

52 Other notes

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

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

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

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

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

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

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(All amounts in ₹ lakh, unless stated otherwise)

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

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

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

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

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

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

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

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

XI Negative figures have been shown in bracket.

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

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

CA Nitin Grover
Partner
Membership No. 516604
Place : New Delhi
Date: 11-05-2022

A. K. Batra & Associates
New Delhi
Chartered Accountants

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

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

Form AOC-1

(Pursuant to provisio to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of Subsidiaries/ Associates/ Joint Ventures for the Year 2021-22

Part A: Subsidiaries

Statement Pursuant to Section 129(3) of the Companies Act,2013 related to Subsidiary Companies is not Applicable

Part B: Associates and Joint Ventures

Details of Associates

(in lakhs)

	Name of Associates	Bidar Transmission Limited*	MP Power Transmission Package I Limited *	Rajgarh Transmission Limited *	ER NER Transmission Limited *	Koderma Transmission Limited *	Chandil Transmission Limited #	Dumka Transmission Limited #	Mandar Transmission Limited #
1	Latest audited/ unaudited Balance Sheet Date	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
2	Shares of Associate/Joint Ventures held by the company on the year end								
	Number	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Amount of Investment in Associates/ Joint Venture	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
	Extent of Holding (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3	Description of how there is significant influence	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1	Refer Note 1
4	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA
5	Networth attributable to Shareholding as per latest Balance Sheet *#	6.59	(162.26)	(10.24)	(25.81)	(192.29)	(215.02)	(209.55)	(187.47)
6	Profit / (Loss) for the year / period	(0.57)	(80.33)	(19.98)	(30.81)	(0.32)	(0.32)	(0.32)	(0.32)
i.	Considered in Consolidation **	-	-	-	-	-	-	-	-
ii.	Not Considered in Consolidation	(0.57)	(80.33)	(19.98)	(30.81)	(0.32)	(0.32)	(0.32)	(0.32)

** The latest audited Balance Sheet available for associates have been prepared on the basis of IND-AS.*

 # The latest management certified Balance Sheet available for associates have been prepared on the basis of IND-AS.

**Associates classified under held for sale and valued at cost or fair market value (less cost to sales) whichever is less, hence profit not considered.

Note : 1. The company is holding 100% of shares but these investments are managed as per the mandate from Government of India and company does not have the practical ability to direct the relevant activities of these companies unilaterally, hence treated as associate company.

Note : 2. Five associates was transferred during FY 2021-22 whose details are as follows:

Name of SPV	Date of transfer
Fatehgarh Bhadla Transco Limited	*04.06.2021*
Sikar New Transmission Limited	*04.06.2021*
MP Power Transmission Package II Limited	*01.11.2021*
Kallam Transmission Limited	*28.12.2021*
Gadag Transmission Limited	*17.03.2022*

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

A. K. Batra & Associates New Delhi Chartered Accountants

CA Nitin Grover
Partner
Membership No. 516604
Place : New Delhi
Date: 11-05-2022

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

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871