

POWERING A SMARTER TOMORROW

16TH ANNUAL REPORT 2022-23



MISSION/VISION AND OBJECTIVES

MISSION/VISION:

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

OBJECTIVES:

- To Promote, develop, construct, own, operate, distribute and maintain 66 KV and below voltage class electrification/distribution electric supply lines/Distribution System.
- To Promote, Develop, Construct, Own and Manage Decentralized Distributed Generation (DDG) and Associated Distribution System.
- Consultancy/Execution of works in the above areas for other agencies/government bodies in India and abroad.
- To plan, promote, develop, design, engineer, construct, operate and maintain "electricity system" as defined under Section 2(25) of the Electricity Act, 2003.
- To promote organize or carry on the business of consultancy services and/or project implementation in any field of activity relating to generation & transmission, distribution of electricity or other related activities thereto in India and abroad.
- Procurement of transmission services, including all activities relating to survey, / detailed project report formulation, arranging finance, project management, obtaining right of way, necessary clearances, site identification, land compensation, design, engineering, equipment, material, construction, erection, testing and commissioning.
- To undertake transmission activities, to apply for requisite licences and to do all things incidental to such activities which is, in the opinion of the Board of Directors, necessary for fulfillment of the objects of the Company.
- To promote and undertake the formation of project specific company/ies, or the formation of any institution, subsidiary company or companies for the purpose of carrying out the aforesaid activities and for the furtherance of transmission services.
- To enter into Joint Ventures or merge any Company or any of the, companies/subsidiaries formed by the Company in pursuance of its objects as aforesaid.

CONTENTS

1.	Corporate Information	2
2.	Board of Directors & CEO	3
3.	Key Officials	4
4.	Financial Highlights	5
5.	Chairman's Letter to Shareholders	6
6.	Notice of AGM	9
7.	Board's Report	12
8.	Management Discussion & Analysis Report	30
9.	Secretarial Audit Report	35
10.	Certificate on Corporate Governance	38
11.	Annual Report on CSR Activities	39
12.	Particulars of Contracts or Arrangements with Related Parties (Form AOC-2)	42
13.	Standalone Financial Statements	46
14.	Independent Auditors' Report on Standalone Financial Statements	98
15.	Comments of C&AG of India on Standalone Financial Statements	109
16.	Consolidated Financial Statements	110
17.	Independent Auditors' Report on Consolidated Financial Statements	163
18.	Comments of C&AG of India on Consolidated Financial Statements	175

CORPORATE INFORMATION

Board of Directors	Shri Vivek Kumar Dewangan, IAS, Chairman Non-Executive Director	
	Shri Ajoy Choudhury Non-Executive Director	
	Shri V.K.Singh Non-Executive Director	
	Shri Sanjay Kumar Non-Executive Director	
Chief Executive Officer	Shri Rajesh Kumar	
Key Officials	Shri S.C Garg - HoD (Distribution)	
	Shri P.S. Hariharan - HoD (Transmission)	
	Shri K.K. Pandey - HoD (HR & CSR)	
	Shri M.L. Kumawat - Company Secretary	
	Shri B.K. Mohanty - HoD (Smart Metering)	
	Shri V. Lakshmana Charyulu - HoD (Finance)	
Registered Office	Core-4, SCOPE Complex,7, Lodhi Road, New Delhi-110003, India. Tel. No.: 011- 43091500	
Corporate Office	Plot No. I-4, Sector-29, Gurugram, Haryana-122001, India Tel. No.: 0124-4441300	
Corporate Website & Email	www.recpdcl.in co@recpdcl.in	
Corporate Identification Number (CIN)	U40101DL2007GOI165779	
Holding Company	REC Limited (CIN : L40101DL1969GOI005095)	
Statutory Auditors	M/s A.K. Batra & Associates, Chartered Accountants, (Firm Registration No. 003499N) A-36, First Floor, Ring Road, Rajouri Garden, New Delhi – 110027.	
Internal Auditors	M/s B.D. Gupta & Associates Chartered Accountants, (Firm Registration No. 016041N) 217, Dhruv Apartment, 4, I.P. Extension Patparganj, Delh-110092.	
Secretarial Auditors	M/s Hemant Singh & Associates Head Off.: 306, Surya Complex, 21, Veer Savarkar Block, Shakarpur, Delhi-110 092	
Bankers	Bank of Baroda	HDFC Bank
	ICICI Bank	IDFC Bank
	IndusInd Bank	Punjab National Bank
	State Bank of India	The Jammu & Kashmir Bank

BOARD OF DIRECTORS



Shri Vivek Kumar Dewangan, IAS
Chairman



Shri Ajoy Choudhury
Non-Executive Director



Shri V.K. Singh
Non-Executive Director



Shri Sanjay Kumar
Non-Executive Director

CEO



Shri Rajesh Kumar
Chief Executive Officer

KEY OFFICIALS



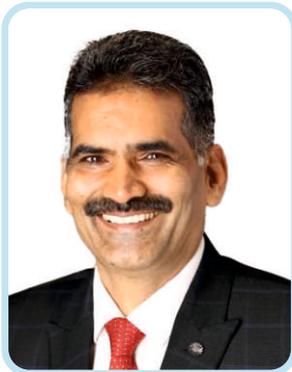
Shri S.C. Garg
HoD (Distribution)



Shri P.S. Hariharan
HoD (Transmission)



Shri K.K. Pandey
HoD (HR & CSR)



Shri M. L. Kumawat
Company Secretary



Shri B. K. Mohanty
HoD (Smart Metering)



Shri V. Lakshmana Charyulu
HoD (Finance)



Shri Arvind Kumar
GM (Finance)



Shri Jaspal Singh Kushwaha
GM (Engg.)



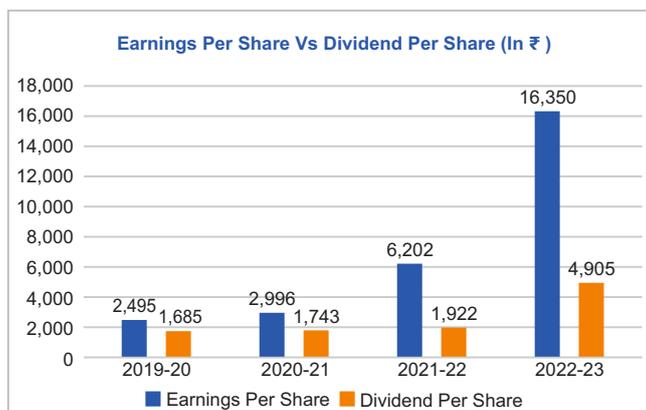
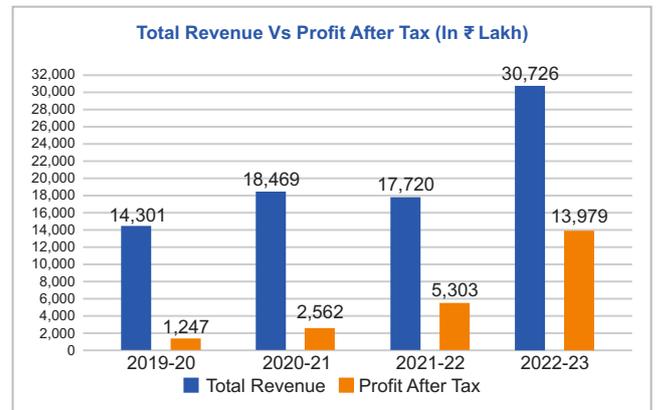
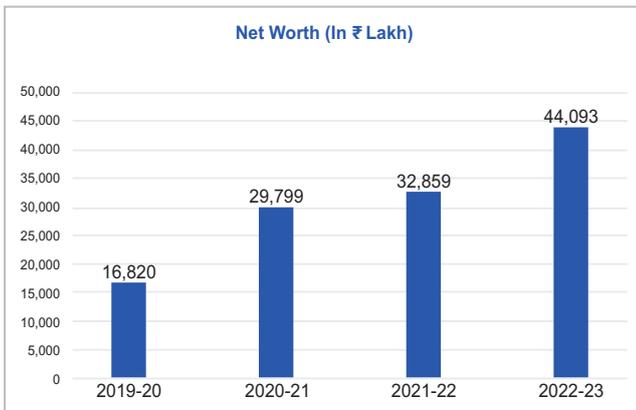
Shri Neeraj Kumar Sharma
GM (Transmission)

FINANCIAL HIGHLIGHTS

(₹ in lakh except EPS and Dividend)

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Shareholders' Fund (at the end of the year)										
Equity Share Capital	8.55	8.55	8.55	5	5	5	5	5	5	5
Reserves & Surplus	44,084	32,850	29,791	16,815	15,568	15,652	15,779	11,745	9,435	6,018
Net Worth	44,093	32,859	29,799	16,820	15,573	15,657	15,784	11,750	9,440	6,023
Financial Results										
Total Revenue	30,726	17,720	18,469	14,301	15,977	20,695	19,158	15,154	8,776	7,516
Profit Before Tax	18,635	6,887	3,262	2,034	4,101	5,469	6,067	5,544	5,252	5,018
Profit After Tax	13,979	5,303	2,562	1,247	2,634	3,494	4,033	3,617	3,477	3,301
Earnings Per Share (in ₹)	16,350	6,202	2,996	2,495	5,268	6,988	8,066	7,233	6,955	6,601
Dividend per share (in ₹)*	4,905	1,922	1,743	1,685	2,300	2,210	2,421	2,170	100	50

*Including proposed final dividend of ₹2,737/- (Rupees Two Thousand Seven Hundred and Thirty Seven Only) per equity share.



CHAIRMAN'S LETTER TO SHAREHOLDERS



Dear Shareholders,

It is my privilege to present to you the 16th Annual Report of your Company and with immense pride, I would like to share that your Company continues to give great performance for yet another year in succession. On the economic front, India is expected to remain one of the fastest growing emerging market economies in the world, despite challenging business environment. With key reforms on the block, India is seen as an engine of global growth. In the power sector, enhanced spending, faster implementation and continuation of reforms are expected to provide further

impetus to growth. Considering low levels of per capita energy consumption in India vis-à-vis the world average; and the Government's strong efforts towards economic development, it is felt that the outlook for power sector remains strong in the long term. The recent developments in Power Distribution sector has opened up new avenues of business diversification for RECPDCL while creating opportunities for the company.

Ministry of Power (MoP), in past years had taken massive initiatives to transform the country from power deficit to power surplus nation, connecting the whole nation into one

grid, strengthening the distribution system and achieving universal household electrification. Our continued endeavour through implementation of energy efficiency programmes has resulted in reduction of energy intensity and avoidance of CO₂ emission.

Your Company is implementing various transmission projects including 220 kV Extra High Voltage (EHV) Transmission Lines (TL) in UT of Ladakh at an altitude of approx. 5,359 meters above mean sea level, which is India's highest transmission line and Gas Insulated Substation in Nubra & Zaskar valley of Ladakh under PMDP-15 scheme. These projects will connect Ladakh to uninterrupted grid power supply and will help in socioeconomic development of the region and in reducing dependence of DG set for power supply, which in turn will result in decreasing the overall Carbon footprint and associated pollution problem in the entire Ladakh region.

During the financial year 2022-23, your Company has transferred thirteen project specific SPVs to the successful bidders and has achieved successful closure of bidding process of 52 Inter/Intra state transmission projects valuing more than ₹68,500 crore. Further, bidding process of 23 transmission projects, valuing more than ₹73,900 crore, are under progress.

Under RE-Bundling scheme, your Company has been nominated by MoP for acting as BPC for bundling Renewable Energy with Thermal and Hydro Power under flexibility in generation scheme thereby contributing towards a greener planet. As Bid Process Coordinator, RECPDCL has recently concluded the bidding process of 1,750 MW of Solar projects for NTPC (1,250 MW) & DVC (500 MW) amounting to ₹7,840 crore under the said scheme.

RECPDCL is a front runner player in implementation of various schemes of Government of India, e.g. working as Project Implementing Agency for National Feeder Monitoring System (NFMS), which is a cloud based central IT platform for monitoring the reliability and quality of power of all 33/22/11 kV outgoing distribution feeders across the country, which will help in providing critical data on losses, supply quality and reliability, essential power parameters etc., on near Real Time basis. The operational Go-Live of this System is targeted in the financial year 2023-24.

Your Company is working as Project Implementation

Agency (PIA) for Advanced Metering Infrastructure for two Discoms of Gujarat for about 41 Lakh Smart Meters and for over 22 Lakh Smart Meters in the UT of Jammu & Kashmir and Ladakh, under RDSS, PMDP & SDP programmes of MoP, for envisaging better financial and operational efficiency of the Discoms. Further, your Company has successfully appointed Advanced Metering Infrastructure Service Provider through GeM portal and discovered one of the most competitive project life cycle cost for Gujrat Discoms projects. Further, to expedite feeder monitoring, RECPDCL is also working as PIA for various projects relating to installation of Smart Feeder Meters for Discoms opting for it.

Financial Performance

During the financial year 2022-23, your Company has achieved a total revenue of ₹307.26 crore against previous year revenue of ₹177.20 crore and Profit After Tax of ₹139.79 crore against the previous year Profit After Tax of ₹53.03 crore. As on March 31, 2023, the Net Worth of the Company is ₹440.93 crore as compared to ₹328.59 crore in the previous year. Earnings per Share (EPS) for the financial year ended March 31, 2023 is ₹16,350 of ₹10/- each as against ₹6,202 in the previous year.

The total dividend pay-out for the financial year 2022-23 will be ₹4,905/- (Rupees Four Thousand and Nine Hundred Five Only) per share amounting to ₹41.93 crore against ₹1,922/- (Rupees One Thousand Nine Hundred and Twenty-Two Only) per equity share in previous year.

Corporate Governance

Your Company is being managed in an ethical and responsible manner. RECPDCL is in compliance with the provisions of the Companies Act, 2013, DPE Guidelines on Corporate Governance, 2010, to the extent applicable. Your Company has received "Excellent" rating from DPE based on compliance of Guidelines on Corporate Governance for CPSEs issued by DPE.

Corporate Social Responsibility

As a socially responsible corporate entity, your company has endeavoured to serve the society at large. During financial year 2022- 23, CSR initiatives were pursued and the company has extended financial assistance for projects

that provide integrated development in society through education, rural development, health services strengthening & empowerment of the marginalized and underprivileged section/communities. During the financial year 2022-23, your Company has allocated a CSR Budget of ₹126.15 lakh and an amount of ₹126.16 lakh was disbursed towards ongoing & new sanctioned CSR projects/activities.

The Path Ahead

Your Company constantly explores and challenges itself to innovate and move forward to get into newer diversified business opportunities in development of transmission and distribution sector projects and also in new high end technology consultancy, while consolidating its existing strengths, Implementation of end-to-end Revenue Management System and Customer Call Center for UT of Ladakh.

Your company plans to enter as a developer in green energy sector with participation in several bidding in the growing solar sector. As PIA, the company is executing transmission projects at the highest altitude and strategic locations in Ladakh under the toughest environmental conditions.

The company is poised to provide digital solutions to utilities like National Feeder Monitoring Scheme (NFMS), Smart Prepaid metering, and also exploring other areas e.g. loss reduction, demand and load forecasting, RE integration, Project Management System tool, Network Monitoring and Operation Centre Tool, Power Procurement Cost optimization, billing solutions, development of Utility scale solar projects, floating solar projects and aspiring to become Distribution Franchisee/Distribution licensee also.

Acknowledgements

I take this opportunity to express my sincere gratitude to the Ministry of Power, Central Electricity Authority, Central Transmission Utility, Department of Public Enterprises, REC Limited (holding Company), for their support and guidance to the Company. I am also grateful to Power Finance Corporation Limited, State Governments, Power Utilities, Vendors, Customers and Business Associates, for reposing their trust in the Company. Further, I record my deep appreciation for the cooperation extended by the C&AG of India, the Auditors, Bankers and other professionals associated with the Company.

Last but not the least, I would like to thank my colleagues on the Board and all employees for their unstinted support. With the continued support and goodwill of all stakeholders, I am confident that your Company will grow from strength to strength and scale new heights in the times ahead.

Thank you & Jai Hind!

With warm wishes,



(Vivek Kumar Dewangan)
Chairman
DIN: 01377212

Date : September 14, 2023
Place: Gurugram

NOTICE

Notice is hereby given that the Sixteenth (16th) Annual General Meeting (AGM) of REC Power Development and Consultancy Limited ("RECPDCL" or "the Company") (CIN:U40101DL2007GOI165779) will be held on **Thursday, September 21, 2023 at 10:00 A.M. at Plot No. I-4, Sector-29, Gurugram, Haryana - 122001, India** to transact the following businesses:-

ORDINARY BUSINESS

- 1) To receive, consider, approve and adopt the audited financial statements of the Company for the financial year ended March 31, 2023 along with the Reports of the Board of Directors and Auditors and the comments of the Comptroller & Auditor General of India thereon.
- 2) To take note of the payment of Interim Dividend for the financial year 2022-23 and to declare Final Dividend on equity shares of the Company for the financial year 2022-23.
- 3) To appoint a Director in place of Shri Vijay Kumar Singh (DIN: 02772733), who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To fix the remuneration of Statutory Auditors for the financial year 2023-24.

**By order of the Board of Directors
For REC Power Development and Consultancy Limited**



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

Date: September 15, 2023
Place: Plot No. I-4, Sector-29,
Gurugram, Haryana - 122001

NOTES:-

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll, if any, instead of himself/herself and such proxy need not be a Member of the Company. The proxy form duly completed and signed must be received at the Registered Office of the Company, not less than forty eight (48) hours before the commencement of the AGM. Blank proxy form and attendance slip of the Meeting is attached and will also be available on the Company's website i.e. www.recpdcl.in
2. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The first trench of Interim Dividend of ₹685/- per equity share and second trench of Interim Dividend of ₹1,483/- per equity share have been declared by Board of Directors in its Meeting held on December 02, 2022 and March 06, 2023. Further, Final Dividend @ ₹2,737/- per equity share, as recommended by Board of Directors in its Meeting held on May 15, 2023, subject to the provisions of Section 123 of the Companies Act, 2013, if approved by the members at this Annual General Meeting, will be paid to the members (REC) or their mandates whose names appear in the register of Members of the Company.
4. The Notice, together with the documents accompanying the same, is being sent to all the equity shareholders, whose names appear in the register of members as on September 15, 2023.
5. A registered equity shareholder or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
6. Corporate Members are requested to attach a duly certified copy of Authority Letter authorizing their representative to attend and vote on their behalf at the Annual General Meeting, along with the Proxy Form/Attendance Slip and deposit the same not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the equity shareholders of the Company.
7. In accordance to Section 139(5) of the Companies Act, 2013, the Auditors of a Government Company are appointed/re-appointed by the Comptroller and Auditor General (C&AG) of India and in terms of Section 142 of the Companies Act, 2013, their remuneration shall be fixed by the Company in a General Meeting or in such manner as the company in a General Meeting may determine. The Board of Directors in its Meeting held on September 14, 2022 recommended the payment of remuneration of ₹3,00,000/- (Rupees Three Lakh only) plus applicable GST inclusive of local travel expenses and other incidental out of pocket expenses to the Statutory Auditors, M/s A.K. Batra & Associates, Chartered Accountants, for the financial year 2022-23 subject to the approval of the members. Accordingly, the shareholders in the 15th Annual General Meeting (AGM) of the Company approved the auditors' remuneration for the financial year 2022-23 as recommended by the Board.

Further, pursuant to Section 139(5) of Companies Act, 2013, Comptroller & Auditor General of India (C&AG) will appoint the Statutory Auditors of the Company for the financial year 2023-24. The members are requested to authorize the Board of Directors of the Company to fix an appropriate remuneration of Statutory Auditors of the Company, as it deems fit, for the financial year 2023-24.
8. Members desirous of getting any information on any item(s) of business of this meeting are requested to address their queries to Company Secretary at the Registered Office of the Company at least five days prior to the date of the Annual General Meeting, so that the information required can be made available at the time of the meeting.
9. The Register of Directors and their Shareholding maintained under Section 170 of the Companies Act, 2013, Register of contracts and arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection by the Members at the Registered Office of the Company on all working days during business hours and at the time of AGM of the Company at the venue of the Meeting.
10. The entire Annual Report is also available on the Company's website i.e. www.recpdcl.in

BRIEF RESUME OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE 16TH ANNUAL GENERAL MEETING.

Name	Shri Vijay Kumar Singh (DIN: 02772733)
Date of Birth	June 3, 1965
Date of Appointment	June 12, 2020
Qualifications	Bachelor's Degree in Electrical Engineering from IIT, Roorkee.
Expertise in specific Functional area	<p>Shri Vijay Kumar Singh is the Director on the Board of RECPDCL since June 12, 2020. He holds a Bachelor's Degree in Electrical Engineering from IIT, Roorkee and has over 34 years of experience in the Indian power sector. He has been working as the Director (Projects) of REC Limited (Holding Company) since July 15, 2022. He joined REC in March, 2007 and prior to joining REC, he had worked in Power Grid Corporation of India Limited and NTPC Limited. He started working in REC Limited with Corporate Planning and International Cooperation & Development Division and had also worked as Additional Chief Executive Officer with REC Transmission Projects Company Limited (Amalgamated Company).</p> <p>Shri Vijay Kumar Singh brings in expertise in various areas such as financial management, power sector domain expertise, project appraisal, corporate planning & strategy, risk management, leadership, board practices & governance, business development, environment & social area, transmission project development & management, TBCB process, procurement of goods & services, construction of EHV sub-stations and transmission lines, and contract management.</p>
Directorship held in other Companies	REC Limited
Membership/Chairmanship of Committees across all Public Companies other than RECPDCL	3
Number of Board Meetings attended by him during the year	12
Number of equity shares held in the Company	One as a nominee of REC Limited (Holding Company)
Remuneration paid	All the Non-Executive Directors on the Board of the Company are nominated by the holding company and are not entitled to any remuneration from the Company. However, considering time devoted by him, certain percentage of his remuneration is paid by Company to Holding Company.
Relationship with other Directors and Other Key Managerial Personnel	None of the Directors have inter-se relationship with any Director, Manager and other Key Managerial Personnel of the Company.

BOARD'S REPORT

To
The Shareholders,

Your Directors have pleasure in presenting the Sixteenth (16th) Annual Report of your company together with the Audited Financial Statements for the Financial Year ended March 31, 2023.

1. PERFORMANCE HIGHLIGHTS

1.1 The highlights of performance of the company for the financial year 2022-23 are as under, with comparative position of previous year's performance:

Financial Parameters	(₹ in crore)	
	FY 2022-23	FY 2021-22
Revenue from Operations	284.84	160.01
Other Income	22.42	17.19
Total Revenue	307.26	177.20
Total Expenses	120.91	108.33
Profit before Tax	186.35	68.87
Tax expenses	46.56	15.84
Profit after Tax	139.79	53.03
Reserve & Surplus	440.84	328.50
Net Worth	440.93	328.59
Earnings Per Share (in ₹)	16,350	6,202

1.2 FINANCIAL PERFORMANCE

During the financial year 2022-23, your Company has achieved a total revenue of ₹307.26 crore against ₹177.20 crore in the previous year and the Profit After Tax of ₹139.79 crore against the previous year Profit After Tax of ₹53.03 crore. As on March 31, 2023, the Net Worth of the Company is ₹440.93 crore as compared to ₹328.59 crore in the previous year. Earnings per Share (EPS) for the financial year ended March 31, 2023 is ₹16,350 of ₹10/- each as against ₹6,202 in the previous year.

1.3 SHARE CAPITAL

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

1.4 DIVIDEND

The Company had declared first Interim Dividend of ₹685/- (Rupees Six Hundred and Eighty-Five Only) per equity share and second Interim Dividend of ₹1,483/- (Rupees One Thousand Four Hundred and Eighty-Three Only) per equity share of ₹10/- each, for the financial year 2022-23, which have been paid in December 2022 and March 2023 respectively. Further, the Board of Directors have proposed final dividend of ₹2,737/- (Rupees Two Thousand Seven Hundred and Thirty-Seven Only) per equity share (on the face value of ₹10/-each), subject to the approval of shareholders of the company in this Annual General Meeting. Hence, the total dividend pay-out for the financial year 2022-23 will be ₹4,905/- (Rupees Four Thousand and Nine Hundred Five Only) per share amounting to ₹41.93 crore against ₹1,922/- (Rupees One Thousand Nine Hundred and Twenty-Two Only) per equity share in previous year.

1.5 TRANSFER TO RESERVES

The Company has not made any transfer to General Reserve & Capital Reserve during financial year 2022-23.

2. REVIEW OF OPERATIONS

During the financial year 2022-23, the performance of RECPDCL has been consistent in its core business viz. Bid Process Coordinator (BPC) for TBCB projects, Project Implementing Agency (PIA) for implementation of distribution infrastructure, SCADA and Smart metering projects, Preparation of Detailed Project Reports (DPR), Third Party Inspection (TPI), Pre-dispatch Material Inspection, Project Management Consultant (PMC)/ Project Management Agency (PMA) under RDSS/DDUGJY/IPDS/ other state funded schemes/ Government schemes. Details of key assignments are as under:

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

Your Company has been engaged as PMA *inter-alia* under RDSS by many states e.g. Arunachal Pradesh, Maharashtra, Meghalaya, Chhattisgarh, Telangana, GoA, Jammu & Kashmir, Andaman & Nicobar, Ladakh, Manipur and West Bengal.

Further, your company has been appointed as PMA by MSEDCL for Loss Reduction, System Strengthening and Smart Metering works under RDSS through open tender. Accordingly, Action plan and DPR has been submitted and the scheme has been sanctioned by the MoP. Further, total 76 Tenders for various works under different packages have been floated and tenders for Loss Reduction works (19 numbers) have been awarded.

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

(ii) Quality Monitoring Projects

Your company has been working on various projects for quality monitoring (RQM under DDUGJY New scheme in 14 states, RQM under DDUGJY RE-12th plan in 7 states, NQM under DDUGJY RE-12th Plan in 3 states, TPI projects under various schemes in 5 states) under quality assurance mechanism of various schemes of Gol. Under the said work, RECPDCL carries out field inspection for villages/substations/feeders and pre-dispatch material inspection at manufacturer's premises. Further, RECPDCL has completed RQM work under DDUGJY-RE 12th plan in 7 states RQM works under DDUGJY new scheme in 14 states, NQM work under DDUGJY-RE 12th plan 3 states and TPI work under/HVDS in Maharashtra.

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

(iii) PIA & PMA works of distribution infrastructure projects in UT of J&K and UT of Ladakh.

The Government of UT of J&K and UT of Ladakh has assigned to your company various distribution infrastructure works under Government of India schemes viz. Prime Minister Development Package (PMDP), Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme (IPDS)/R-APDRP as Project Implementing Agency (PIA) and Project Management Agency (PMA).



Lungmar 66/11kV Sub-Station at an altitude of 12500 feet at Leh, Ladakh was inaugurated on October 17, 2022

Your company has awarded tenders on full turnkey basis for PIA works and projects under IPDS & R-APDRP-Part B has been completed. Further, 96% progress has been achieved under PMDP(U) ongoing projects and 51% progress has been achieved under PMDP(U) addl. projects so far. Further, team has been deployed for monitoring of the works for implementation of various projects wherein RECPDCL has been appointed as PMA in UT of J&K and UT of Ladakh.

(iv) Smart Meter Implementation

a) Smart Grid Pilot Project in Chandigarh under NSGM

Your Company has been awarded the work of implementation of Smart Grid Project for Chandigarh Electricity Department (CED). The project includes Advanced Metering Infrastructure (AMI) for ~25,000 consumers and Sub-station Automation through SCADA in 6 sub-stations. The AMI IT Hardware & Software has been installed and commissioned at CED Data Center (DC). The communication network has been installed covering various sectors of Chandigarh Electricity Department. The quantity of smart meter of 17,490 Nos. Single Phase 5,943 Three Phase and 1,308 Nos. LTCT Smart Meters have already been supplied, installed and commissioned with successful data availability till Meter Data Management System (MDMS).

The AMI & SCADA system implementation work handover & takeover has been completed and it has entered in the O&M phase.

Your Company is implementing Advanced Metering Infrastructure (AMI) projects in the country. The Company has already completed projects for installation of approx. 1.24 Lakh smart meters in Jammu and Kashmir regions and approx. 25 thousand smart meters in Chandigarh.

b) AMI implementation in UT of Jammu & Kashmir under PMDP(U) & RDSS

Your company has been awarded the work of installation of 2 lakh Smart Meters in Jammu & Srinagar towns (one lakh each) for Jammu Power Distribution Corporation Limited & Kashmir Power Distribution Corporation Limited (erstwhile Jammu & Kashmir Power Development Department) under PMDP(U) Scheme. As per available sanctioned fund, the work for 1,15,500 Nos. of Smart Meters which was further revised to 1,27,050 Nos. of Smart Meter and for which project completed and declared Go-Live on March 27, 2023.

- For 6.0 Lakh consumers in J&K on DBFOOT basis under PMDP Phase-II.

Your company has been awarded the work of installation of 6 lakh Smart Meters in Jammu & Kashmir (three lakh each) for Jammu Power Distribution Corporation Limited (JPDCL) & Kashmir Power Distribution Corporation Limited (KPDCL) (erstwhile Jammu & Kashmir Power Development Department) under PMDP(U) Scheme.

The work has been awarded for 3,08,792 Nos. of Smart Meters under Lot-A and further for Lot-B work has been awarded for 2,50,672 Nos. of Smart Meters. In total 84,100 Nos. of Smart Meters have been delivered at site under Lot-A out of which 67,902 Nos. Smart Meters have been installed under Lot-A. Total 35,000 Nos. of Smart Meters were under transit & Implementation work is yet to be started under Lot-B.

- For 14.95 Lakh consumers in J&K on DBFOOT basis under RDSS (Phase-III).

Your Company has been entrusted for implementation of Smart Metering in Jammu & Kashmir Region in UT of J&K on Design Built Finance Own Operate (DBFOOT) basis under RDSS. Accordingly, Lol has been issued by KPDCL on December 16, 2022 and by JPDCL on January 09, 2023.

Further, RfP has been prepared based on the Advanced Metering Infrastructure Service Provider (AMISP) SBD (Version 4.0) issued by nodal agency and tender floated on GeM on behalf of KPDCL & JPDCL respectively.

c) AMI implementation in Gujarat under RDSS

Your company has been awarded the work of smart metering in two utilities of Gujarat viz, Paschim Gujarat Vij Company Limited (PGVCL) & Dakshin Gujarat Vij Company Limited (DGVCL). Further, your company is implementing Smart metering projects as Project Implementing Agency for 23.66 lakh Smart Meters in PGVCL and 17.70 lakh Nos. of Smart Meters in DGVCL.



Being felicitated for Highest Single Bid Procurements through GeM during the Financial year 2022-23

d) AMI implementation in Ladakh under SDP

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

v) Works at Goa

Your Company continued to provide the IT Support services for R-APDRP (Part-A) System and Management and Technical Services for Commercial processes covering SAP support, Geographical Information System, Network Analysis Support, and Revenue Assurance etc. along with Facility Management Services (FMS) wherein RECPDCL was responsible for 24x365 management of entire IT system including all equipment - hardware, software & networks and utility business related modules in order that they have maximum availability to enable utility to realize its desired business objectives.

Your company is executing DPR and PMC work under R-APDRP Part-B having project cost approx. ₹1000 crore in 34 packages and is also helping with the work for preparation of Action Plan and DPR for implementation of RDSS scheme in Goa state. Further, your company has successfully submitted the action plan and DPR for Smart Metering, Loss reduction and modernisation. Monitoring committee has approved Loss reduction and Smart Metering DPR.

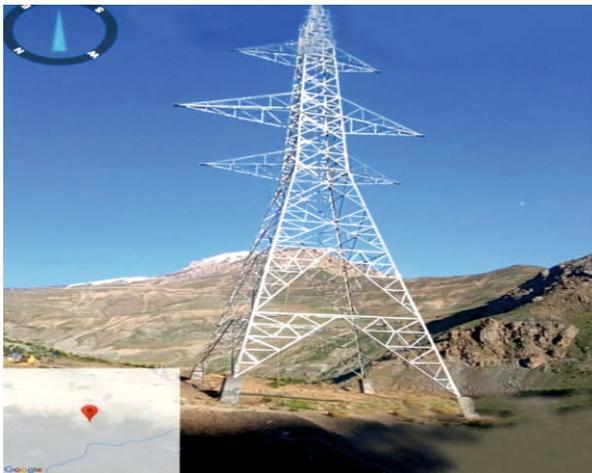


GED Web Site developed and maintained by RECPDCL

vi) Transmission Projects

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

At present, RECPDCL is implementing various transmission projects including 220kV Extra high voltage (EHV) transmission lines (TL) project in UT of Ladakh at an altitude of approx. 5,359 meters above mean sea level, which is India's highest transmission line as well as modern Gas Insulated Substation in Nubra & Zaskar valley of Ladakh under PMDP-15 on behalf of Ladakh Power Development Department (LPDD). These projects will connect Ladakh to uninterrupted grid power supply and help in socio-economic development of the region, to reduce dependence of DG set for power supply which in turn will result in decreasing the overall Carbon footprint and associated pollution problem in the entire Ladakh region. RECPDCL has awarded the work on full Turnkey basis at an award cost of ₹1,203.08 crore and the work is progressing at a brisk pace. The construction of transmission line shall connect the remotest regions of the country with the regional & national grid and evacuation of generated power.



220kV Single Circuit Transmission Line from Drass to Padum on Double Circuit Tower at Kargil, Ladakh being implemented by RECPDCL

In addition to above, your Company is acting as a Project Implementing Agency (PIA) for construction of two Nos. 220/33kV substations (GIS & AIS) in Kashmir & Jammu regions respectively. Your Company has completed and commissioned the 220/33kV, 160 MVA GIS substation at Lassipora in Kashmir region. The GIS constructed at Lassipora is the first of its kind in the region. It is extremely useful in catering present & future energy demand and providing quality & reliable power (24 x 7) to the entire region. Further, Construction of 220/33 kV, 100 MVA AIS substation at Nagrota, Jammu along with associated 220 kV LILO transmission line (approx. 5 kms) is also under progress. This will enhance the interconnectivity with the Regional & National Grid and also provide quality & reliable power to the entire region.

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

Your Company has been awarded the work of providing Management & Technical Consultancy Services under the project name SARTHI for all 5 Discoms of Uttar Pradesh by UPPCL. Your Company is responsible for conducting Energy Audit of all feeders of UPPCL on monthly basis for identifying High loss areas, Feeder Wise Analysis for Key Commercial Parameters on monthly basis, Management of IT Infrastructure and development of Customized IT Application for all Discoms of UPPCL, identify areas of application of IT for increasing consumer centric services and capacity building of officials of UPPCL. SARTHI Project has been closed on April 30, 2022. However, after completion, UPPCL appointed RECPDCL through open tender as consultant for energy audit and analytical support for fiscal improvement of UP Discom till April 30, 2025. Further, dashboard prepared by RECPDCL went Go-Live on November 1, 2022 and is successfully conducting energy audit and analytics.

(viii) Renewable Energy Projects

Your company has been working as PMA/PMC for following renewable energy projects:

- Project Management Consultancy services for 4 MW Floating Solar Power Plant for GMDA at Water Treatment Plant in Chandu Budhera, Gurugram, Haryana.
- DPR Appraisal of 600 MW Lalitpur Solar Park for UPNEDA under Ultra Mega Renewable Energy Power Park (UMREPP) Scheme.
- Bid Process Coordinator (BPC) for RE- Bundling project under Flexibility in Generation Scheme by Gol. Your company has received work orders from NTPC, DVC and other agencies.

(ix) Other Distribution Infrastructure Work

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

(x) Tariff Based Competitive Bidding (TBCB)

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

During the financial year 2022-23, the bid process of 13 Inter/Intra State transmission projects has been completed and transferred to successful bidders, as detailed below:

Sl. No.	Name of Transmission Project	Name of project Specific SPV	Name of Successful bidder & Date of transfers
INTER/INTRA STATE			
1.	Transmission system for evacuation of power from RE projects in Rajgarh (2500 MW) SEZ in Madhya Pradesh	Rajgarh Transmission Limited [CIN: U40106DL2020GOI364436]	Project specific SPV transferred to M/s G R Infraprojects Limited - May 30, 2022.
2.	Transmission system for evacuation of power from Neemuch SEZ	Neemuch Transmission Limited [CIN: U40106DL2022GOI396525]	Project specific SPV transferred to M/s Power Grid Corporation of India Limited - August 24, 2022.
3.	System Strengthening Scheme for Eastern and North Eastern Regions	ERNER Transmission Limited [CIN: U40108DL2021GOI387793]	Project specific SPV transferred to M/s Power Grid Corporation of India Limited - October 10, 2022
4.	Transmission Scheme for Solar Energy Zone in Gadag (1500 MW), Karnataka: Part A-Phase-II	Gadag II -A Transmission Limited [CIN: U40100DL2022GOI399702]	Project specific SPV transferred to M/s ReNew Transmission Ventures Private Limited - November 18, 2022
5.	ISTS Network Expansion scheme in Western Region & Southern Region for export of surplus power during high RE scenario in Southern Region	WRSR Power Transmission Limited [CIN: U40105DL2022GOI404980]	Project specific SPV transferred to M/s Adani Transmission Limited - January 17, 2023
6.	Transmission system for Inter-regional ER-WR Interconnection	ERWR Power Transmission Limited [CIN: U40106DL2022GOI405169]	Project specific SPVs transferred to M/s Power Grid Corporation of India Limited - March 21, 2023
7.	Establishment of Khavda Pooling Station-2 (KPS2) in Khavda RE Park	KPS2 Transmission Limited [CIN: U40106DL2022GOI397788]	

Sl. No.	Name of Transmission Project	Name of project Specific SPV	Name of Successful bidder & Date of transfers
8.	Establishment of Khavda Pooling Station-3 (KPS3) in Khavda RE Park	KPS3 Transmission Limited [CIN: U40109DL2022GOI397632]	Project specific SPVs transferred to M/s Power Grid Corporation of India Limited - March 21, 2023
9.	Transmission scheme for evacuation of 4.5 GW RE injection at Khavda P.S. under Phase-II – Part B	Khavda II- B Transmission Limited [CIN: U40106DL2022GOI397064]	
10.	Transmission scheme for evacuation of 4.5 GW RE injection at Khavda P.S. under Phase-II – Part C	Khavda II- C Transmission Limited [CIN: U40106DL2022GOI397095]	
11.	Transmission Network Expansion in Gujarat associated with integration of RE Projects from Khavda potential RE zone	Khavda RE Transmission Limited [CIN: U40100DL2022GOI397942]	
12.	Transmission scheme for evacuation of 4.5 GW RE injection at Khavda P.S. under Phase-II – Part A	Khavda II- A Transmission Limited [CIN: U40200DL2022GOI396828]	Project specific SPV transferred to M/s Adani Transmission Limited - March 28, 2023
13.	Development of Intra-State Transmission Work in M.P. through Tariff Based Competitive Bidding Package-I	MP Power Transmission Package-I Limited [CIN: U40108DL2020GOI367417]	Project specific SPV transferred to M/s Megha Engineering & Infrastructures Limited - January 21, 2023

In addition to above, the bid process of the following Inter-State/Intra-State transmission projects is under progress and expected to complete in financial year 2023-24:

Sl. No.	Name of Transmission Project	Name of project Specific SPV
1.	Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part C1	Ramgarh II Transmission Limited (U40106DL2022GOI396994)
2.	Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part D	Sikar Khetri Transmission Limited (U40100DL2022GOI397891)
3.	Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part F	Beawar Transmission Limited (U40106DL2022GOI397400)
4.	Transmission system for evacuation of power from Luhri Stage-I HEP	Luhri Power Transmission Limited (U40109DL2022GOI406286)
5.	Construction of Meerut (765 kV) – Shamli 400 kV D/C Line	Meerut Shamli Power Transmission Limited (U40101DL2022GOI408362)
6.	Transmission Scheme for Solar Energy Zone in Bidar (2500 MW), Karnataka	Bidar Transmission Limited (U40106DL2020GOI364498)
7.	Transmission Scheme for North Eastern Region Expansion Scheme-XVI (NERES-XVI)	NERES XVI Power Transmission Limited (U40106DL2023GOI409758)
8.	Transmission Scheme for construction of 400/220 kV, 2×500 MVA GIS substation Metro Depot (Gr. Noida) with associated lines and 400/220 kV, 2×500 MVA GIS substation Jalpura with associated lines	Jalpura Khurja Power Transmission Limited (U42202DL2023GOI413345)
9.	Transmission system for evacuation of power from REZ in Rajasthan (20 GW) under Phase-III Part I	Rajasthan Part I Power Transmission Limited (U42202DL2023GOI413445)
10.	Transmission Scheme for Evacuation of Power from Dhule 2 GW REZ	Dhule Power Transmission Limited (U42202DL2023GOI415484)
11.	Western Region Expansion Scheme XXXIII (WRES–XXXIII): Part B	Ishanagar Power Transmission Limited (U42202DL2023GOI415540)

Sl. No.	Name of Transmission Project	Name of project Specific SPV
12.	Western Region Expansion Scheme XXXIII (WRES-XXXIII): Part C	Karera Power Transmission Limited (U42202DL2023GOI415691)
13.	Transmission System for Evacuation of Power from Shongtong Karcham HEP (450 MW) and Tidong HEP (150 MW)	Shongtong Power Transmission Limited (U42202DL2023GOI415590)
14.	Transmission System for Evacuation of Power from RE Projects in Rajgarh 1000 MW SEZ in Madhya Pradesh - Phase- II	Pachora Power Transmission Limited (U42202DL2023GOI417333)

The strike off the project specific SPV i.e; “Khavda II- D Transmission Limited” is in process as the related Interstate Transmission Projects has been de-notified by CEA, Ministry of Power.

Further, as per directions of Jharkhand Urja Sancharan Nigam Limited (JUSNL), the bidding process with respect of these SPVs has been cancelled and shall be re-initiated upon receipt of necessary directions from JUSNL, Chandil Transmission Limited, Dumka Transmission Limited, Mandar Transmission Limited and Koderma Transmission Limited.



RECPDCL handed over Six projects' specific Special Purpose Vehicles (SPV), mostly formed for the construction of Transmission Projects in Khavda region through Traiff Based Competitive Bidding Process to Power Grid Corporation of India Limited on March 21, 2023

(xi) Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected RE Power Projects

Ministry of Power, Govt. of India has notified RECPDCL as one of the Bid Process Coordinators for conducting bidding process on behalf of generators willing to bundle their conventional power with RE power (RE-Bundling scheme).

Accordingly, under the said scheme, RECPDCL has recently concluded the bid process of 1,750 MW of Solar projects of NTPC (1,250 MW) & DVC (500 MW) amounting to ₹7,840 Crore. LoAs have also been issued to the successful bidders. At present, follow ups are being made for signing of PPA after adoption of tariff by the regulator, as per the guidelines.

(xii) Urja Mitra

Urja Mitra is a distribution sector initiative and a first of its kind application being implemented by your Company, under the guidance of Ministry of Power, Government of India.

Urja Mitra provides a Central Outage Management and notification platform for State power distribution utilities, to disseminate power outage information to urban and rural power consumers across India through SMS, email or push notifications. The consumers get power outage update through integrated mobile application for Android and iOS platforms. Urja Mitra also provides a platform to view real time power outages in any part of the country and lodge complaints on power outages. Data of around 23.24 crore consumers from 53 Discoms have been uploaded on the Urja Mitra App and so far, almost 705 crore SMS have been sent to the consumers.

(xiii) 11 kV Rural Feeder Monitoring Scheme

11 kV Rural Feeder Monitoring Scheme is being implemented by your Company. The objective of the scheme is to monitor quality and reliability parameters of rural power supply at feeder level, to ensure achievement of "24x7 Power for All". The scheme targets to develop a self-sustained, independent, web based automated system by installing Modem/DCUs for rural, agricultural and mixed (agriculture rural) feeders across the country. Data is acquired on various essential parameters of all the outgoing 11kV rural feeders and such 66/33 kV incoming feeders, from where 11kV rural feeders are emanating and information is made available online for all stakeholders. Analysis of such data provides useful MIS to various stakeholders such as Discoms and Central Electricity Authority (CEA).

(xiv) National Feeder Monitoring System (NFMS)

Your Company is Project Implementing Agency for National Feeder Monitoring System (NFMS), which is a cloud based central IT platform for monitoring the reliability and quality of power of all 33/22/11 kV outgoing distribution feeders across the country. The legacy feeder monitoring systems of Discom(s) shall be integrated with NFMS. The platform will provide critical data on losses, essential power parameters, supply quality & reliability and make the information available to all stakeholders including Discoms on near Real-Time basis. Further, RECPDCL is also working to develop a mobile app for the Discom officials to view the reports and insights for monitoring the live progress and performance and will also help power sector stakeholders to have an integrated insight into a Discom's operation at individual feeder level thereby helping them to take focused actions for further improvising the distribution sector.

A pilot demonstration of NFMS portal has been successfully carried out during the RPM meeting chaired by Hon'ble Minister of Power & NRE, Shri R. K Singh held in April' 2023. The operational Go-Live of the System is targeted for financial year 2023-24.

(xv) Tarang

Tarang (Transmission App for Real-Time Monitoring and Growth) is a transmission sector initiative, being run under the guidance of the Ministry of Power, Government of India, through your Company. Tarang App is a real time repository of transmission system across the country. It provides an informative medium regarding Pan-India progress of the transmission system, which can be drilled down for analysis to month-wise, agency-wise, state-wise information etc. Tarang monitors the progress of both inter-state and intra-state transmission projects being implemented through Tariff Based Competitive Bidding (TBCB) process, as well as regulated tariff mechanism.

3. NEW INITIATIVES & ASSIGNMENTS AHEAD

During the financial year, your Company has been exploring into new business opportunities for setting up of InVit for State Transco. Further, The company is poised to provide Digital solutions to utilities like National Feeder Monitoring Scheme (NFMS), Smart Prepaid Metering and also exploring other areas e.g. loss reduction, demand and load forecasting, Dashboard Solutions, Project Management System tool, Network Monitoring and Operation Centre (NOMC) Tool, Cyber Security solution, Power Procurement Cost optimization, billing solutions, development of Utility scale solar projects, floating solar projects and aspiring to become Distribution Franchisee/Distribution licensee also.



RECPDCL signed PIA agreement with Paschim Gujarat Vij Company Limited (PGVCL) and Dakshin Gujarat Vij Company Limited (DGVCL) Discoms of Gujarat for Smart Meter implementation

4. BOARD OF DIRECTORS

4.1 Board of Directors

Your company is headed by an ex-officio Chairman and has 3 other non- executive Directors on its Board. As on March 31, 2023, the composition of the Board was as under:

Sl. No.	Name	Designation	DIN
1.	Shri Vivek Kumar Dewangan *	Chairman & Non-Executive Director	01377212
2.	Shri Ajoy Choudhury	Non-Executive Director	06629871
3.	Shri Vijay Kumar Singh	Non-Executive Director	02772733
4.	Shri Sanjay Kumar	Non-Executive Director	08722752

*Ministry of Power vide Order No. 46/2/2019-RE dated May 18, 2022 has appointed Shri Vivek Kumar Dewangan, IAS (MN: 1993), Additional Secretary, MoP as CMD of REC Limited from the date he assumed charge of post. Shri Vivek Kumar Dewangan has assumed the charge of CMD, REC Limited w.e.f. May 17, 2022.

As per Articles of Association of the Company, the Chairman & Managing Director of REC Limited is the Ex-officio part time Chairman on the Board of the company, who shall not be liable to retire by rotation. Accordingly, Shri Vivek Kumar Dewangan has been appointed as Ex-officio Chairman of the Company.

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

Shri S.K.G Rahate (DIN: 05254178) was Chairman of the Company upto May 10, 2022.

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

Further, as per the provisions of the Companies Act, 2013, Shri Vijay Kumar Singh (DIN: 02772733) shall be eligible to retire by rotation at the 16th Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommend his re-appointment as director and his brief resume is annexed to the notice of this Annual General Meeting.

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

The meetings of the Board are being held at the registered/corporate office of the Company and are scheduled well in advance. Further, the meetings of the Board were also held via Video conferencing in compliance of Companies Act, 2013 & rules thereto. During the financial year 2022-23, twelve (12) meetings of Board of Directors of the company were held on (i) April 22, 2022; (ii) May 11, 2022; (iii) June 21, 2022; (iv) July 18, 2022; (v) August 03, 2022; (vi) September 14, 2022; (vii) October 21, 2022; (viii) December 2, 2022; (ix) December 26, 2022; (x) January 25, 2023; (xi) March 6, 2023 and (xii) March 28, 2023, respectively. The intervening gap between two Meetings was within the period prescribed under the statutory provisions. The resolutions are passed through circulation as required by business needs, after following due compliances and are confirmed in the next board meeting. In cases of pressing business needs, prescribed procedures were followed while convening meetings on shorter notice. The Company is also complying with DPE Guidelines on Corporate Governance for CPSEs and Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Board Meetings (SS-1) and General Meetings (SS-2), to the extent applicable.

The details of Directors' attendance at Board Meetings, last Annual General Meeting (AGM) held during the financial year 2022-23 and number of other Directorships held by Directors are tabled below:-

Sl. No.	Name of Director	Board Meetings			Attendance at Last AGM (held on September 19, 2022)	No. of other Directorships as on March 31, 2023
		Held during the tenure	Attended	Percentage of Attendance		
1.	Shri S.K.G Rahate (from February 22, 2022 to May 10, 2022)	1	1	100	NA	NA
2.	Shri Ravinder Singh Dhillon (from May 10, 2022 to May 16, 2022)	1	1	100	NA	NA
3.	Shri Vivek Kumar Dewangan	10	10	100	Present	1
4.	Shri Ajoy Choudhury	12	12	100	Absent	1
5.	Shri Vijay Kumar Singh	12	12	100	Present	1
6.	Shri Sanjay Kumar	12	11	91.7	Present	1

5 COMMITTEE OF BOARD OF DIRECTORS

5.1 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE.

Your Company has endeavored to serve the Society at large. During financial year 2022-23, CSR initiatives were pursued and the Company has extended financial assistance for the projects that provide integrated development in society in the field of education, rural development, health services strengthening & empowerment of the marginalized and underprivileged sections/communities.

As per the provisions of the Companies Act, 2013 & Rules made thereunder and DPE Guidelines on Corporate Social Responsibility, your company has a Corporate Social Responsibility Committee and the composition of the committee as on March 31, 2023 is as under:

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

During the financial year under review the CSR Committee met four times on April 22, 2022; August 2, 2022; March 6, 2023 and March 27, 2023 details of Directors' attendance are given below:

Name of the Directors	Position in the Committee	No. of Meeting held during the tenure	No. of Meetings attended
Shri Ajoy Choudhury	Chairman	4	4
Shri Vijay Kumar Singh	Member	4	4
Shri Sanjay Kumar	Member	4	4

5.2 CSR BUDGET, EXPENDITURE & POLICY

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

For the financial year 2022-23, RECPDCL has allocated a CSR Budget of ₹126.15 lakh i.e 2% of average net profits for the last three financial years, as per the companies act, 2013 and an amount of ₹117.70 lakh has been spent on projects under CSR for financial year 2022-23. Further the amount set-off as excess spent in financial year 2020-21 is ₹ 8.46 lakhs. Accordingly, total amount disbursed towards running & new sanctioned CSR projects/activities was ₹126.16 lakh including set-off of excess spent in previous financial year as per the details appearing in the "Annual Reports on CSR Activities" forming part of this Annual Report.



RECPDCL has provided Financial Assistance for establishing 5Kw Solar System at Sri Anne Ramakrishnaiah, Zilla Parishad High School and for Construction of Waiting Room and Compound Wall for Cemetery Place at Gollapali Village, Eluru District (erstwhile Krishna District), Andhra Pradesh

6. GENERAL BODY MEETINGS

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

Meeting No.	Financial Year	Date	Venue	Whether any Special Resolution passed
13 th	2019-20	September 22, 2020	Core-4, SCOPE Complex,	No
14 th	2020-21	September 27, 2021	7, Lodhi Road,	No
15 th	2021-22	September 19, 2022	New Delhi-110003	No

No extraordinary general meeting was held during the year. Further, no resolution was passed by Postal Ballot during the year.

The details of 16th Annual General Meeting for the Financial Year 2022-23 is as under:

Day and Date	Time	Venue
Thursday, September 21, 2023	10.00 A.M.	Corporate Office, Plot No. I-4, Sector-29, Gurugram, Haryana - 122001, India

7. KEY MANAGERIAL PERSONNEL

The provisions of the Section 203(1) of Companies Act 2013 read with the Companies Rules, 2014 relating to appointment of Key Managerial Personnel is not applicable to your company and hence, your company has not appointed any Key Managerial Personnel. However, for operational convenience and managing day to day affairs, holding company of your company i.e. REC Limited has deployed various officials on part-time/full time basis, who are having rich and varied experience in the respective fields.

Human Resources

Your company is not having any manpower on its own rolls except some experienced professionals on fixed tenure basis to render value added consultancy services in power sector across the country with the highest quality standards. Further, the company has also engaged Engineering Graduates and other professionals on outsourced basis through Empanelled manpower agencies on flexi rolls for implementation of various projects across the country. The details of total manpower of your company at the end of financial year 2022-23 vis-a-vis 2021-22 are as under:

Sl. No.	Particulars	No. of Employees	
		FY 2022-23	FY 2021-22
1	Regular Employees deployed by REC Limited on secondment basis	48	51
2	Employees on Fixed Tenure basis	39	53
3	Outsourced staff engaged through Manpower Agencies	650	882
	Total	737	986

Further, 11 consultants have also been appointed during the year. In order to enhance the innovation quotient among the workforce of the Company and provide knowledge to ensure compliances and awareness, your company conducts in-house training programmes on regular basis for newly recruited and existing employees.

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the period ended March 31, 2023 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit and loss of the company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

9. RIGHT TO INFORMATION ACT, 2005

During the financial year 2022-23, four RTIs under “Right to Information Act, 2005” has been received for which adequate reply has been submitted.

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

Being a Wholly Owned Subsidiary Company of REC, the Company is following the procurement guidelines of the holding company to the extent applicable. The procurement guidelines are also available on REC’s website at the link: <https://www.recindia.nic.in/uploads/files/PublicProcurementPolicy.pdf>

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

In line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (PoSH Act), a Committee’ has been constituted in the Company for redressal of complaint(s) against sexual harassment of women employees. The committee aims at sensitizing women employees and provide a healthy and congenial atmosphere to work. The committee is headed by a senior woman official of the Company and includes representative of NGO as one of its members. During the financial year 2022-23 no complaint was received by the Company under POSH Act, 2013.

12. ANNUAL RETURN

The Annual Return of the Company for the financial year 2021-22 was filed with the Ministry of Corporate Affairs (MCA); and the draft Annual Return (MGT-7) for the financial year 2022-23, are available on the website of the Company at www.recpdcl.in. After filing of the Annual Return for financial year 2022-23 with MCA, the same will be uploaded on the website at the same weblink.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

14. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

There are no significant particulars relating to conservation of energy, technology absorption under the Companies (Accounts) Rules, 2014, as the company does not own any manufacturing facility. No earnings or outgo in foreign exchange was made during the financial year 2022-23.

15. RISK MANAGEMENT

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

16. AUDITORS

16.1 Statutory Auditors

M/s A.K. Batra & Associates, Chartered Accountants, (Firm Reg. No. 003499N) New Delhi was appointed as Statutory Auditors of the company for the financial year 2022-23 by the Comptroller & Auditor General of India (C&AG). The Statutory Auditors have audited the Financial Statements of the company for the financial year ended March 31, 2023 and have issued their Report without any adverse remark/ observations/qualifications.

Further, pursuant to Section 139(5) of Companies Act, 2013, Comptroller & Auditor General of India (C&AG) will appoint the Statutory Auditors of the Company for the financial year 2023-24. The members are requested to authorize the Board of Directors of the Company to fix an appropriate remuneration of Statutory Auditors of the Company, as it deems fit, for the financial year 2023-24, being appointed by C&AG.

16.2 Secretarial Auditors

M/s Hemant Singh & Associates, Company Secretaries, Delhi (Certificate of Practice No.6370), were appointed as Secretarial Auditors for carrying out Secretarial Audit of the Company for the financial year 2022-23. In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, they have issued Secretarial Audit Report for the financial year 2022-23 and the same is annexed to this Report.

16.3 Compliance Certificate

As per Clause 8.2 of Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by DPE, the Certificate confirming the compliance of conditions of Corporate Governance for the financial year ended March 31, 2023 obtained from M/s Rajat Khaneja & Associates, Practicing Company Secretaries, is annexed to this Report.

17. COMMENTS OF C&AG OF INDIA

The Comptroller and Auditor General of India, vide letters dated July 13, 2023 & July 14, 2023 has given 'Nil' Comments respectively on the Standalone and Consolidated Audited Financial Statements of our company for the year ended March 31, 2023 under Section 143 (6) (b) of the Companies Act, 2013. The Comments of C&AG for the financial year 2022-23, have been placed along with the report of Statutory Auditors of the company elsewhere in this Annual Report.

18. DETAILS OF SUBSIDIARY COMPANIES

As on March 31, 2023, your company had 13 wholly owned subsidiary Companies:

1. Chandil Transmission Limited [CIN: U40108DL2018GOI330905]
2. Dumka Transmission Limited [CIN: U40300DL2018GOI331490]
3. Mandar Transmission Limited [CIN: U40101DL2018GOI331526]
4. Koderma Transmission Limited [CIN: U40300DL2018GOI331192]
5. Bidar Transmission Limited [CIN: U40106DL2020GOI364498]
6. Khavda II-D Transmission Limited [CIN: U40108DL2022GOI397181]
7. KPS1 Transmission Limited* [CIN: U40100DL2022GOI397888]
8. Sikar Khetri Transmission Limited [CIN: U40100DL2022GOI397891]
9. Ramgarh II Transmission Limited [CIN: U40106DL2022GOI396994]
10. Beawar Transmission Limited [CIN: U40106DL2022GOI397400]
11. Luhri Power Transmission Limited [CIN: U40109DL2022GOI406286]
12. Meerut Shamli Power Transmission Limited [CIN: U40101DL2022GOI408362]
13. NERES XVI Power Transmission Limited [CIN: U40106DL2023GOI409758]

Note: *KPS1 Transmission Limited has been transferred to M/s Megha Engineering & Infrastructures Limited on April 20, 2023.

It is important to mention here that the transmission project pertinent to SPV i.e. "Khavda II- D Transmission Limited" has been de-notified by CEA. Hence, strike off of the name of project specific SPV is in process.

Further, after the end of financial year 2022-23, the following new SPVs have been incorporated as wholly-owned subsidiaries of RECPDCL and REC, namely:

- Jalpura Khurja Power Transmission Limited [CIN: U42202DL2023GOI413345]
- Rajasthan Part I Power Transmission Limited [CIN: U42202DL2023GOI413445]
- Dhule Power Transmission Limited [CIN: U42202DL2023GOI415484]
- Ishanagar Power Transmission Limited [CIN: U42202DL2023GOI415540]
- Karera Power Transmission Limited [CIN: U42202DL2023GOI415691]

- Shongtong Power Transmission Limited [CIN: U42202DL2023GOI415590]
- Pachora Power Transmission Limited [CIN: U42202DL2023GOI417333]

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

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

19. STATUTORY DISCLOSURES

- a) There was no change in the nature of the business of the company during the financial year 2022-23.
- b) The Company has not accepted any public deposits during the financial year 2022-23;
- c) No material change affecting the financial position of the Company has occurred between the end of the financial year i.e. March, 31, 2023 and the date of this report;
- d) There were no significant and material orders, penalties or strictures imposed on the Company by any statutory authority during the last three years impacting the going concern status and the Company's operations in future;
- e) The Statutory Auditor & Secretarial Auditors have issued their respective reports without any adverse remark/observations/qualification;
- f) The Company ensures proper compliances of all statutory laws applicable to the Company and all returns/reports were filed within stipulated time with the concerned authorities;
- g) The Company has not entered into any material, financial or commercial transactions with the Directors or the Management or their relatives or the companies and firms etc. in which they are either directly or through their relatives interested as Directors and/or Partners. However, your company is executing the assignment received from its holding company, where Directors of your company are working as Directors/Senior Officials;
- h) The Directors/Senior Officials of your company, being the employees of the holding company i.e. REC Limited, have made the required disclosures, as applicable, to the Board of holding Company relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large (e.g. dealing in company shares, commercial dealings with bodies which have shareholding of management and their relatives etc.);
- i) The administrative and office expenses for the financial year 2022-23 is ₹1,313.57 lakh as compared to ₹1,099.62 lakh during the financial year 2021-22. Further, during the financial year 2022-23, Administrative and office expenses as a percentage of total expenses were 10.86 % as compared to 10.15% during the previous year.
- j) The Board and Senior Management of your company monitors various risks likely to arise and reviews the various risks and initiates action for mitigation of any risk arising in the operation and other related matters of the Company;
- k) Internal financial controls are exercised in the company, keeping in view the size of operations of the Company. The Company has appointed a firm of Practicing Chartered Accountants as Internal Auditors for conducting the Internal Audit;
- l) The particulars of investments under Section 186 of Companies Act, 2013 are given in the notes to accounts to financial statement of the Company and as such form part of this Annual Report;
- m) The provisions of Section 197 of the Companies Act, 2013 and Rules made thereunder are not applicable to government companies;
- n) The Company has not issued any stock options to the Directors or any employee of the Company;

- o) The Board of the Company in its 41st Meeting held on April 7, 2014 has approved that being a wholly owned subsidiary company of REC, the policies adopted by REC Limited shall be applicable *mutatis-mutandis* on RECPDCL also. The same is adhered to by the Company;
- p) There is no expenditure debited in books of accounts, which is not for the purpose of the business. There are no expenses incurred, which are personal in nature or incurred for the Board of Directors or Top Management;
- q) The Company is a wholly owned subsidiary of REC Limited and accordingly Presidential Directives issued by the Central Government, for the financial year 2022-23 and during last three years preceding the financial years if any, shall apply to the Company, to the extent applicable and are being complied;
- r) There is no vigilance case pending as on March 31, 2023;
- s) The Company is complying with the requirement as stated in OM dated January 24, 2018 of Ministry of Parliament Affairs, Government of India, to the extent applicable;
- t) The Central Government has not prescribed the maintenance of cost records for the products/services of the company under Companies (Cost Records and Audit) Rules, 2014, read with Companies (Cost Records and Audit) Amendment Rules, 2014 prescribed by the Central Government under Section 148 of the Companies Act, 2013. Accordingly, Cost Accounts and Records are not required to be maintained by the Company;
- u) The provision relating to Audit Committee is not applicable to the Company. However the financial statements of the company are being reviewed by audit committee of holding company;
- v) As on March 31, 2023, there was no application made or proceeding pending against RECPDCL, for initiation of Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016. Further, details of difference between amount of valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions, are not applicable;
- w) In pursuance of the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010, issued by DPE, quarterly Compliance Report's signed hard copy /online report as prescribed from time to time has been submitted to the Ministry of Power within 15 days from the end of quarter and similarly annual Compliance Report is being submitted by May 31, every year, as given below:

Report for Quarter ended	Date of submission of report
June 30, 2022	July 13, 2022
September 30, 2022	October 11, 2022
December 31, 2022	January 5, 2023
March 31, 2023	April 12, 2023
Annual CG Report for Financial Year 2022-23	May 19, 2023

20. STATUTORY AND OTHER INFORMATION REQUIREMENTS

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

Particulars	Annexure
Management Discussion and Analysis Report	I
Secretarial Audit Report	II
Compliance Certificate on Corporate Governance	III
Annual Report on CSR Activities	IV
Particulars of Contracts or Arrangements with Related Parties (AoC-2)	V

21. ACKNOWLEDGMENTS

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

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

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

For and on behalf of the Board of Directors



(Vivek Kumar Dewangan)
Chairman
DIN:01377212

Date: September 14, 2023
Place: Gurugram

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

1. INTRODUCTION

The Indian power sector has undergone a significant transformation in the past decade. In 2012, the energy deficit was nearly 4.2%. Over 175GW generation capacity has been added since 2014 transforming the country to power surplus. The whole country has been connected to one grid by adding 173,459 circuit kilometres of transmission lines in the last 8 years and the power transmission capacity in Inter State Transmission Systems (ISTS) is now 112,250 MW in different directions resulting in "One Nation - One Grid - One Frequency". The Indian grid has now emerged as the largest integrated grid in the world.

Ministry of Power, in past years had taken various initiatives to transform the country from power deficit to power surplus nation, connecting the whole nation into one grid, strengthening the distribution system and achieving universal household electrification. Our continued endeavor through implementation of energy efficiency programmes has resulted in reduction of energy intensity and avoidance of CO₂ emission.

2. BUSINESS ENVIRONMENT

During the Financial Year 2022-23, the Peak Demand of electricity increased to 215.89 GW as against 203.01 GW in financial year 2021-22 and the Installed Generation Capacity is 415.50 GW with generation mix of Thermal (57%), Hydro (11.3%), Renewable (30%) and Nuclear (1.6%) as on March 31, 2023. During the financial year 2022-23, total 14,625 circuit kilometers (ckms) of transmission lines (220 kV and above) have been commissioned. Similarly, 75902 MVA of transformation capacity of substations (220 kV and above) has been added during the financial year 2022-23.

Every village, every hamlet and every home has been connected to electricity thereby ensuring universal access. This transformation from an acutely power deficit country, to a situation of demand being met, except for an extremely marginal shortfall of less than 1% on account of constraints in distribution network, has been made possible by the relentless efforts of the Government and all the stakeholders. In the Distribution Sector, Government of India has been assisting the States / Distribution Companies (Discoms) through various schemes, namely Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY); Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA); Integrated Power Development Scheme (IPDS) etc. Recently, Gol has launched the Revamped Reforms based and Results Linked Distribution Sector Scheme with an outlay of ₹ 3,03,758 crore with an estimated GBS from Central Government of ₹97,631 crore. This scheme seeks to improve the operational efficiencies and financial sustainability, by providing financial assistance to Discoms for strengthening of supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks in reforms.

3. INDUSTRY DEVELOPMENT

India has total installed power capacity of over 416 GW as on March 31st, 2023 out of which 235.81 GW is fossil fuel based (Coal/gas etc.) and 174.53 GW is non-fossil fuel (Renewable Energy + Nuclear) based. The installed capacity is now close to double the peak demand and India is exporting power to Nepal, Bangladesh and Myanmar. The total electricity generation of country from all sources during the current year 2022-23 (upto December 2022) was 1223.135 BU as against the generation of 1113.712 BU during the corresponding period last year, showing a growth of 9.8%. The electricity generation from Non-Fossil Fuel sources during 2022-23 (upto December 2022) has increased by 11.5% over corresponding period last year. Share of generation from Non-Fossil Fuel sources in total generation has been 27.1% during the current year 2022-23 (upto December 2022). The rising power demand reflects the economic growth in the country. The Government and other stakeholders are working together to ensure unhindered power supply and efforts at all fronts are being made and measures are being taken for better utilization of various resources.

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

Strengthening the Distribution Sector

Initiatives have been designed to tackle the longstanding financial and operational issues of Discoms relating to AT&C losses, ACS-ARR gap, corporate governance and financial liquidity; and changing their orientation to a service centered approach, with the consumer as the focus. At the same time, equal emphasis has been given to modernize the Discoms with the use of technology like pre-paid smart metering, SCADA, billing solutions, digital payments and CRM systems. Further, Gol has taken

multiple steps to create a conducive environment around ailing Discoms with the initiatives like introducing corporate governance in the day to-day operations of the companies; laying down prudential norms for funding agencies to be followed before sanction of working capital loans to power distribution companies; and bringing focus on segregation and solarization of agriculture feeders to minimize state government subsidy burden as well as reducing dependence of Discoms on subsidy receivables.

The landmarks achievements in Power sector, especially in Power Distribution Sector are as hereunder:

a) Revamped Distribution Sector Scheme (RDSS)

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

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

So far, Loss Reduction works of ₹1.19 lakh crore (including PMA works) have been sanctioned for total 28 States/UTs with GBS of ₹75,883.58 crore ₹3,311.42 crore has been released as GBS towards loss reduction works under RDSS as per scheme applicable. Further funds will be released based on start of works post tendering by utilities and subject to meeting pre-qualification criteria.

During the financial year, RECPDCL has undertaken new assignments and has been appointed as PMA for preparation of Action plan and DPR by the states namely: (i) Arunachal Pradesh (ii) Meghalaya (iii) Chhattisgarh (iv) Telangana (v) Goa (vi) Puducherry (vii) Jammu & Kashmir (viii) Andaman & Nicobar (ix) Ladakh (x) Manipur and (xi) West Bengal.

RECPDCL is carrying out the works of PMA under Revamped Reformed Based Result Linked Distribution Sector Scheme in the area of MSEDCL.

b) Smart Metering

Prepaid Smart metering is the critical intervention envisaged under RDSS with an estimated outlay of ~₹1,50,000 crore with ~GBS of ₹23,000 crore and 25 crore prepaid smart meters are targeted to be installed during the Scheme period. Along with the prepaid Smart metering for consumers, system metering at feeder and DT level with communicating feature along with associated Advanced Metering Infrastructure (AMI) would be implemented under TOTEX mode (Total expenditure includes both capital and operational expenditure) thereby allowing the Discoms for measurement of energy flows at all level as well as energy accounting without any human interference. Proper and accurate energy accounting is the key for identification of high loss and theft prone areas, whereby, utilities billing and collection efficiencies will improve significantly, thereby reduces the AT&C losses of Discoms to the larger extent.

c) Additional Borrowings Scheme

Ministry of Power have notified revised Additional Prudential Guidelines 2022 for sanctioning of loans to Discoms/ TRANSCOs/ GENCOs. These essentially entail that loans to Discoms and other State-owned utilities by PFC and REC would be contingent to their performance against prescribed conditions. The prudential norms for Discoms include -timely availability of audited annual accounts; timely filing of tariff petitions; timely issuance of tariff orders; determination of full cost tariff by SERCs; timely release of subsidy by State Governments; adherence to working capital norm as a percentage of revenue; outstanding of Government Departments electricity bills; AT&C trajectory and ACS-ARR gap as prescribed by MOP/ GOI Scheme; no default to any FI/ bank; preparation of quarterly accounts.

The Ministry of Power has also advised all other FIs/ Banks to adopt and implement the revised Additional Prudential Norms for loan to Discoms/ TRANSCOs/ GENCOs. It is expected that such prudent lending practices will encourage States to come out of the vicious debt-trap and undertake more radical reform measures required for achieving financial sustainability of its power utilities.

4. WEAKNESS AND THREATS

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

- a) The PMA/RQM/TPI projects are on the verge of completion leading to reduction in overall revenue generation from the same.
- b) Inadequate experience in implementation projects in Distribution sector and shortage of skilled resources limit the scope of business diversification in other promising fields e.g. Distribution Franchisee or Discom privatization works which are generally awarded through competitive bidding process.
- c) Majority of employees are on Contract basis hired from outsourced agencies.
- d) Strategic partnership with limited number of agencies restricts RECPDCL in venturing into new business areas as well as lesser leverage in technology intensive projects.
- f) Financial health of Discoms poses challenge in getting timely payment for our various services.

5. OPPORTUNITIES

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

RECPDCL is implementing projects in various Discoms of the country as under and the company plans to take more such similar assignments in future.

- a. Installation of 23.66 lakh Smart Meters in Paschim Gujarat Vij Company Limited (PGVCL) under RDSS.
- b. Installation of 17.70 lakh Smart Meters in Dakshin Gujarat Vij Company Limited (DGVCL) under RDSS.
- c. Installation of Smart metering works for 7.28 lakh consumers under RDSS in Kashmir Power Distribution Company Limited (KPDCL).
- d. Installation of Smart metering works for 7.62 lakh consumers under RDSS in Jammu Power Distribution Company Limited (JPDCL).
- e. Implementation of End-to-End Revenue Management System and Customer Call Center for Power Development Department in UT of Ladakh.
- f. RECPDCL has the opportunity to showcase its flagship projects across Discoms while extending the energy accounting model upto consumer level.
- g. The company plans to enter as a developer in green energy sector by venturing into partnership with others CPSUs.
- h. As PIA, the company is executing transmission projects at the highest altitude and strategic locations in Ladakh under toughest environmental conditions. The company plans to take up new transmission assignments from other TRANSCOs.
- i. The company is poised to provide Digital solutions to utilities like National Feeder Monitoring Scheme (NFMS), Smart Pre-paid metering and also exploring other areas e.g. loss reduction, demand and load forecasting, RE intergration, Project Management System tool, Network Monitoring and Operation Centre (NOMC) Tool, Cyber Security solution, Power Procurement Cost optimization, billing solutions, development of Utility scale solar projects, floating solar projects and aspiring to become Distribution Franchisee/Distribution licensee also.

- j. With an objective of monitoring the supply quality & reliability and other essential power parameters, RECPDCL is setting up a National Feeder Monitoring System (NFMS) which Central IT Solution, shall integrate with all Feeder Monitoring Solutions of the country with a vision of monitoring 100% of rural, urban & agricultural feeders centrally.
- k. The Company has been nominated by MoP for acting as BPC for bundling Renewable Energy with Thermal and Hydro Power under flexibility in generation scheme. Under this scheme, the Company has already got assignment from NTPC, DVC and Tata Power and is also exploring opportunities with other GENCOs.

6. PRODUCT-WISE & SEGMENT-WISE PERFORMANCE

RECPDCL has been working with most of the Discoms/Power Departments/Co-operative Societies in the country across power value chain. During the financial year 2022-23, the performance of RECPDCL has been consistent in its core business viz. Bid Process Coordinator (BPC) for TBCB projects, Project Implementing Agency (PIA) for implementation of distribution infrastructure, SCADA and Smart metering projects, Preparation of Detailed Project Reports (DPR), Third Party Inspection (TPI), Pre-dispatch Material Inspection, Project Management Consultant (PMC)/ Project Management Agency (PMA) under DDUGJY / IPDS/ other state funded schemes/ Government schemes, TBCB process as well as regulated tariff mechanism.

7. STRENGTHS

- a) RECPDCL has core expertise as Bid Process Coordinator (BPC) and successfully transferred project specific SPVs related to 51 Transmission projects - Interstate and Intra state valuing above ₹67,500 Crore.
- b) RECPDCL has also been selected at BPC for conducting bidding process on behalf of GENCOs/generators willing to bundle their conventional power with RE power under the RE Bundling scheme of MoP.
- c) RECPDCL has been working as PMA for DPR preparation and as a Third Party Inspection agency for over 10 years.
- d) RECPDCL has successfully delivered the DPR for various distribution infrastructure works. The DPRs were subsequently approved and funding was provided to RECPDCL's clients by various agencies.
- e) RECPDCL is present pan India and provides various services in Transmission and Distribution sector.
- f) As a subsidiary of Nodal Agency (REC), RECPDCL has enhanced avenues and expertise for business opportunities in flagship programs of Govt. of India, such as DDUGJY, SAUBHAGYA, RDSS etc.
- g) RECPDCL has a stellar track record of undertaking distribution system improvement projects through strengthening of Infrastructure and implementation of smart metering in license areas of Discoms with reported AT&C losses of over 60%. The UT of Jammu and Kashmir shall be able to reap the benefits of such schemes in the coming years.
- h) RECPDCL is also undertaking the implementation of advance metering infrastructure in two Discoms of Gujarat (PGVCL and DGVCL), to further help the Discoms in enhancing their efficiency.
- i) Bidding process for 2 projects of 1750 MW Solar Power projects are already ongoing as on 31.03.2023. Further, bid process is soon to be initiated for 100 MW Wind Power Project under the RE Bundling scheme.
- j) RECPDCL has been appointed as the survey agency by the MoP for 6 large Interstate transmission projects covering the states of Karnataka, Gujarat & Rajasthan.
- k) RECPDCL targets to complete the transfer of the project specific SPVs for 21 ongoing projects (as on July 2023) valuing more than ₹73,900 Crore, for which RECPDCL has been selected as the Bid Process Coordinator.

8. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has established an Internal Control system with comprehensive monitoring policies and procedures. This ensures systematic and efficient business conduct, asset protection, fraud and error prevention and detection, accurate accounting records and reliable financial information.

The organization's management reviews employee challenges in day-to-day operations, corporate policy non-compliance and violations of professional codes periodically. These specific responsibilities are documented in employees' individual personnel files. In the realm of performance management, employees participate in compliance and performance data collection and processing, reflecting their involvement in various organizational units and responsibilities for compliance and operational activities.

To maintain effective internal control, the organization has appropriately delegated authority, established checks and balances and issued accounting guidelines. Regular and thorough internal audits of business operations are carried out by external professional audit firms. These audits cover key operational areas including statutory compliance, IT security guidelines and internal financial controls.

9. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

RECPDCL is not having any manpower on its own rolls except some experienced professionals on fixed tenure contract basis to render value added consultancy services in power sector across the country with the highest quality standards.

However, for operational convenience and managing day to day affairs, REC Limited (Holding Company) has deployed some officials on part-time/full time basis, who are having rich and varied experience in the respective fields. Further, the Company has also engaged Engineering Graduates and other professionals on outsourced basis through manpower agencies for implementation of various projects across the country. At the end of financial year 2022-23, the total manpower of the Company stood at 737 which comprises of (i) 48 Regular Employees deployed by REC on secondment basis, (ii) 39 Employees on Fixed Tenure Contract basis and (iii) 650 Outsourced staff engaged through Manpower Agencies. Further, 11 consultants have also been appointed during the year.

10. FINANCIAL AND OPERATIONAL PERFORMANCE

During the financial year 2022-23, your Company has achieved a total revenue of ₹307.26 crore against previous year revenue of ₹177.20 crore and the Profit After Tax of ₹139.79 crore against the previous year Profit After Tax of ₹53.03 crore. As on March 31, 2023, the Net Worth of the Company is ₹440.93 crore as compared to ₹328.59 crore in the previous year. Earnings per Share (EPS) for the financial year ended March 31, 2023 is ₹16,350 of ₹10/- each as against ₹6,202 in the previous year.

11. CORPORATE SOCIAL RESPONSIBILITY

As a socially responsible corporate entity, RECPDCL has endeavored to serve the society at large. During financial year 2022-23, CSR initiatives were pursued and the company has extended financial assistance for the projects that provide integrated development in society through education, rural development, health services strengthening & empowerment of the marginalized and underprivileged section/communities.

For the financial year 2022-23, RECPDCL has allocated a CSR Budget of ₹126.15 lakh i.e 2% of average net profits for the last three financial years, as per the Companies Act, 2013. The total amount disbursed towards ongoing & new sanctioned CSR projects/activities was ₹126.16 lakh including set-off of excess spent in previous financial year as per the details appearing in the "Annual Reports on CSR Activities" forming part of this Annual Report.

Cautionary Note

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

For and on behalf of the Board of Directors



(Vivek Kumar Dewangan)
Chairman
DIN:01377212

Date: September 14, 2023
Place: Gurugram

**FORM NO.MR-3
SECRETARIAL AUDIT REPORT****For the financial year ended on March 31, 2023****[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,
The Members,
REC POWER DEVELOPMENT AND CONSULTANCY LIMITED
Registered Office:
Core 4, SCOPE Complex, 7,
Lodhi Road, New Delhi -110003

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **REC POWER DEVELOPMENT AND CONSULTANCY LIMITED** having **CIN: U40101DL2007GOI165779 (hereinafter called "the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, explanations and clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the representation made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023,

- Complied with the statutory provisions listed hereunder and
- Proper Board-processes and compliance-mechanism in place

to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, according to the provisions of:

- The Companies Act, 2013 (the Act) and the Rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;**(Not applicable to the Company during the Audit period)**
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;**(Not applicable to the Company during the Audit period)**
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;**(Not applicable to the Company during the Audit period)**
- The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;**(Not applicable to the Company during the Audit Period)**;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;**(Not applicable to the Company during the Audit Period)**;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;**(Not applicable to the Company during the Audit Period)**;
 - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;**(Not applicable to the Company during the Audit Period)**;

- e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period);**
- f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the Audit Period);**
- g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);** and
- h. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the Audit Period);**
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not applicable to the Company during the Audit Period);**

The Company is a wholly owned subsidiary of REC Limited and acting as Bid Process Coordinator (BPC) for projects allocated by Ministry of Power/State Government by selection of developer as Transmission Service Provider (TSP) through Tariff Based Competitive Bidding Process (TBCB). In order to initiate development of each transmission project, RECPDCL incorporates a project specific Special Purpose Vehicle (SPV) and after selection of successful bidder through TBCB process, the respective project specific SPV along with all its assets and liabilities is transferred to the successful bidder. Further, RECPDCL also acts as Project Implementing Agency (PIA) for implementation of distribution infrastructure, Smart metering projects, Preparation of Detailed Project Reports (DPR), Third Party Inspection (TPI), Pre-dispatch Material Inspection, Project Management Consultant (PMC)/ Project Management Agency (PMA) under RDSS/DDUGJY / IPDS/ other state funded schemes/ Government schemes. As confirmed and certified by the management, following laws are specifically applicable to the Company based on the Sector(s) / Business(es):

- Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises.

We have also examined compliance with the applicable clauses/regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that the Board of Directors of the Company is duly constituted and is fully comprised with Non-Executive Directors. The changes, in the composition of the Board that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board meetings. Agenda and detailed notes on agenda were sent at least seven days in advance (except for meetings conducted at shorter notice after complying with the necessary provisions) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board and/or Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or respective Committee of the Board, as the case may be.

We further report that based on the review of the compliance mechanism established by the Company and on the basis of the compliance certificate(s) issued by various departments and taken on record by the Board of Directors at their meetings, we are of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there has not been any such activity having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For Hemant Singh & Associates
Company Secretaries**

Sd/-
Hemant Kumar Singh
(Partner)

Membership No: F6033

COP No: 6370

UDIN: F006033E000665001

Date: 24.07.2023

Place: Delhi

This report is to be read with Annexure A, which forms an integral part of this report.

To,
The Members
REC POWER DEVELOPMENT AND CONSULTANCY LIMITED
Registered Office:
Core 4, SCOPE Complex, 7,
Lodhi Road, New Delhi -110003

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS-1 to CSAS-4 ("CSAS") prescribed by the ICSI. These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliance may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Hemant Singh & Associates
Company Secretaries

Date: 24.07.2023
Place: Delhi

Sd/-
Hemant Kumar Singh
(Partner)
Membership No: F6033
COP No: 6370
UDIN: F006033E000665001

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
REC Power Development and Consultancy Limited,
Core-4, SCOPE Complex, 7, Lodhi Road
New Delhi-110003, India.

This is to certify that during the financial year 2022-23, REC Power Development and Consultancy Limited (CIN-U40101DL2007GOI165779) hereinafter referred to as "the Company" has complied with the provisions of guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010 issued by Department of Public Enterprises (DPE) vide O.M. No. 18(8)/2005-GM dated 14th May, 2010 (including any amendments or modification from time to time), to the extent applicable.

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

**For Rajat Khaneja & Associates,
(Company Secretaries)**

Date: August 04, 2023
Place: New Delhi

**Sd/-
Rajat Khaneja
(Proprietor)
Membership No.: A38840
COP No.: 22900
UDIN: A038840E000737747**

ANNUAL REPORT ON CSR ACTIVITIES DURING FINANCIAL YEAR 2022-23

1. Brief outline on CSR Policy of the Company.

The Company has its 'Corporate Social Responsibility Policy', in consonance with Section 135 of the Companies Act, 2013, and rules made thereunder. RECPDCL CSR policy has been amended from time to time to be in compliant with the Companies (Corporate Social Responsibility Policy) Amendment Rules.

In line with Section 135 of the Companies Act, 2013, at least 2% of the average net profits of the Company made during the three immediately preceding financial years shall be spent in pursuance of Corporate Social Responsibility Policy. The Company ensures that CSR projects are carried out in line with activities prescribed under Schedule VII of the said Act.

The Company endeavors to adopt an integrated approach to address the community, societal & environmental concerns by taking up a range of the activities, in a focused manner to the extent possible. CSR projects are chosen in activities pertaining to inclusive growth of society, with special attention to the development of weaker sections of society and the backward districts of the country in the given chosen/focus area(s).

A Corporate Social Responsibility Committee of the Board ('the CSR Committee') shall be constituted consisting of three Directors. Roles & Responsibilities of the Corporate Social Responsibility Committee shall inter-alia include, formulating and recommending to the Board the activities to be undertaken by the Company in areas or subject, specified in Schedule VII, monitor corporate responsibility policy, and recommend the amount of expenditure to be incurred, periodically submit the reports to the Board of Directors.

CSR Projects or programmes undertaken:

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

- i. Eradicating hunger, poverty and malnutrition, promoting prevention health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation, and making available safe drinking water.
- ii. Rural Development Projects.

2. Composition of CSR Committee.

In line with the Companies Act 2013, CSR committee of the company has been constituted. The Composition of the same as on March 31, 2023 is as under:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Numbers of meetings of CSR Committee attended during the year
1.	Shri Ajoy Choudhury	Chairman	4	4
2.	Shri V.K. Singh	Member	4	4
3.	Shri Sanjay Kumar	Member	4	4

3. Web links detailing composition of CSR Committee, CSR Policy and CSR projects approved by the Board:

<https://www.recpdcl.in/csr.php>

4. Executive summary along with web-link of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014:

Not Applicable.

		(₹ in lakh)
5.	(a) Average net profit of the company as per section 135(5)	₹6,307.38
	(b) Two percent of average net profit of the company as per section 135(5)	₹126.15
	(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	Nil
	(d) Amount required to be set-off for the financial year, if any.	₹8.46
	(e) Total CSR obligation for the financial year [(b)+(c)-(d)].	₹117.69
		(₹ in lakh)
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹126.16
	(b) Amount spent in Administrative Overheads	Nil
	(c) Amount spent on Impact Assessment, if applicable	Nil
	(d) Total amount spent for the Financial Year [(a)+(b)+(c)].	₹126.16
	(e) CSR amount spent or unspent for the Financial Year:	

Total Amount Spent for the Financial Year (₹ in lakh)	Amount Unspent (₹ in lakh)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of Fund	Amount	Date of transfer
₹126.16	NIL	NA	NIL	NA	NA

(f) Excess amount for set-off, if any:

Sl. No	Particulars	Amount (₹ in lakh)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135(5)	₹126.15
(ii)	Total amount spent for the Financial Year (including the amount carried forward from previous year)	₹126.16
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	₹0.01
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	₹0.00
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	₹0.01

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

(1) Sl. No.	(2) Preceding Financial Year(s)	(3) Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (₹ in lakh)	(4) Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ in lakh)	(5) Amount Spent in the Financial Year (₹ in lakh)	(6) Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		(7) Amount remaining to be spent in succeeding Financial Years (₹ in lakh)	(8) Deficiency, if any
					Amount (₹ in lakh)	Date of transfer		
1	FY2019-20	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2	FY2020-21	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	FY2021-22	NIL	NIL	NIL	NIL	NIL	NIL	NIL

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year : No**
9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.**

The Company has fully spent its CSR Budget for the Financial Year 2022-23.

Date: September 14, 2023
Place: Gurugram

Sd/-
(Sanjay Kumar)
Member

Sd/-
(Ajoy Choudhury)
Chairman

Annexure - V of Board's Report

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/arrangement/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board, if any	Amount paid as advance, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188.
REC Limited (Holding Company)	Appointment of the Company for Quality Inspection of villages under DDUGJY new scheme in JVVNL, Rajasthan state.	-	Appointment of the Company for Quality inspection of villages against Additional Households works carries out under DDUGJY new scheme in JVVNL, Rajasthan state	Appointment of the Company for Quality inspection of villages against Additional Households works carried out under DDUGJY new scheme in JVVNL, Rajasthan state, having financial implication of approximately ₹ 2.55 lakh, excluding taxes.	January 25, 2023	Nil	Not required

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board, if any	Amount paid as advance, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188.
REC Limited (Holding Company)	Apportionment of Employee Cost and administration expenses incurred on behalf of the subsidiary.	On-going transaction	Payment of employee cost and administration expenses on actual basis of ₹ 2440.66 Lakhs (excluding GST) for the year ended March 31, 2023.	In providing support to the subsidiary company for managing the affairs of the Company.	-----	Nil	Nil
	Office Rent Expense for the project offices.	For the year ended as on March 31, 2023.	Office Rent of ₹ 33.41 Lakhs (excluding GST) for the year ended as on March 31, 2023.	-----	-----	Nil	Nil
	Income from rendering of Service	For the Year ended as on March 31, 2023	Consultancy Services of ₹ 354.03 Lakhs (excluding GST) for the year ended as on March 31, 2023.	Contract has been awarded through open tendering basis.	-----	Nil	Nil
Dumka Transmission Limited (Subsidiary Company)	Reimbursement of Expenses and Interest	On-going transaction	Nil	-----	-----	Nil	Nil

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board, if any	Amount paid as advance, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188.
Chandil Transmission Limited (Subsidiary Company)	Reimbursement of Expenses and Interest	On-going transaction	Nil	-----	-----	Nil	Nil
Mandar Transmission Limited (Subsidiary Company)	Reimbursement of Expenses and Interest	On-going transaction	Nil	-----	-----	Nil	Nil
Koderma Transmission Limited (Subsidiary Company)	Reimbursement of Expenses and Interest	On-going transaction	Nil	-----	-----	Nil	Nil
Bidar Transmission Limited (Subsidiary Company)	Reimbursement of Expenses and Interest	On-going transaction	₹10.35 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil
Sikar Khetri Transmission Limited (Subsidiary Company)	Reimbursement of Expenses and Interest	On-going transaction	₹71.46 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil
KPS 1 Transmission Limited (Subsidiary Company)	Reimbursement of Expenses and Interest	On-going transaction	₹61.69 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil
Ramgarh II Transmission Limited (Subsidiary Company)	Reimbursement of Expenses and Interest	On-going transaction	₹73.83 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil
Beawar Transmission Limited (Subsidiary Company)	Reimbursement of Expenses and Interest	On-going transaction	₹75.44 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil
Khavda II-D Transmission Limited (Subsidiary Company)	Reimbursement of Expenses and Interest	On-going transaction	Nil	-----	-----	NIL	Nil
Luhri Power Transmission Limited (Subsidiary Company)	Reimbursement of Expenses and Interest	On-going transaction	₹50.13 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil
Meerut Shamli Power Transmission Limited (Subsidiary Company)	Reimbursement of Expenses and Interest	On-going transaction	₹43.28 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil
NERES XVI Power Transmission Limited (Subsidiary Company)	Reimbursement of Expenses and Interest	On-going transaction	₹18.76 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil
Rajgarh Transmission Limited (Subsidiary Company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (30.05.2022) to selected bidder M/s GR Infraprojects Ltd.	₹520.81 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil
MP Power Transmission Package-I Limited (Subsidiary Company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (21.01.2023) to selected bidder M/s Megha Engineering & Infrastructure Ltd.	₹482.88 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board, if any	Amount paid as advance, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188.
ER NER Transmission Limited (Subsidiary Company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (10.10.2022) to selected bidder M/s PGCIL	₹668.05 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil
Neemuch Transmission Limited (Subsidiary Company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (24.08.2022) to selected bidder M/s PGCIL	₹1718.1 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil
GADAG II-A Transmission Limited (Subsidiary Company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (18.11.2022) to selected bidder M/s ReNew Power Venture Pvt Ltd	₹653.09 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil
WRSR Power Transmission Limited (Subsidiary Company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (17.01.2023) to selected bidder M/s Adani Transmission Ltd.	₹1825.04 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil
KHAVDA II-A Transmission Limited (Subsidiary Company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (28.03.2023) to selected bidder M/s Adani Transmission Ltd.	₹1842.75 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil
KHAVDA II-B Transmission Limited (Subsidiary Company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (21.03.2023) to selected bidder M/s PGCIL	₹1843.7 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil
KHAVDA II-C Transmission Limited (Subsidiary Company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (21.03.2023) to selected bidder M/s PGCIL	₹1843.47 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil
KPS3 Transmission Limited (Subsidiary Company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (21.03.2023) to selected bidder M/s PGCIL	₹1128.28 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil
KPS2 Transmission Limited (Subsidiary Company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (21.03.2023) to selected bidder M/s PGCIL	₹1116.61 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board, if any	Amount paid as advance, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188.
KHAVDA RE Transmission Limited (Subsidiary Company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (21.03.2023) to selected bidder M/s PGCIL	₹1433.88 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil
ERWR Power Transmission Limited (Subsidiary Company)	Consultancy Fees, Reimbursement of Expenses and Interest	On-going transaction till date of transfer (21.03.2023) to selected bidder M/s PGCIL	₹648.3 Lakhs during the financial year 2022-23.	-----	-----	Nil	Nil

For and on behalf of the Board of Directors



(Vivek Kumar Dewangan)
 Chairman
 DIN: 01377212

Date: September 14, 2023

Place: Gurugram

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

Standalone Balance Sheet as at 31 March, 2023

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	Notes	As at 31 March, 2023	As at 31 March, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	26.37	37.33
Other intangible assets	5	0.88	2.84
Financial assets			
Investments	6	7,171.41	8,871.41
Other financial assets	7	7,085.71	6,500.39
Income tax assets (net)	8	1,011.46	848.76
Deferred tax assets (net)	9	3,057.10	2,537.56
Other non current assets	10	2.81	-
Total non current assets		18,355.74	18,798.29
Current assets			
Financial assets			
Investments	11	500.00	-
Trade receivables	12	11,443.07	10,064.63
Cash and cash equivalents	13	969.87	1,459.03
Other bank balances	14	32,770.21	15,864.47
Other financial assets	15	3,100.55	2,713.78
Current tax assets (Net)	16	-	337.58
Other current assets	17	478.78	2,271.04
Total current assets		49,262.48	32,710.53
Assets classified as held for sale	18	431.47	351.98
TOTAL ASSETS		68,049.69	51,860.80
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	8.55	8.55
Other equity	20	44,084.83	32,850.49
Total equity		44,093.38	32,859.04
Non-current liabilities			
Financial liabilities			
Other financial liabilities	21	-	149.38
Provisions	22	25.26	38.01
Other non-current liabilities	23	-	9.50
Total non-current liabilities		25.26	196.89
Current liabilities			
Financial liabilities			
Trade payables	24		
(a) Total outstanding dues of micro & small enterprises		-	-
(b) Total outstanding dues of Creditors other than micro & small enterprises		4,167.59	3,647.82
Other financial liabilities	25	15,804.93	14,337.69
Other current liabilities	26	2,848.73	740.49
Provisions	27	43.09	77.82
Current tax liabilities (net)	28	1,064.92	-
Total current liabilities		23,929.26	18,803.82
Liabilities directly associated with assets classified as held for sale	18	1.79	1.05
Total liabilities		23,956.31	19,001.76
TOTAL EQUITY & LIABILITIES		68,049.69	51,860.80

Summary of significant accounting policies 1 to 3
The accompanying notes from 4 to 40 are integral part of the financial statements.
These are the financial statements referred to in our report of even date.

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

CA Manoj Garg
Partner
Membership No. 074370

Date : May 16, 2023
Place : New Delhi

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

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

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

Standalone Statement of Profit and Loss for the year ended 31 March, 2023

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	Notes	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Revenue from operations	29	28,484.41	16,001.02
Other income	30	2,242.55	1,718.94
Total Income		30,726.96	17,719.96
Expenses			
Cost of services rendered	31	7,242.92	7,983.60
Employee benefits expense	32	646.31	650.66
Finance costs	33	17.93	261.32
Depreciation and amortization expense	34	16.62	28.03
Impairment on financial assets	35	2,725.61	(328.91)
Corporate social responsibility expenses	36	126.16	167.95
Other expenses	37	1,313.57	1,099.62
Impairment on assets classified as held for sale	38	2.56	970.79
Total expenses		12,091.68	10,833.06
Profit/(Loss) before tax		18,635.28	6,886.90
Tax expense	39		
Current tax		5,191.83	1,789.87
Deferred tax expense/(credit)		(519.54)	(205.47)
Earlier year taxes/(credit)		(15.91)	-
Total tax expenses		4,656.38	1,584.40
Net profit/(loss) for the year		13,978.90	5,302.50
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		13,978.90	5,302.50
Earnings per equity share			
Basic/diluted earnings per share (In ₹)	40	16,350	6,202

Summary of significant accounting policies 1 to 3
The accompanying notes from 4 to 40 are integral part of the financial statements.
These are the financial statements referred to in our report of even date.

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

CA Manoj Garg
Partner
Membership No. 074370

Date : May 16, 2023
Place : New Delhi

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

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

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

Standalone Statement of changes in equity for the year ended 31 March, 2023

A Equity share capital

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	Amount
Balance as at 1 April, 2022	8.55
Changes in equity share capital during the year	-
Balance as at 31 March, 2023	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, 2023			
	General reserve	Retained earnings	Capital reserve	Total
Balance as at 1 April, 2022	5,313.55	27,535.49	1.45	32,850.49
Profit/(Loss) for the year	-	13,978.90		13,978.90
Dividend				
- Final dividend for the previous year (FY 2021-22)	-	(890.91)		(890.91)
- Interim dividend for the year (FY 2022-23)	-	(1,853.65)		(1,853.65)
Balance as at 31 March, 2023	5,313.55	38,769.83	1.45	44,084.83
Particulars	31 March, 2022			
	General reserve	Retained earnings	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

Summary of significant accounting policies 1 to 3
The accompanying notes from 4 to 40 are integral part of the financial statements.
These are the financial statements referred to in our report of even date.

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

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

CA Manoj Garg
Partner
Membership No. 074370

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

Date : May 16, 2023
Place : New Delhi

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

Standalone Statement of Cash Flows for the year ended 31 March, 2023

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	18,635.28	6,886.90
Adjustments for:		
Add/(Less)		
Depreciation and amortization expense	16.62	28.03
Impairment on financial assets	2,725.61	(328.91)
Impairment on assets classified as held for sale	2.56	970.79
Interest expense on other financial liabilities measured at amortized cost	17.93	16.00
Loss on sale/write off of property, plant and equipment	0.80	0.29
Liabilities/Provisions written back	(156.62)	(116.43)
Interest income on fixed deposit	(722.72)	(341.67)
Interest income on tax free bonds	(607.82)	(607.63)
Interest income from SPVs	(56.96)	(37.22)
Interest income on NCDs	(49.92)	(70.90)
Interest income on staggered papers	(7.41)	(15.10)
Interest income on other financial assets measured at amortized cost	(16.20)	(16.20)
Profit on sale of property, plant and equipment	(0.04)	-
Operating profit before working capital changes	19,781.11	6,367.95
Changes in working capital:		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables (current)	(4,104.05)	4,828.05
Other financial assets (current)	(386.77)	0.97
Other bank balances (excluding term deposits with maturity more than 3 months but less than 12 months)	(3,700.07)	14,830.95
Other current assets	1,792.26	(147.40)
Other non-current assets	(2.81)	-
<i>Adjustments for increase/(decrease) in operating liabilities:</i>		
Trade payables	519.77	(2,421.66)
Other financial liabilities (current)	1,565.28	(14,392.08)
Other financial liabilities (non current)	(149.38)	(0.00)
Other current liabilities	2,114.94	(207.14)
Provisions (current)	5.92	61.21
Provisions (non current)	(12.75)	(17.15)
Liabilities held for sale	0.74	(7.08)
Movement in operating assets and liabilities	(2,356.92)	2,528.67
Cash generated from operations	17,424.19	8,896.62
Less: Tax Expenses	(3,936.12)	(2,474.54)
Net cash flow from operating activities (A)	13,488.07	6,422.08
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work-in-progress)	(5.11)	(5.72)
Sale/Write Off of property, plant and equipment	0.39	(0.07)
Sale/Write Off of intangible assets	0.26	0.08
Deposits with bank (maturity more than 3 months but less than 12 months)	(13,205.67)	(1,340.53)
Deposit with Bank having original maturity period more than 12 Months	(585.32)	(6,403.20)
Interest received on fixed deposit	722.72	341.67
Interest received from SPV's	56.96	37.22
Interest received on tax free bonds	607.82	607.63

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest income on NCDs	49.92	70.90
Interest income on staggered papers	7.41	15.10
Sale/(Purchase) of investments	1,200.00	-
Sale/(investment) of/in shares of associate companies (net)	(82.05)	81.80
Net cash (used in)/flow from investing activities (B)	(11,232.67)	(6,595.11)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(2,744.56)	(2,242.67)
Net cash used in financing activities (C)	(2,744.56)	(2,242.67)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(489.16)	(2,415.71)
Cash and cash equivalents at the beginning of the year	1,459.03	3,874.74
Cash and cash equivalents at the end of the year	969.87	1,459.03
Reconciliation of cash and cash equivalents as per the cash flow statement	(489.16)	(2,415.71)

Explanatory notes -

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

	As at 31 March, 2023	As at 31 March, 2022
Balance held with schedule bank		
-in current account	969.87	650.49
-in deposit account	-	808.54

- b) Amount of expenditure incurred in cash on Corporate Social Responsibility during the year
- | | As at 31 March, 2023 | As at 31 March, 2022 |
|--|----------------------|----------------------|
| -on construction/acquisition of assets | - | - |
| -on purpose other than above | 117.70 | 167.95 |

Summary of significant accounting policies 1 to 3

The accompanying notes from 4 to 40 are integral part of the financial statements.
These are the financial statements referred to in our report of even date.

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

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

CA Manoj Garg
Partner
Membership No. 074370

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

Date : May 16, 2023
Place : New Delhi

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2023

1. CORPORATE INFORMATION

REC Power Distribution Company Limited (“the Company”/“RECPDCL”) having CIN U40101DL2007GOI165779 was incorporated in the year 2007, with the main objective to engage in the engineering consultancy services, execution of work in the area of decentralized distributed generation (DDG), transmission, Distribution, Generation and Smart Grid etc. in India or abroad or other related activities for Government and other agencies in power sector in India. The Company is domiciled in India and is limited by shares, having its registered office at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India and principal place of business at REC World Head Quarter, D- Block, Sector-29, Gurugram-122001. The Company is a wholly-owned subsidiary of REC Limited (formerly Rural Electrification Corporation Limited)(“REC”).

The Company is engaged:

- (i) in engineering consultancy services involving DPR preparation, project monitoring, project implementation, handholding etc. to different power sector utilities for their projects not covered under Govt. of India schemes.
- (ii) in carrying out the third party inspection (TPI), quality monitoring and supervision under Rajiv Gandhi Grameen Vidyutikaran Yojana(RGGVY)/ Deendayal Upadhyaya Gram Jyoti Yojana(DDUGJY)/Saubhagya Schemes.
- (iii) in preparation of detailed project report (DPR), project management consultancy (PMC) and project management agency (PMA) under the Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme (IPDS) Schemes and Revamped Distribution Sector Scheme (RDSS).
- (iv) in execution of works of Information Technology (IT) implementation and installation of IT Infrastructure under R-APDRP Part A Schemes, project management agency (PMA) / project implementation agency (PIA) for implementation of various Government of India Projects viz. Prime Minister's Development Package (PMPD), Power System Development Fund (PSDF)(Urja Mitra, Rural Feeder Monitoring Scheme (RFMS), National Feeder Monitoring Scheme (NFMS) and Implementation of Smart Metering Project under RDSS.
- (v) as project management agency (PMA) for turnkey execution of smart grid project under NSGM of Government of India, execution of solar standalone /roof top power plants at various locations across the country.
- (vi) Bid Process Coordinator (BPC) under Scheme for flexibility in Generation and Scheduling of Thermal / Hydro Power Stations through bundling with Renewable Energy and Storage Power, 2022.
- (vii) Bid Process Coordinator (BPC) for Inter State Transmission Systems and Intra State Transmission Systems on Tariff Based Competitive Mode. Company is conducting the bidding process for these projects starting from incorporation, survey, cost estimation of Special Purpose Vehicle (SPV) and selection of qualified bidders to handing over of the SPV to the lowest bidder.

2. STATEMENT OF COMPLIANCE

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

The financial statements for the period ended 31st March, 2023 were authorized and approved by the Board of Directors on 15th May, 2023.

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

2.1 RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

(A) Application of new and revised standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2022. The Group has not made early adoption of any other standard or amendment that has been issued but not yet effective:

Standard/ amendments applied first time w.e.f 01.04.2022: -

(i) Ind AS 16 – Proceeds before intended use

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

The amendment has no impact on the financial statements of the Company.

(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 it has no impact in the financial statements of the Company.

(iii) Ind AS 103: Business Combination

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

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

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

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

This amendment has no impact on the financial statements of the Company.

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

The Companies (Indian Accounting Standards) Amendment Rules, 2023 shall be effective from 1st Day of April 2023. An entity shall apply these amendments for annual reporting periods beginning on or after 1st April 2023. The amendment includes addition, substitution, insertion and deletion (as the case may be) in Ind AS 1, Ind AS 8, Ind AS 12, Ind AS 34, Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, & Ind AS 115.

(C) Changes in Companies Act 2013.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of preparation and measurement

(i) Going concern and basis of measurement

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

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

(ii) Functional and presentation currency:

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

3.2 Revenue recognition

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

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

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

Income from Operation

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

- (i) In Cost Plus Contracts - revenue is recognized by including eligible contractual items of expenditures plus proportionate margin as per contract;
- (ii) In Fixed Price Contracts –revenue is recognized on the basis of stage of completion of the contract. The Company has assessed that the stage of completion determined as the proportion of the total time expected to complete the performance obligation that has lapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under Ind AS 115.

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

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

Sale proceeds of Request for Proposal (RFP) has been recognized as other income in the books of the company.

Interest income

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

3.3 Property, Plant and Equipment:

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

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

Depreciation on assets is provided on straight-line method to the extent of 95% of the cost of the asset and in accordance to the useful lives prescribed under Schedule II of the Companies Act, 2013, except for the below assets where different useful lives have been taken on the basis of technical assessment:

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

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

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

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

De-recognition

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

3.4 Intangible assets

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

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

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

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

3.5 Fair value measurement

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

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

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

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

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

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

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

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

3.6 Financial instruments

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

Financial assets:

Initial recognition and measurement

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

Subsequent measurement

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

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

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

De-recognition of financial assets

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

Impairment of financial assets

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

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

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

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

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

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

Financial liabilities:

Initial recognition and measurement

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

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

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

Subsequent measurement

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

De-recognition

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

Offsetting of financial instruments

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

3.7 Non-Current assets/Disposal Company held for sale

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

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

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

3.8 Employee benefits:

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

a) Fixed Tenure Employees

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

b) Employees on secondment from holding company

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

c) Employees on Third Party Role

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

3.9 Taxation

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

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

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

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

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

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

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

3.10 Provisions, Contingent Liabilities, and Contingent Assets

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

A contingent liability is disclosed for:

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

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

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

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

3.11 Earnings per share

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

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

3.12 Impairment of assets

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

3.13 Cash and cash equivalents

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

3.14 Funds/grants received from government

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

3.15 Lease Accounting

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

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

Measurement and recognition of leases as a lessee

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

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

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

The Company as a lessor

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

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

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

3.16 Dividend

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

3.17 Material prior period errors

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

3.18 Prepaid Expenses

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

3.19 Rates and taxes

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

3.20 Recognition of expenses in case of SPVs

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

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

3.21 Business combination

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

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

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

3.22.1 Significant management judgments

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

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

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

3.22.2 Significant estimates

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

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

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

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

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

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

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

3.23 Rounding off amounts

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

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

Notes forming part of Financial Statements for the year ending 31 March, 2023

4 Property, plant and equipment

(All amounts in ₹ lakh, unless stated otherwise)

Description	31 March, 2022			
	Furniture & fixtures	Office equipments	Computers	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

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

a) Gross block includes obsolete fixed assets but not disposed off of ₹ 300.71 lakhs and depreciation reserve in respect of these assets ₹ 286.59 lakhs.

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

5 Other intangible assets

Description	31 March, 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)
As at 31 March, 2022	14.72	14.72
Accumulated amortisation		
As at 1 April, 2021	11.44	11.44
Amortisation charge for the year	1.78	1.78
Adjustment/Disposal	(1.34)	(1.34)
As at 31 March, 2022	11.88	11.88
Net block as at 31 March, 2022	2.84	2.84

(All amounts in ₹ lakh, unless stated otherwise)

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

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

6 Investments (Non current)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Investments in debentures or bonds		
(a) Investment in tax free bonds-quoted (at amortized cost) (in holding company)		
(i) REC Limited 7.38% tax free 15 years Secured Redeemable Non Convertible Bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022 : 100,000 / 100,000)	1,000.00	1,000.00
(ii) REC Limited 15 years secured redeemable tax free bonds @8.46%, bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022 : 300,000 / 3,00,000)" Bond includes ₹2500.00 Lakh with maturity date 30-08-2028, ₹310.00 Lakh with maturity date 03-09-2028 and ₹190.00 Lakh with maturity date 13-09-2028.	3,000.00	3,000.00
(iii) REC Limited 15 years secured redeemable tax free bonds @8.63%, bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022 : 20,000/20,000)" maturity date 23-03-2029.	200.00	200.00
(iv) REC Limited 20 years secured redeemable tax free bonds @7.18%, bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022 : 34,351/34,351) maturity date 11-05-2035.	343.51	343.51
(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, 2023 / 31 March, 2022: Nil / 20)" matured on 26-09-2022.	-	200.00
(ii) REC Limited 7.09% NCD of face value ₹1,000,000 /- each, fully paid (31 March, 2023 / 31 March, 2022: Nil / 100)" matured on 13-12-2022.	-	1,000.00

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(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, 2023 / 31 March, 2022: 50,000 / 50,000) maturity date 13-01-2024.	-	500.00
7.39% tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022: 86,798 / 86,798) Bond includes Rs. 476.46 lakh with maturity date 08-02-2031, ₹ 391.51 lakh with maturity date 15-03-2031.	867.98	867.98
(ii) National Highway Authority of India Limited (NHAI) 7.35% tax free 15 years secured redeemable non convertible bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022: 42,855 / 42,855) maturity date 11-01-2031.	428.55	428.55
7.39% tax free 15 years secured redeemable non convertible bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022: 35,463 / 35,463) maturity date 09-03-2031.	354.63	354.63
(iii) Indian Renewable Energy Development Agency (IREDA) 7.49% tax Free 15 years secured redeemable non convertible bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022: 61,308 / 61,308) with maturity date 21-01-2031.	613.08	613.08
(iv) Indian Railway Finance Cooperation (IRFC) 7.35% tax Free 15 years secured redeemable non convertible bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022: 22,338 / 22,338) with maturity date 22-03-2031.	223.38	223.38
(v) National Bank for Agriculture and Rural Development (NABARD) 7.35% tax Free 15 years secured redeemable non convertible bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022: 14,028 / 14,028) with maturity date 22-03-2031.	140.28	140.28
	7,171.41	8,871.41
Aggregate market value of quoted investment	8,399.03	10,692.80

(a) Refer Note 46 for fair value disclosure.

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

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

7 Other financial assets (Non Current)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Term deposits with maturity more than 12 months*	7085.71	6,500.39
	7085.71	6,500.39

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

(b) The above term deposits are not earmarked.

8 Income tax assets (net)

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Income Tax Refundable	1011.46	848.76
(for AY 2017-21 . 808.67 Lakhs for AY 2022-23 . 202.80 Lakhs)		
	1011.46	848.76

9 Deferred tax assets (net)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deferred Tax Asset	3057.1	2,537.56
	3057.1	2,537.56

Movement in deferred tax balances as at 31 March, 2023

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

Movement in deferred tax balances as at 31 March, 2022

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

10 Other non current assets

Particulars	As at 31 March, 2023	As at 31 March, 2022
Prepaid expenses	2.81	-
	2.81	-

11 Investments (Current)

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023	As at 31 March, 2022
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, 2023 / 31 March, 2022: 50,000 / 50,000)	500.00	-
	500.00	-
Aggregate market value of quoted investment	640.00	-

(a) Refer Note 46 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.

12 Trade receivables

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured, considered good	12,859.15	9,503.44
Less: Allowance for expected credit loss	(2,566.59)	(1,197.93)
	10,292.56	8,305.51
Trade receivables which have significant increase in credit risk	3,762.60	3,390.37
Less: Allowance for expected credit loss	(2,807.29)	(1,778.70)
	955.31	1,611.67
Credit impaired receivables	5,634.66	5,442.82
Less: Allowance for expected credit loss	(5,596.48)	(5,295.37)
	38.18	147.45
"TDS Unreconciled Assets"	157.02	-
	11,443.07	10,064.63

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

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

iii) Ageing of trade receivables: -

Particulars	As at 31 March, 2023	As at 31 March, 2022
Less than six months	9738.31	7,154.80
More than six months to 1 year	3120.84	2,348.64
More than 1 year to 2 years	2131.89	1,934.85
More than 2 years to 3 years	1630.71	1,455.52
More than 3 years	5634.66	5,442.82
Total	22256.41	18336.63

*Refer note 47 - Financial risk management for assessment of expected credit losses.

(iv) TDS Unreconciled Assets - At the time of reconciling 26AS, certain receipts in 26AS has been identified for which justification/breakup (i.e. against which invoice of the company, the credit has been given) is pending from parties. Further, some of the parties have deducted the TDS but on reconciliation it has been identified that the TDS amount has not been received in 26AS. This TDS amount has been booked separately. The same shall be further adjusted with trade receivables after receipt of necessary clarification from the parties.

13 Cash and cash equivalents

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balances with banks:		
- with scheduled banks in current accounts	969.87	660.27
Term deposits (with maturity upto 3 months)	-	808.54
	969.87	1,468.81
Cheque issued but not presented	-	(9.78)
	969.87	1,459.03

Previous year Balance with banks in current accounts includes amount of ₹554.67 lakh 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. Current year no such balance in Balance with banks in current accounts.

14 Other bank balances

Particulars	As at 31 March, 2023	As at 31 March, 2022
Earmarked balances for deposit works*	13,163.06	11,921.80
Earmarked balances with government fund accounts	1,477.61	64.01
Term deposits with remaining maturity more than 3 months but less than 12 months*	18,129.54	4,923.87
	32,770.21	16,909.68
Cheque issued but not presented	-	(1,045.21)
	32,770.21	15,864.47

* 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.

15 Other financial assets (Current)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Contract assets*	2,483.05	2,090.96
Recoverable from Ministry of Power, Government of India		
Deen Dayal Upadhyaya Gram Jyoti Yojana Fund**	302.40	302.40
Retention money deposits	86.37	86.37
Interest Accrued on bonds	205.61	280.08
Security deposits paid*	49.44	2.55
Other receivables	22.53	0.27
	3,149.40	2,762.63
ECL against Retention money deposits	(48.85)	(48.85)
	3,100.55	2,713.78

*Refer Note 41F for details of Contract assets.

**Refer Note 43 for details

16 Current tax assets (Net)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advance tax and TDS	-	2,127.45
Less : Provision for income tax	-	(1,789.87)
	-	337.58

17 Other current assets

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advances to employees	0.09	3.10
Prepaid expenses	2.00	1.39
Balances with statutory and government authorities*	470.43	2,184.58
Advance to suppliers	0.29	67.54
CSR Pre-Spent	-	8.46
Tax deposited on income tax demands under contest**	5.97	5.97
	478.78	2,271.04

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

** Refer Note 49 for details of tax deposited on income tax demands under contest.

18 Assets/Liabilities classified as held for sale*

Particulars	As at 31 March, 2023	As at 31 March, 2022
Assets classified as held for sale		
(A) Investment in associates (refer note 18.1)	65.00	40.00
(B) Amount receivable from associates (refer note 18.2)	1,339.82	1,282.77
(C) Provision for impairment on assets classified as held for sale	(973.35)	(970.79)
Total (A+B+C)	431.47	351.98
Liabilities directly associated with assets classified as held for sale		
(D) Payable to associates (refer note 18.3)	1.79	1.05
Total(D)	1.79	1.05
Disposal group (A+B+C-D)	429.68	350.93

Note - Refer Note 44 for details related to related party transaction.

18.1 Investments in associates

Particulars	As at 31 March, 2023	As at 31 March, 2022
Investments in Equity Instruments of associates (fully paid up)		
Chandil Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	5.00
Dumka Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	5.00
Koderma Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	5.00
Mandar Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	5.00
Bidar Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	5.00
MP Power Transmission Package I Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: Nil. 31 March, 2022: 50000)	-	5.00
Rajgarh Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: Nil. 31 March, 2022: 50000)	-	5.00
ER NER Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: Nil. 31 March, 2022: 50000)	-	5.00
Beawar Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	-
Khavda II-D Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	-
KPS1 Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	-

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Ramgarh II Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	-
Sikar Khetri Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	-
Luhri Power Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	-
Meerut Shamli Power Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	-
NERES XVI Power Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	-
Total	65.00	40.00

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

18.2 Amount receivable from associates

Particulars	As at 31 March, 2023	As at 31 March, 2022
Chandil Transmission Limited	254.43	253.75
Dumka Transmission Limited	248.24	247.57
Mandar Transmission Limited	222.50	221.82
Koderma Transmission Limited	228.18	227.51
MP Power Transmission Package I Limited	-	199.03
Rajgarh Transmission Limited	-	28.18
ER NER Transmission Limited	-	28.38
Bidar Transmission Limited	10.08	-
Sikar Khetri Transmission Limited	67.30	-
KPS1 Transmission Limited	58.35	-
Ramgarh II Transmission Limited	69.60	-
Beawar Transmission Limited	70.94	-
Luhri Power Transmission Limited	48.15	-
Meerut Shamli Power Transmission Limited	43.29	-
NERES XVI Power Transmission Limited	18.76	-
Receivable from SPV-Yet to Incorporate	-	76.53
	1,339.82	1,282.77
Provision for impairment on assets classified as held for sale		
Chandil Transmission Limited	259.43	258.79
Dumka Transmission Limited	253.24	252.60
Mandar Transmission Limited	227.50	226.86
Koderma Transmission Limited	233.18	232.54
	973.35	970.79
Loan to associates (net of provisions)	366.47	311.98

(All amounts in ₹ lakh, unless stated otherwise)

Note: -

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 ₹2.56 Lacs (previous year ₹970.79 lacs) has been created.

18.3 Payable to associates

Particulars	As at 31 March, 2023	As at 31 March, 2022
Bidar Transmission Limited	-	1.05
Khavda II-D Transmission Limited	1.79	-
	1.79	1.05

19 Equity share capital

Particulars	As at 31 March, 2023	As at 31 March, 2022
Authorized equity share capital		
20,050,000 (31 March, 2023 : 20,050,000) Equity shares of ₹ 10 each	2,005.00	2,005.00
	2,005.00	2,005.00
Issued, subscribed and paid up equity share capital		
85,500 (31 March, 2023 : 85,500) Equity shares of ₹ 10 each	8.55	8.55
	8.55	8.55

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

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

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

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

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	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	8,55,000.00	85,500	8,55,000.00
Add: Issued during the year	-	-	-	-
Balance at the end of the year	85,500	8,55,000.00	85,500	8,55,000.00

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

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	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:

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	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 2022-23.

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

20 Other equity

Particulars	As at 31 March, 2023	As at 31 March, 2022
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	27,535.49	24,475.66
Add : Transferred from statement of profit and loss	13,978.90	5,302.50
	41,514.39	29,778.16
Less: Dividends		
- Final Dividend for the previous year (FY 2021-22/FY 2020-21)	(890.91)	(1,490.27)
- Interim Dividend for the year	(1,853.65)	(752.40)
Balance at the end of the year	38,769.83	27,535.49
Capital reserve		
Balance at the beginning of the year	1.45	1.45
Add: Movement during the year	-	-
Balance at the end of the year	1.45	1.45
Total other equity	44,084.83	32,850.49

Note:

- 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.
- Profits made by the company during the year are transferred to retained earnings from Statement of Profit and Loss.
- 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 IndAS 103-Business Combinations.
- Subsequent to the year ended 31 March, 2023; the Board of Directors of the Company on a meeting held on 15 May, 2023 has proposed final dividend amounting to ₹2,737 per share on 85,500 no. of shares totaling ₹2,340.13 lakh (FY 2021-22 - Proposed final Dividend: ₹1,042 per share on 85,500 no. of shares totaling ₹890.91 lakh), the effect of the same has not been taken into financial statements as the same is subject to the approval by the shareholders of the Company.

21 Other financial liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured, considered good		
Performance bank guarantee retained	-	149.38
	-	149.38

Note - The amount is retained for performance obligation of M/s PEC Ltd. till 31 October, 2023 now transferred to Other financial liabilities (Current).

22 Provisions (Non current)

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for employee benefits		
Provision for compensated absences	25.26	38.01
	25.26	38.01
Provision for compensated absences		
Opening Balance	38.01	55.16
Addition During the year	13.58	4.76
Utilised during the year	(26.33)	(21.91)
Closing balance	25.26	38.01

*Refer Note 45 for details

23 Other non-current liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advance as performance bank guarantee	-	9.50
	-	9.50

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

24 Trade payables

Particulars	As at 31 March, 2023	As at 31 March, 2022
Total outstanding dues of micro & small enterprises	-	-
Total outstanding dues of Creditors other than micro & small enterprises	4,167.59	3,647.82
	4,167.59	3,647.82

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

ii) Ageing of trade payables: - Others

Particulars	As at 31 March, 2023	As at 31 March, 2022
Less than 1 year	1,631.42	1,500.84
More than 1 years to 2 years	1,263.66	838.93
More than 2 years to 3 years	32.70	1,130.20
More than 3 years	1,239.81	177.85
Gross Trade Payables	4,167.59	3,647.82

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

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

Particulars	As at 31 March, 2023	As at 31 March, 2022
I) (a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
II) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023	As at 31 March, 2022
III) Suppliers for whom confirmation not received is deemed not registered under MSMED,2006 Act and Interest payable on payment made but not claimed has not been provided.	-	-
IV) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
V) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED, 2006 ACT.	-	-

Suppliers for whom confirmation not received is deemed not registered under MSMED,2006 Act and Interest payable on payment made but not claimed has not been provided.

25 Other financial liabilities (Current)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Earnest money deposits	140.41	70.56
Expenses payables	1,432.49	1,863.74
Advance for deposit work	11,966.61	11,468.21
Payable to related parties	669.79	597.76
Performance bank guarantee retained	192.11	26.55
Employee payable	8.11	7.17
Government fund for schemes -		
Power System Development Fund for Rural Feeder Monitoring Scheme	1,387.58	231.91
Urja Mitra Scheme Fund	7.83	71.79
	15,804.93	14,337.69

Refer Note 42 for details on Advance for deposit works.

Refer Note 43 for details on Government fund for schemes.

Refer Note 44 for details on Payable to related parties.

26 Other current liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
Contract Liability	700.82	9.45
Statutory dues	519.05	526.25
Advance as performance bank guarantee*	9.50	16.20
Statutory dues for deposit work	259.08	188.31
Unidentified Receipts	0.28	0.28
BG Invoked-Adani	1,360.00	-
	2,848.73	740.49

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

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

27 Provisions (Current)

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for employee benefits		
Provision for compensated absences	1.52	1.84
Provision for Performance Linked Incentive	41.57	75.98
	43.09	77.82
Provision for loyalty bonus		
Opening Balance	-	14.42
Utilised during the year	-	(14.42)
Closing balance	-	-
Provision for compensated absences		
Opening Balance	1.84	2.19
Addition During the year	1.52	0.25
Utilised during the year	(1.84)	-
Adjusted during the year	-	(0.60)
Closing balance	1.52	1.84
Provision for Performance Linked Incentive		
Opening Balance	75.98	-
Addition During the year	41.57	75.98
Utilised during the year	(35.33)	-
Adjusted during the year	(40.65)	-
Closing balance	41.57	75.98

*Refer Note 45 for details

28 Current tax liabilities (net)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for income tax	5,191.83	-
Less: Advance tax and TDS	(4,126.91)	-
	1,064.92	-

29 Revenue from operations

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Income from Consultancy Services	12,312.19	8,733.20
Project implementing agency (PIA)- Infrastructure works (including distribution & transmission)	3,014.28	3,830.01
Government Scheme Management/Monitoring Fees	-	16.95
TBCB business (BPC)-Transmission SPV	12,593.48	3,420.86
Developer mode & new schemes (smart metering implementation, NFMS, etc)	564.46	-
	28,484.41	16,001.02

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

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Income from Consultancy Services	1,273.59	1,903.88
Project implementing agency (PIA)- Infrastructure works (including distribution & transmission)	477.42	187.08
Developer mode & new schemes (smart metering implementation, NFMS, etc)	564.46	-
	2,315.47	2,090.96

Refer note 41 for details related to revenue from operations

30 Other income

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest income on fixed deposits	722.72	341.67
Interest income on grant fixed deposits	-	169.88
Interest income on tax free bonds	607.82	607.63
Interest on income tax refund	-	0.68
Interest income from SPVs	56.96	37.22
Interest income on NCDs	49.92	70.90
Interest income on staggered papers	7.41	15.10
Interest income on other financial assets measured at amortized cost	16.20	16.20
Liabilities/Provisions written back	156.62	116.43
Liquidation damages	0.01	-
Profit on sale of property, plant and equipment	0.04	-
RFQ/RFP/Tender fee	624.55	340.00
Miscellaneous income	0.30	3.23
	2,242.55	1,718.94

31 Cost of services rendered

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Project technical services - PMC/PMA/DPR	2,362.85	3,279.25
Project outsourced manpower	4,479.90	4,441.81
REC - UE village project expenditure	110.94	495.74
Manpower Charges for RDSS Scheme and REC Business	213.50	-
Consultancy charges	102.61	-
AMI Implementation DBFOOT exp.	468.46	-
	7,738.26	8,216.80
Less :-		
Manpower Cost allocated to DDUGJY	-	(49.16)
Manpower Cost allocated to PSDF/RFMS	(104.69)	-
Manpower Cost allocated to Urja Mitra Scheme	(32.54)	-
Manpower cost reimbursable from SPV-Cost of service rendered	(358.11)	(184.04)
	7,242.92	7,983.60

Note :

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

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

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

32 Employee benefits expense

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Salaries and wages	569.08	544.43
Contribution to provident and other funds	36.98	32.87
Staff welfare expenses	100.15	95.10
	706.21	672.40
Manpower cost reimbursable from SPV-Employee Benefit Exp	(59.90)	(21.74)
	646.31	650.66

* Refer Note 31 for noting on Manpower Cost reimbursable from SPV

Note - For disclosures related to provision for employee benefits, refer note 45 - Employee benefit obligations.

33 Finance costs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest expenses		
Interest expenses on grant fund	-	169.88
Interest expense on other financial liabilities measured at amortized cost	17.93	16.00
Interest on income tax	-	75.44
	17.93	261.32

34 Depreciation and amortization expense

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Depreciation on Property, Plant & Equipment (Refer note 4)	14.92	26.25
Amortization of Other intangible assets (Refer note 5)	1.70	1.78
	16.62	28.03

35 Impairment on financial assets

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Provision (net of reversal)	2,720.82	(354.84)
Bad debts	4.79	25.93
	2,725.61	(328.91)

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

Refer Note 47 for details

36 Corporate social responsibility expenses

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
CSR expenditure*	126.16	167.95
	126.16	167.95

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

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a) Gross amount required to be spent on CSR activities	126.16	167.95
(b) Amount approved by the Board to be spent during the year	126.16	167.95
(c) Amount of expenditure incurred during the year		
- on construction/acquisition of assets	-	-
- on purpose other than above *	126.16	167.95
(d) Shortfall at the end of the year	-	-
(e) Total of previous years shortfall	-	-
(* Include pre spent amount of Rs. 8.46 lacs)		
(f) Nature of CSR activities		

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

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

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

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(h) Movements of provision with respect to CSR liability/expenditure		
Opening balance of provision	4.09	-
Add - Provision made during the year	10.50	4.09
Less - Provision utilised during the year	4.09	-
Closing balance of provision	10.50	4.09

37 Other expenses

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Rent : Office premises	563.79	466.23
Office Equipments hire charges	9.99	2.83
Vehicle hire charges	102.32	54.59
Rates and taxes	9.57	14.98
Repairs and maintenance	15.81	9.39
Office maintenance and security	213.28	51.25
Power and fuel	4.52	29.12
Advertisement Expense	58.84	22.10
Business Promotion Expense	20.77	33.39
Entertainment & Hospitality Expenses	5.84	6.67
Meeting and Conference Expense	0.90	3.80

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Communication cost	6.14	4.63
Travelling and conveyance	264.87	164.65
Printing and stationary	15.31	15.37
Legal expenses	8.24	44.32
Consultancy & Professional expenses.	173.58	185.37
Bank charges	2.67	5.82
Auditors' remuneration*	8.25	7.30
Delay payment charges	0.69	2.61
Loss on sale of property, plant and equipment (net)	0.80	0.29
Liquidation damages (expenses)	-	18.75
Office expenses	25.49	18.33
Sponsorship	5.12	-
Expenses incurred for SPV's**	288.05	120.69
Technical / IT Services expenses	1.00	2.78
Other Expenses on NFMS	3.47	-
Miscellaneous expenses	3.32	7.66
	1,812.63	1,292.92
Direct Cost reimbursable from SPV	(282.22)	(120.69)
Indirect Cost reimbursable from SPV	(216.84)	(72.61)
	1,313.57	1,099.62

*Details of auditors remuneration are as under :

Statutory auditor

As auditors

- Audit fees

4.50

4.20

- Tax audit

2.00

1.60

Internal auditor

- Audit fees

1.75

1.50

8.25

7.30

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

38 Impairment on assets classified as held for sale

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Impairment expense - On assets classified as held for sale	2.56	970.79
	2.56	970.79

Refer note 18.2 for details

39 Tax expense

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Current tax		
Tax pertaining to current year	5,191.83	1,789.87
Tax pertaining to earlier years	(15.91)	-
Deferred tax expense/(credit)	(519.54)	(205.47)
	4,656.38	1,584.40

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

Accounting profit before income tax	18,635.28	6,886.90
At country's statutory income tax rate of 25.168%	4,690.13	1,733.29
Adjustments in respect of taxes earlier years		
(i) Non-deductible expenses for tax purposes	(17.84)	4.04
(ii) Non-taxable incomes		(152.93)
(iii) Earlier year taxes	(15.91)	
(iv) Deferred tax on allowable provisional expenditure of earlier year		
(v) Deferred tax change due to rate change		
	4,656.38	1,584.40

40 Basic/diluted earnings per share

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Net profit for the year	13,978.90	5,302.50
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 ₹)	16,350	6,202

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

A The Company is engaged in providing following services-

RECPDCL provides consultancy services in Power Sector to states/Union Territories under various central/state Government schemes such as Third Party Inspection Agency (TPIA)/Project Management Agency (PMA)/Project Management Consultancy (PMC)/ Project Implementing Agency (PIA) etc. under Deendayal Upadhyaya Gram Jyoti Yojana(DDUGJY)/Integrated Power Development Scheme (IPDS)/Prime Minister Development Program (PMDP)/ Restructured Accelerated Power Development and Reforms Program (R-APDRP)/Backward Regions Grant Fund (BRGF)/ Revamped Distribution Sector Scheme (RDSS) and other state schemes. The major activities undertaken in these types of projects include inspection of Village Electrification, Substation and Feeder inspection & Material inspection, Survey & preparation of Detailed project report, assisting DISCOMS in bid management, supervision & monitoring of electrical infrastructure work, assisting Distribution Companies (DISCOMs) in closure of the project, getting executed the electrical infrastructure work etc. Ministry of Power has appointed the Company as Bid Process Coordinator (BPC) for Inter State Transmission Systems across the country on Tariff Based Competitive Mode. Some of the State Government has also appointed the company as BPC for intra state transmission projects under TBCB route. The company is conducting the bidding process for ISTS projects, starting from selection of qualified bidders to handing over of the Special Purpose Vehicle to the lowest bidder. The company is also working in Smart Metering Projects/ Smart Grid and Information Technology (IT) projects/ National Feeder Monitoring Scheme (NFMS) as Project Implementing Agency (PIA)/Project Management Agency (PMA). The company has been appointed Bid Process Coordinator (BPC) under Scheme for flexibility in Generation and Scheduling of Thermal / Hydro Power Stations through bundling with Renewable Energy and Storage Power, 2022.

B Significant management judgments on revenue recognition

(All amounts in ₹ lakh, unless stated otherwise)

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

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

C Segregation of revenue

RECPDCL's revenue mostly comes from core business of sale of services as consultancy (PMA/PMC, TPIA, Project Implementation Agency, Bid Process Coordinator, Quality Control Projects in power sector and some turnkey projects of Solar/IT implementation from projects within India). In case of execution of IT/Solar implementation projects revenue is recognized at a point in time specifically when the control of goods/services is transferred to the customer. In case of the selection of bidders/developers for transmission projects put on tariff based bidding revenue is recognized at a point in time when it is reasonably certain that the ultimate collection of the professional charges will be made. The total business portfolio of RECPDCL includes various Central/State Govt. entities e.g. State Distribution Companies (DISCOM), Power and Electricity Departments of States/UTs, Central Public Sector Undertaking (CPSUs) and selected bidders in private & public sectors.

In accordance with Ind AS 115, for disaggregation of the Company's revenue from contracts with customers has been done on the basis of different type service provided by the company. For detail of disaggregation pl. refer note no.29 on Revenue from Operation.

D Reconciliation of revenue recognized with contract price

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Contract price	28,484.41	16,001.02
Adjustments for:		
Rebates and discounts	-	-
Revenue from contracts with customers	28,484.41	16,001.02

For detail of contract price pl. refer note no.29 on Revenue from Operation.

E Contract balances

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Assets		
Trade Receivables (net of provisions)	11,443.07	10,064.63
Contract assets		
Contract assets	2,483.05	2,090.96
Cost of fulfillment carried forward		-
Contract liability		
Contract Liability***	700.82	9.45
Deferred income****		-

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

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

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

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

F Reconciliations of Contract assets

(All amounts in ₹ lakh, unless stated otherwise)

Particular	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening balance	2,090.96	2,174.20
Invoices raised during the year	(1,913.55)	(1,616.71)
Contract assets recognized during the year	2,315.47	2,090.96
Reversal of previous year's contract assets	(9.83)	(557.49)
Closing balance	2483.05	2090.96

G Reconciliations of Contract liability

Particular	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening balance	9.45	1.05
Revenue recognized during the year		(1.05)
Addition during the year	691.37	9.45
Closing balance	700.82	9.45

H Remaining performance obligations

Particular	As at 31 March, 2023	As at 31 March, 2022
Amount of the unsatisfied performance obligations (or partially unsatisfied)	61,474.47	33,347.42

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period. It is expected that an amount of ₹13669.34 Lakh is expected to be recognized in next financial year. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized. The entity expects to satisfy the above performance obligations within the contracted terms.

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

42 Advance for deposit work:

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

During the year, interest earned of ₹1238.00 lakh (Previous year ₹544.43 lakh) has been taken to advance for deposit work account. Further, during the year, an amount of ₹831.65 lakh (Previous year ₹2,387.32 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:

(All amounts in ₹ lakh, unless stated otherwise)

Particular	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening Balance	10642.28	22185.58
Add: Amount received during the year	51,409.56	15,129.86
Less: Amount refunded to Govt. during the year	(3,698.77)	-
Less: Disbursement during the year	(47,618.75)	(26,673.16)
Closing Balance	10,734.32	10,642.28

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

Particular	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening balance	825.94	2,668.83
Add: Interest earned during the year	1,238.00	544.43
Less: Interest refunded during the year	(831.65)	(2,387.32)
Closing Balance	1,232.29	825.94

43 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- Gol. 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 RV incoming Feeder from where such 11 kV feeder are emanating. The work includes Page s & integration with Central MDAS with Operation &aintenance supply, installation, commissioning 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 (Current)" and recoverable fund (if any) is classified + under "Recoverable from Ministry of Power, Government of India" under the head "Other Financial Assets (Current)".

During the year, interest earned of ₹6.33 lakh (previous year ₹ 13.35 lakh) has been credited to the Government fund for the scheme.

44 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)
(existing on the date of closing)	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)
	Sikar Khetri Transmission Limited (w.e.f. 6 May, 2022)
	KPS1 Transmission Limited (w.e.f. 6 May, 2022)**
	Ramgarh II Transmission Limited (w.e.f. 20 April, 2022)
	Beawar Transmission Limited (w.e.f. 27 April, 2022)
	Khavda II-D Transmission Limited (w.e.f. 25 April, 2022)*
	Luhri Power Transmission Limited (w.e.f. 28 October, 2022)
	Meerut Shamli Power Transmission Limited (w.e.f. 14 December, 2022)
	NERES XVI Power Transmission Limited (w.e.f. 10 January, 2023)

(All amounts in ₹ lakh, unless stated otherwise)

* Khavda II-D scheme has been denotified by the Ministry of Power. The company is under process of strike off.

** KPS1 Transmission Limited has been transferred to the successful bidder on 20.04.2023.

Description of relationship	Names of related parties
Associate Companies (transferred during the Financial year)	Rajgarh Transmission Limited (06.06.2020 to 30.05.2022) MP Power Transmission Package-I Limited (04.08.2020 to 21.01.2023) ER NER Transmission Limited (06.10.2021 to 10.10.2022) Neemuch Transmission Limited (12.04.2022 to 24.08.2022) Gadag II A Transmission Limited (08.06.2022 to 08.11.2022) WRSR Power Transmission Limited (22.09.2022 to 18.01.2023) Khavda II-A Transmission Limited (19.04.2022 to 28.03.2023) Khavda II-B Transmission Limited (21.04.2022 to 21.03.2023) Khavda II-C Transmission Limited (22.04.2022 to 21.03.2023) KPS3 Transmission Limited (29.04.2022 to 21.03.2023) KPS2 Transmission Limited (04.05.2022 to 21.03.2023) Khavda RE Transmission Limited (07.05.2022 to 21.03.2023) ERWR Power Transmission Limited (27.09.2022 to 21.03.2023)

Key management personnel (KMP)

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

Name	Designation	Tenure		Date of Appointment
		From	To	
Sh. R. Lakshmanan (IAS)	Chief Executive Officer	10 January, 2020	13 Nov., 2022	10 January, 2020
Sh. Sudhir Kumar Gangadhar Rahate	Chairman & Director	22 February, 2022	16 May, 2022	22 February, 2022
Sh. Vivek Kumar Dewangan	Chairman & Director	17 May, 2022		17 May, 2022
Sh. Rahul Dwivedi	Chief Executive Officer	14 November, 2022		14 November, 2022
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. Sahab Narain	CFO	26 Sept, 2021		26 September, 2021

b Transactions with Holding Company and KMP are as under:

	Year ended	Holding Company	Society registered for undertaking CSR activities	Key management personnel
(i) Transactions during the year				
Services rendered	Year ended 31 March, 2023	354.03	-	-
	Year ended 31 March, 2022	1,263.49	-	-
Services received from related party	Year ended 31 March, 2023	2,440.66	-	-
	Year ended 31 March, 2022	1,996.52	-	-
Remuneration to KMP's (through Holding Company)	Year ended 31 March, 2023	-	-	114.91
	Year ended 31 March, 2022	-	-	106.12
Interest income from investment in tax free bonds	Year ended 31 March, 2023	369.52	-	-
	Year ended 31 March, 2022	455.52	-	-
Dividend on equity shares	Year ended 31 March, 2023	2,744.56	-	-
	Year ended 31 March, 2022	2,242.67	-	-

(All amounts in ₹ lakh, unless stated otherwise)

	Year ended	Holding Company	Society registered for undertaking CSR activities	Key management personnel
(ii) Outstanding Balances at year end	Year ended 31 March, 2023	669.79	-	-
	Year ended 31 March, 2022	597.76	-	-
Amount payables	Year ended 31 March, 2023	146.22	-	-
	Year ended 31 March, 2022	641.33	-	-
Non-current/Current investment (Investment in tax free bonds, NCD's & Staggered papers incl. of accrued interest)	Year ended 31 March, 2023	4,666.01	-	-
	Year ended 31 March, 2022	5,894.68	-	-

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

Key management personnel remuneration includes the following expenses:

Particular	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Short-term employee benefits	89.12	93.05
Post-employment benefits	25.79	13.07
Total remuneration	114.91	106.12

Note:

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

C Transactions with associates are as under:

	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(i) Dumka Transmission Limited (w.e.f. 25 March, 2018:)		
Interest income	-	-
Reimbursement/ expenses reimbursement	-	0.44
Advance received from parties	-	-
Investment made	-	-
(ii) Chandil Transmission Limited (w.e.f. 14 March, 2018:)		
Interest income	-	-
Reimbursement/ expenses reimbursement	-	0.44
Advance received from parties	-	-
Investment made	-	-
(iii) Mandar Transmission Limited (w.e.f. 26 March, 2018:)		
Interest income	-	-
Reimbursement/ expenses reimbursement	-	0.44
Advance received from parties	-	-
Investment made	-	-
(iv) Koderma Transmission Limited (w.e.f. 19 March, 2018)		
Interest income	-	-
Reimbursement/ expenses reimbursement	-	0.44
Advance received from parties	-	-
Investment made	-	-
(v) Bidar Transmission Limited (w.e.f. 8 June, 2020)		
Interest income	0.07	-
Reimbursement/ expenses reimbursement	10.28	1.65
Advance received from parties	-	-
Investment made	-	-

(All amounts in ₹ lakh, unless stated otherwise)

		For the year ended 31 March, 2023	For the year ended 31 March, 2022
(vi)	Sikar Khetri Transmission Limited (w.e.f. 06 May, 2022)		
	Interest income	3.47	0.13
	Reimbursement/ expenses reimbursement	67.99	10.69
	Advance received from parties	-	-
	Investment made	5.00	-
(vii)	KPS 1 Transmission Limited (w.e.f. 6 May, 2022)		
	Consultancy fee	-	-
	Interest income	2.35	-
	Reimbursement/ expenses reimbursement	59.34	-
	Advance received from parties	-	-
	Investment made	5.00	-
	Sale of investments	-	-
(viii)	Ramgarh II Transmission Limited (w.e.f. 20 April, 2022)		
	Consultancy Fees	-	-
	Interest income	3.56	0.13
	Reimbursement/ expenses reimbursement	70.27	10.69
	Advance received from parties	-	-
	Investment made	5.00	-
	Sale of investments	-	-
(ix)	Beawar Transmission Limited (w.e.f. 27 May, 2022)		
	Interest income	3.66	0.10
	Reimbursement/ expenses reimbursement	71.78	11.13
	Investment made	5.00	-
	Sale of investments	-	-
(x)	Khavda II-D Transmission Limited (w.e.f. 25 April, 2022)		
	Interest income	-	-
	Reimbursement/ expenses reimbursement	-	-
	Advance received from parties	-	-
	Investment made	5.00	-
	Sale of investments	-	-
(xi)	Luhri Power Transmission Limited (w.e.f. 28 October, 2022)		
	Consultancy Fees	-	-
	Interest income	1.16	-
	Reimbursement/ expenses reimbursement	48.97	-
	Advance received from parties	-	-
	Investment made	5.00	-
(xii)	Meerut Shamli Power Transmission Limited (w.e.f. 14 December, 2022)		
	Interest income	0.51	-
	Reimbursement/ expenses reimbursement	42.77	-
	Investment made	5.00	-
(xiii)	NERES XVI Power Transmission Limited (w.e.f. 10 January, 2023)		
	Interest income	0.22	-
	Reimbursement/ expenses reimbursement	18.54	-
	Investment made	5.00	-

(All amounts in ₹ lakh, unless stated otherwise)

		For the year ended 31 March, 2023	For the year ended 31 March, 2022
(xiv)	Rajgarh Transmission Limited (w.e.f. 6 June, 2020 to 30 May, 2022)		
	Consultancy Fees	500.07	-
	Interest income	0.78	2.62
	Reimbursement/ expenses reimbursement	19.96	34.30
	Advance received from parties	-	41.30
	Sale of investments	5.00	
(xv)	MP Power Transmission Package-I Limited (w.e.f. 4 August, 2020 to 21 January, 2023)		
	Consultancy Fees	407.53	-
	Interest income	15.63	14.45
	Reimbursement/ expenses reimbursement	59.72	85.95
	Sale of investments	5.00	-
(xvi)	ER NER Transmission Limited (w.e.f. 6 October, 2021 to 10 October, 2022)		
	Consultancy Fees	590.00	-
	Interest income	3.38	1.17
	Reimbursement/ expenses reimbursement	74.67	29.86
	Advance received from parties	-	4.70
	Sale of investments	5.00	-
	Investment made	-	5.00
(xvii)	Neemuch Transmission Limited (w.e.f. 12 April, 2022 to 24 August, 2022)		
	Consultancy Fees	1663.72	-
	Interest income	1.10	0.13
	Reimbursement/ expenses reimbursement	53.28	10.69
	Sale of investments	5.00	-
	Investment made	5.00	-
(xviii)	GADAG IIA Transmission Limited (w.e.f. 08 June, 2022 to 08 November, 2022)		
	Consultancy Fees	590.00	-
	Interest income	2.17	0.10
	Reimbursement/ expenses reimbursement	60.92	11.13
	Sale of investments	5.00	-
	Investment made	5.00	-
(xix)	WRSR Power Transmission Limited (w.e.f. 22 September, 2022 to 18 January, 2023)		
	Consultancy Fees	1770.00	-
	Interest income	1.53	-
	Reimbursement/ expenses reimbursement	53.51	-
	Sale of investments	5.00	-
	Investment made	5.00	-
(xx)	KHAVDA IIA Transmission Limited (w.e.f. 19 April, 2022 to 28 March, 2023)		
	Consultancy Fees	1770.00	-
	Interest income	2.65	-
	Reimbursement/ expenses reimbursement	70.10	-
	Sale of investments	5.00	-
	Investment made	5.00	-

(All amounts in ₹ lakh, unless stated otherwise)

		For the year ended 31 March, 2023	For the year ended 31 March, 2022
(xxi)	KHAVDA IIB Transmission Limited (w.e.f. 21 April, 2022 to 21 March, 2023)		
	Consultancy Fees	1770.00	-
	Interest income	2.64	-
	Reimbursement/ expenses reimbursement	71.06	-
	Sale of investments	5.00	-
	Investment made	5.00	-
(xxii)	KHAVDA IIC Transmission Limited (w.e.f. 22 April, 2022 to 21 March, 2023)		
	Consultancy Fees	1770.00	-
	Interest income	2.66	-
	Reimbursement/ expenses reimbursement	70.81	-
	Sale of investments	5.00	-
	Investment made	5.00	-
(xxiii)	KPS3 Transmission Limited (w.e.f. 29 April, 2022 to 21 March, 2023)		
	Consultancy Fees	1048.42	-
	Interest income	3.54	0.13
	Reimbursement/ expenses reimbursement	76.32	10.69
	Sale of investments	5.00	-
	Investment made	5.00	-
(xxiv)	KPS2 Transmission Limited (w.e.f. 04 May, 2022 to 21 March, 2023)		
	Consultancy Fees	1023.98	-
	Interest income	2.90	0.13
	Reimbursement/ expenses reimbursement	89.73	10.69
	Sale of investments	5.00	-
	Investment made	5.00	-
(xxv)	KHAVDA RE Transmission Limited (w.e.f. 07 May, 2022 to 21 March, 2023)		
	Consultancy Fees	1366.59	-
	Interest income	2.34	-
	Reimbursement/ expenses reimbursement	64.95	-
	Sale of investments	5.00	-
	Investment made	5.00	-
(xxvi)	ERWR Power Transmission Limited (w.e.f. 27 September, 2022 to 21 March, 2023)		
	Consultancy Fees	590.00	-
	Interest income	1.42	-
	Reimbursement/ expenses reimbursement	56.88	-
	Sale of investments	5.00	-
	Investment made	5.00	-

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

(All amounts in ₹ lakh, unless stated otherwise)

Receivable from associates/(Payable to associates)	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Chandil Transmission Limited	254.43	253.75
Dumka Transmission Limited	248.24	247.57
Mandar Transmission Limited	222.50	221.82
Koderma Transmission Limited	228.18	227.51
Bidar Transmission Limited	10.08	(1.05)
Rajgarh Transmission Limited	-	28.18
MP Power Transmission Package-I Limited	-	199.03
ER NER Transmission Limited	-	28.38
Ramgarh II Transmission Limited	69.60	10.82
Sikar Khetri Transmission Limited	67.30	10.82
Neemuch Transmission Limited	-	10.82
KPS2 Transmission Limited	-	10.82
KPS3 Transmission Limited	-	10.82
Beawar Transmission Limited	70.94	11.23
Gadag II A Transmission Limited	-	11.22
KPS1 Transmission Limited	58.35	-
Khavda II-D Transmission Limited	(1.79)	-
Luhri Power Transmission Limited	48.15	-
Meerut Shamli Power Transmission Limited	43.29	-
NERES XVI Power Transmission Limited	18.76	-
	1,338.03	1,281.72

Investments in SPVs	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Chandil Transmission Limited	5.00	5.00
Dumka Transmission Limited	5.00	5.00
Mandar Transmission Limited	5.00	5.00
Koderma Transmission Limited	5.00	5.00
Bidar Transmission Limited	5.00	5.00
Rajgarh Transmission Limited	-	5.00
MP Power Transmission Package-I Limited	-	5.00
ER NER Transmission Limited	-	5.00
Sikar Khetri Transmission Limited	5.00	-
KPS1 Transmission Limited	5.00	-
Ramgarh II Transmission Limited	5.00	-
Beawar Transmission Limited	5.00	-
Khavda II-D Transmission Limited	5.00	-
Luhri Power Transmission Limited	5.00	-
Meerut Shamli Power Transmission Limited	5.00	-
NERES XVI Power Transmission Limited	5.00	-
	65.00	40.00

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

Designation of officer	As at 31 March, 2023	Maximum amount outstanding for the year ended 31 March, 2023	As at 31 March, 2022	Maximum amount outstanding for the year ended 31 March, 2022
Chairman	NIL	NIL	NIL	NIL
Company Secretary	NIL	NIL	NIL	NIL

45 Employee benefit obligations

(All amounts in ₹ lakh, unless stated otherwise)

Defined contribution plans

The Company makes contributions to the Provident Fund for all eligible employees. Under the plan, the Company is required to contribute a specified percentage of payroll costs. Accordingly, the Company has recognized ₹36.83 lakh as expense in the statement of profit and loss during the current year (Previous Year ended 31 March, 2022 ₹32.87 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 basis.

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, 2023	For the year ended 31 March, 2022
	Leave encashment	Leave encashment
Current service cost	13.15	13.88
Interest cost	2.86	3.89
Actuarial loss/(gain)	(0.91)	(7.10)
Total expense recognized in the Statement of profit and loss	15.10	10.67

Net defined benefit liability/ (asset) recognized in the Balance Sheet	For the year ended 31 March, 2023	For the year ended 31 March, 2022
	Leave encashment	Leave encashment
Current	1.52	1.84
Non-current	25.26	38.01
Present value of obligation at year end	26.78	39.85

Change in obligations during the year	For the year ended 31 March, 2023	For the year ended 31 March, 2022
	Leave encashment	Leave encashment
Present value at beginning of the year	39.85	57.35
Current service cost	13.15	13.88
Interest cost	2.86	3.89
Actuarial loss/(gain)	(0.91)	(7.10)
Benefits paid	(28.17)	(28.17)
Present value at the end of the year	26.78	39.85

Change in obligations during the year	For the year ended 31 March, 2023	For the year ended 31 March, 2022
	Leave encashment	Leave encashment
Actuarial assumptions		
Discount rate*	7.38%	7.18%
Expected return on plan assets	NA	NA
Salary escalation	6.00%	6.00%
Attrition		
Upto 30 Years	3.00%	3.00%
From 31 to 44 Years	2.00%	2.00%
Above 44 Years	1.00%	1.00%
Method used **	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.

** Projected unit credit method (PUCM)

Maturity profile of obligations - Leave encashment

(All amounts in ₹ lakh, unless stated otherwise)

SL No.	Years	For the year ended 31 March, 2023	For the year ended 31 March, 2022
a)	0 to 1 Year	1.52	1.84
b)	1 to 2 Year	0.54	0.80
c)	2 to 3 Year	0.53	0.76
d)	3 to 4 Year	0.53	0.75
e)	4 Year onwards	23.66	35.69

Sensitivity analysis in respect of obligation*

Particulars	Leave encashment	
	For the year ended 31 March, 2023	For the year ended 31 March, 2022
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	26.78	39.85
a) Impact due to increase of 0.50 %	(2.31)	(3.30)
b) Impact due to decrease of 0.50 %	2.54	3.67
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	26.78	39.85
a) Impact due to increase of 0.50 %	2.58	3.70
b) Impact due to decrease of 0.50 %	(2.33)	(3.35)

*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.

46 Financial instruments
i) Financial instruments by category measured at amortized cost:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Financial assets		
Investments*	7,671.41	8,871.41
Trade receivables	11,443.07	10,064.63
Cash and cash equivalents	969.87	1,459.03
Other bank balances	32,770.21	15,864.47
Other financial assets (Note 7 & Note 15)	10,186.26	9,214.17
Total	63,040.82	45,473.71
Financial liabilities		
Borrowings	-	-
Trade payable	4,167.59	3,647.82
Other financial liabilities (Note 21 & Note 25)	15,804.93	14,487.07
Total	19,972.52	18,134.89

* Aggregate fair value of investment in tax free bonds, NCD's and staggered paper is 9039.03lakh (31 March, 2022 : ₹10,692.80 lakh)

ii Fair values hierarchy

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

47 Financial risk management

(All amounts in ₹ lakh, unless stated otherwise)

I) Risk management

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 46. The main types of risks are credit risk, liquidity risk and market risk. The Company's risk management is coordinated in close co-operation with the Board of Directors, and focuses on securing the Company's short to medium term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

A) Credit risk
a) Credit risk rating

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

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

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

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

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

Credit risk assets are as follows:

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

b) Credit risk exposure
i Provision for expected credit losses

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

31 March, 2023

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	7,671.41	-	7,671.41
Cash and cash equivalents	969.87	-	969.87
Other bank balances	32,770.21	-	32,770.21
Trade receivables	22,413.43	(10,970.36)	11,443.07
Other financial assets (Note 7 & Note 15)	10,235.11	(48.85)	10,186.26

31 March, 2022

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	8,871.41	-	8,871.41
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 (Note 7 & Note 15)	9,263.02	(48.85)	9,214.17

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

31 March, 2023

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

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

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

Reconciliation of loss provision – Trade receivables

Reconciliation of loss allowance	Amount
Loss allowance on 1 April, 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	8,271.99
Provisions utilized (reversal against bad debts) during the year	(22.45)
Provision created during the year	2,720.82
Loss allowance on 31 March, 2023	10,970.36

B) Liquidity risk

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

Maturities of financial liabilities

(All amounts in ₹ lakh, unless stated otherwise)

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

C) Market risk

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

Currency risk:

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

Interest rate risk

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

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Floating rate borrowings (-0.5% Change in interest rate)	-	0
Floating rate borrowings (+0.5% Change in interest rate)	-	0

Price risk:

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

48 Capital Management

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

49 Contingent liabilities and commitments

Particulars	As at 31 March, 2023	As at 31 March, 2022
I) Contingent Liabilities (to the extent not provided for)		
a) Claims against the company not acknowledged as debt		
Disputed tax demands		
(a) Income tax demand for AY 2017-18	29.86	29.86
(b) Income tax demand against notice U/s 245 of Income Tax Act for AY 2018-19	0.01	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
Others		
(d) Outstanding claims of contractors pending in arbitration and courts	2,670.95	2,943.03
	4,162.95	4,435.03

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

(B) The amount referred in (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.

(All amounts in ₹ lakh, unless stated otherwise)

- (C) The amount referred in (d) above, is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Company's results of operations or financial condition.
- (D) "A commercial suit is filed against the company (RECPDCL) & Ors by Ms. Sumotek Innovation Pvt. Ltd ("Sumotek") before the High Court of Judicature at Bombay. RECPDCL has been marked as Defendant No 1 in the suit. Brihan Mumbai Electric Supply & Transport Undertaking (BEST) is Defendant No 2 and Adani Transmission Limited is Defendant No 3. It has been stated in the suit that a patent was registered in the name of one Girish M Bachate ("Patentee") in the name and title head of 'Pre-paid- Post Paid Electricity Supply Machine', which was registered as Patent, number 208216. The Patentee has subsequently assigned the same in favour of the Petitioner. The petition alleges that floating of the tender No. RECPDCL/BD/e-tender/20222023/73759N (by RECPDCL on behalf of BEST) for appointment of advanced metering infrastructure service provider for implementing prepaid smart metering project allegedly infringes patent in the name of Patentee (now assigned to the Petitioner) as the technology and process of developing the smart meters covered under the tender is similar and identical to the Pre-paid Post Paid Electricity Supply Machine, which was patented to the Patentee. Adani Transmission Limited has emerged as the successful bidder in the said tender. Therefore, claims have been made by the Petitioner against RECPDCL, BEST and Adani Transmission Limited inter-alia for payment of Rs. 10806.60 Lakh (towards royalty) + Rs. 2106.33 Lakh (against damages) along with interest and other charges etc. along with other reliefs.

Initially, RECPDCL had been appointed as project implementing agency by BEST for smart metering project and the tender on behalf of best has been floated accordingly by the RECPDCL for selection of suitable bidder for execution of the project. RECPDCL was only acting as an agent in the project and later on BEST has removed RECPDCL as PIA for the project and accordingly no such liability shall arise on RECPDCL due to this commercial suit and figure as mentioned above not shown in contingent liability.

ii) Commitments (to the extent not provided for)

- (A) The company submitted performance bank guarantee to its service recipient as per requirement of the contract. The Un-expired performance bank guarantees as on 31.03.2023 is ₹2979.25 Lakh (Previous year ₹3106.29 Lakh). These bank guarantees are secured against current assets excluding earmarked balances for deposit works and government fund account, as indicated in Note 14 - Other bank balances.
- (B) The outstanding commitment on account of CSR activities which are sanctioned prior to/ during the financial year is Rs. 165.58 Lakh (previous year ₹117.21 Lakh).

50 Impact of Covid-19 Outbreak

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

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

51 Impairment of non financial assets:

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

52 Leases

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

(All amounts in ₹ lakh, unless stated otherwise)

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

A Lease payments not included in measurement of lease liability

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

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Short-term leases	-	469.06
Total	0.00	469.06

B Total cash outflow for leases for the year ended 31 March, 2023 was Rs NIL Lakh, (31 March, 2022 - Rs 469.06 Lakh).

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Short-term leases	-	469.06
Total	0.00	469.06

C The Company has total commitment for short-term leases of Rs NIL lakh as at 31 March, 2023 (31 March, 2022 Rs 325.93 lakh).

53 Ratios Analysis

Ratio	31 March, 2023			31 March, 2022			Analysis	
	Numerator	Denominator	Ratios	Numerator	Denominator	Ratios	% Variance	Reason
Current Ratio	49,262.48	23,929.26	2.06	32,430.45	18,803.82	1.72	19.37	
Return on Equity Ratio	13,978.90	38,476.21	0.36	5,302.50	31,329.12	0.17	114.66	refer pt. (a)
Trade Receivables Turnover Ratio	28,484.41	10,753.85	2.65	16,001.02	12,314.21	1.30	103.85	refer pt. (b)
Trade Payables Turnover Ratio	7,242.92	3,907.71	1.85	7,983.60	4,916.87	1.62	14.15	
Net capital Turnover Ratio	28,484.41	25,333.22	1.12	16,001.02	13,626.63	1.17	(4.25)	
Net Profit Ratio	13,978.90	28,484.41	0.49	5,302.50	16,001.02	0.33	48.09	refer pt. (c)
Return on Capital employed	18,653.21	44,093.38	0.42	7,148.22	32,859.04	0.22	94.46	refer pt. (d)

1. Current ratio - Numerator includes current assets and Denominator includes current liabilities
2. Return on Equity ratio - Numerator includes Net profit after taxes and Denominator includes average shareholders equity.
3. Trade receivable turnover ratio - Numerator includes Revenue from operations and Denominator includes average trade receivables.
4. Trade payable turnover ratio - Numerator includes Cost of services rendered and Denominator includes average trade payables.
5. Net capital turnover ratio - Numerator includes Revenue from operations and Denominator includes working capital (Current Assets - Current Liabilities).
6. Net profit ratio - Numerator includes profit after tax and Denominator includes Revenue from operations.
7. Return on capital employed - Numerator includes earning before interest and taxes and Denominator includes capital employed (Tangible 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) The ratio has been improved due to 100% collection of revenue recognised under TBCB business (BPC)-Transmission SPV, 100% receipt of revenue in PIA fee for transmission projects resulting in decrease in average net trade receivables.
- (c) Net profit ratio improved due to significant increase in net income from TBCB business (BPC)-Transmission SPV by Rs. 9172.62 Lakh.
- (d) Return on capital employed improved due to increase in profit before interest and tax.

54 Other notes

I "There were Eight opening associate companies (SPVs), in the previous years, namely Chandil Transmission Limited, Dumka Transmission Limited., Koderma Transmission Limited, Mandar Transmission Limited, Rajgarh Transmission Limited, Bidar Transmission Limited, MP Power Transmission Package-I Limited & ER NER Transmission Limited.

During the financial year 2022-23 eighteen number of associate companies (SPVs) namely Sikar Khetri Transmission Limited, KPS1 Transmission Limited, Ramgarh II Transmission Limited, Beawar Transmission Limited, Khavda II-D Transmission Limited, Luhri Power Transmission Limited, Meerut Shamli Power Transmission Limited, NERES XVI Power Transmission Limited, Neemuch Transmission Limited, Gadag II A Transmission Limited, WRSR Power Transmission Limited, Khavda II-A Transmission Limited, Khavda II-B Transmission Limited, Khavda II-C Transmission Limited, KPS3 Transmission Limited, KPS2 Transmission Limited, Khavda RE Transmission Limited & ERWR Power Transmission Limited have been incorporated.

Further, during FY 2022-23 thirteen number of associate companies SPVs namely Rajgarh Transmission Limited, MP Power Transmission Package-I Limited, ER NER Transmission Limited, Neemuch Transmission Limited, Gadag II A Transmission Limited, WRSR Power Transmission Limited, Khavda II-A Transmission Limited, Khavda II-B Transmission Limited, Khavda II-C Transmission Limited, KPS3 Transmission Limited, KPS2 Transmission Limited, Khavda RE Transmission Limited & ERWR Power Transmission Limited have been transferred to the successful bidders.

There are thirteen associates (SPVs) as at 31 March, 2023. Out of these 4 number SPVs of namely Chandil Transmission Limited, Dumka Transmission Limited., Koderma Transmission Limited & Mandar Transmission Limited are kept in abeyance, one no. of SPVs namely Khavda II-D Transmission Limited is under process of strike off.

- II a) Government of Jharkhand vide its letter dated 21 August, 2017 had nominated Company as the Bid Process Coordinator for the development of Intra-State transmission elements of Jharkhand State through Tariff Based Competitive Bidding route. Further, Government of Jharkhand vide its letter dated 30 September, 2020, has decided to reinstate the bidding process. Hence, the four projects namely Chandil Transmission Limited, Dumka Transmission Limited., Koderma Transmission Limited & Mandar Transmission Limited 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 has appointed REC Power Development and Consultancy Limited as Bid Process coordinator for selection of the developer for the project Khavda II-D scheme. The company has been incorporated 25th April 2022. The scheme has been de-notified by the Ministry of Power, Power System Planning Appraisal Division - II vide its minutes of the meeting dated 07.11.2022 and proposed to be developed under (Regulated Tariff Method) RTM method instead of bidding route. Accordingly, the company is under process of strike off. The direct expenditure incurred on the project has been charged to statement of the profit & loss.
- c) The Bidar Transmission Limited was incorporated on 08.06.2020. The bidding of the project had been put on hold as per the minutes of meeting held on 16.10.2020 of Ministry of Power, Power System Planning Appraisal Division - I. The bidding process has been reinstated in M/o March 2023 after taking approval from the competent authority and in accordance to minutes of meeting dated 03.11.2022 of Ministry of Power, Power System Planning Appraisal Division-I
- III There are no foreign currency transactions during the year. Therefore no disclosures are required under Schedule III of the Companies Act, 2013.

(All amounts in ₹ lakh, unless stated otherwise)

- IV The Company does not have more than 2 layers as specified in sub-rule (2) of Companies (Restriction on number of layers) Rules, 2017. As on 31.03.2023, the Company has 13 SPVs, In which it has directly invested and holds 100% of its shares. So Company does not violate the provision of Section 2(87) of companies Act.
- V " The Company presently operating in a single segment i.e. providing engineering consultancy services and therefore disclosure requirements of Ind AS 108 is not applicable. The company presently has single geographical segment, as all its project offices are located within the Country.
- VI No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- VII During the Financial Year 2022-23, there is no transaction with companies Struck off under section 248 of the Companies Act, 2013.
- VIII The code on social security 2020 (Code) relating to employee benefit during employment and post employment benefit received presidential accent in September 2020. The code has been published in the Gazette of India. However, the date on which the code will come in to effect has not been notified. The company will assess the impact of the code when it comes in to effect and will record any related impact in the year the code becomes effective.
- IX The company has no 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.
- XII Previous year figures have been regrouped/reclassified wherever required.

Summary of significant accounting policies 1 to 3

The accompanying notes from 4 to 40 are integral part of the financial statements.

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

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

CA Manoj Garg
Partner
Membership No. 074370

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

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

Date : May 16, 2023
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT
To the Members of REC Power Development and Consultancy Limited

Revised Report on the Audit of the Standalone Financial Statements

Opinion

1. Our audit report dated 16th May 2023 on the accounts for the year ended 31st March 2023 is being revised vide this report dated 3rd July, 2023 to give effect to the observations made by the Comptroller & Auditor General of India in the supplementary audit carried out under section 143(6) of the Companies Act 2013 as these facts were either inadvertently not reported or misprinted in the original report.
2. We have audited the accompanying standalone financial statements of REC Power Development and Consultancy Limited (**A wholly owned subsidiary of REC Limited**), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the financial statements")
3. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (The "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

S.No.	Key Audit Matter	Auditor's Response
1.	<p>Valuation of account Receivable in view of risk of credit loss (Refer to Note no. 46 "Financial Instrument" and note no 12 "Trade Receivable")</p> <p>Accounts receivables is a significant item in the Company's financial statements as at March 31, 2023 and assumptions used for estimating the credit loss on receivables is an area which is influenced by management's judgment.</p> <p>The Company makes an assessment of the estimated credit losses basis credit risk, project status, past history, latest discussion/ correspondence with the customer.</p>	<p>Principal Audit Procedures</p> <p>Our audit incorporated the following procedure with regards to provisioning of receivables:</p> <ul style="list-style-type: none"> • Understood and evaluated the accounting policy of the company. • We evaluated the design and tested the operating effectiveness of key controls in relation to determination of estimated credit loss. • Inquired with senior management regarding status of collectability of the receivable

S. No.	Key Audit Matter	Auditor's Response
	<p>Given the relative significance of these receivables to the financial statements and the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter.</p>	<ul style="list-style-type: none"> For material balances, the basis of provision was discussed with the management. Assessed and challenged the information used by the Management to determine the expected credit losses by considering credit risk of the customer, cash collection, performance against historical trends and the level of credit loss charges over time.
2.	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"</p> <p>The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period.</p> <p>Refer Notes 3.3 and 41 to the Financial Statements</p>	<p>Principal Audit Procedures</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>We carried out the following procedures:</p> <ul style="list-style-type: none"> Understand the design of internal controls relating to implementation of the new revenue accounting standard. Selected a sample of continuing and new 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: <ul style="list-style-type: none"> Read, analyzed and identified the distinct performance obligations in these contracts. Compared these performance obligations with that identified and recorded by the Company. Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. Calculations in respect of unearned revenue were test-checked using reports provided by project experts with respect to the percentage of work completed. In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with the terms of contracts and status of work provided by the project experts of the company. Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.

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

6. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in an entity's annual report, but does not include the financial statements and our auditor's report thereon. Such other information is expected to be made available to us after the date of auditor's report.
7. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance/conclusion thereon.
8. In connection with our audit of the financial statements, our responsibility is to read the other information above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
9. When we read the report mentioned above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. As the other information is not made available to us at the date of Auditor's Report, we have nothing to report in this regard.

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

10. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
12. The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(1) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
15. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
 16. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

19. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
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:
22. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
 - a) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
 - b) The balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity and dealt with by this Report are in agreement with the books of account;
 - c) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder;
 - d) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - e) Vide Notification No. G.S.R. 463(E) dated 5 June, 2015 issued by Ministry of Corporate Affairs, Government Companies have been exempted from applicability of the provisions of Section 164(2) of the Companies Act, 2013
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C"; and

- g) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (16) of Section 197 of the Companies Act, 2013, are not applicable to the Company;
- 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 Company has Rs. 2670.95 lakh pending litigations as on 31st March 2023.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. The provision of transferring the amount to the Investor Education and Protection Fund is not applicable to the company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As state in the standalone financial statements
- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Companies Act 2013, as applicable.
 - (b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Companies Act 2013.
 - (c) The Board of Director of the Company has proposed final dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Companies Act 2013, as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 with respect to using accounting software for maintaining its books of account which has certain features e.g. edit log etc. as enumerated in afore said proviso is applicable to the Company with effect from 1st April 2023. Therefore, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2023.

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

CA Manoj Garg
Partner
Membership No. 074370.
UDIN:23074370BGXDVF1308

Date: 03.07.2023
Place: New Delhi

Annexure A to the Independent Auditor's Report

The annexure referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of REC Power Development and Consultancy Limited on the Ind AS standalone financial statements for the financial year ended on 31st March 2023.

1. In respect of its property, plant and equipment
 - (a) (A) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment on the basis of available information.
 - (B) The Company is maintaining proper records showing full particulars of intangible assets.
 - (b) The company has an approved regular program of verification for all assets to cover all the items yearly, which, in our opinion, is reasonable having regard to the size of the company and the nature of its fixed assets. Pursuant to the program, Assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company does not have any immovable properties which are freehold and held in the name of company as at the balance sheet date.
 - (d) The Company has not revalued its Property, Plant, Equipment during the year. Accordingly, reporting under clause(i)(d) of paragraph 3 of the Order is not applicable.
 - (e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the company as at March 31st, 2023 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
2.
 - (a) The Company being a consultancy provider does not have any inventory during the year.
 - (b) The Company has not obtained any sanctioned working capital limit during the year, from banks and/or financial institutions, on the basis of security of current assets. Therefore, reporting under clause(ii)(b) of paragraph 3 of the Order is not applicable.
3. During the year the Company has not made investments, provided any guarantee or security, or granted any loans or advances in the nature of loans, secure or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly, reporting under clause (iii) of paragraph 3 of the Order is not applicable.
4. The provisions of Section 185 of the Act are not applicable to the Company as the Company has not given any loan or provided any guarantee to any of the parties covered under section 185 of the Act. Further, the provision of section 186 of the Act are also not applicable as the company has not given any loan, given any guarantee, provided any guarantee or invest in the securities of any other body corporate or person.
5. In our opinion, the company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
6. The Company is not required to maintain cost records which have been specified by the Central Government under sub-section (1) of section 148 of companies act, 2013.
7.
 - (a) According to the records of the company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including Goods and Services tax, Excise duty, Provident fund, ESI and other statutory dues applicable over the company.
 - (b) According to the information given to us and as per the books of accounts produced before us, the company has no dues relating to Goods and Services tax, Sales tax, Income tax, Custom tax, Excise duty, Cess as at 31st March, 2023 that have not been deposited on account of any dispute except Income tax demand for A. Y. 2017-18 of ₹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.
 - (a) The Company has not taken any loan or other borrowings from any lender. Accordingly, reporting under clause(ix)(a) of paragraph 3 of the Order is not applicable.
 - (b) The company has not been declared a wilful defaulter by any bank or financial institution or government or any other government authorities.
 - (c) The Company did not obtain any money by way of term loan during the year and there was no term loan outstanding at the beginning of the year. Accordingly, reporting under clause(ix)(c) of paragraph 3 of the Order is not applicable.
 - (d) On an overall examination of financial statements of the Company, The Company has not availed any short-term borrowings. Accordingly, reporting under clause(ix)(d) of paragraph 3 of the Order is not applicable.
 - (e) On an overall examination of financial statements of the Company, The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act.
 - (f) The Company has not raised any loan during the year on the pledge of securities held in its subsidiary as defined under the Act.
10.
 - (a) The Company has not raised any money by way of initial public issue offer, further public offer (including debt instruments) during the year. Therefore, reporting under clause(x)(a) of paragraph 3 of the Order is not applicable.
 - (b) The Company has not made any preferential allotment or private placement of shares or convertible debenture during the year (fully, partially, or optionally convertible) during the year. Therefore, reporting under clause(x)(b) of paragraph of the order is not applicable.
11.
 - (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year; nor have we been informed of any such instance by the management.
 - (b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in form ADT-4 as prescribed under rule 13 of the companies (Audit & Auditors) rules, 2014, during the year or up to the date of this report.
 - (c) There are no whistle blower complaints received by the Company during the year & up to the date of this report.
12. The Company is not a Nidhi Company. Therefore, reporting under clause(xii) of paragraph 3 of the order is not applicable.
13. In our opinion and according to information and explanation given to us, all transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and are disclosed in the financial statements as required by the applicable accounting standards.
14.
 - (a) The Company has appointed external internal auditors for carrying out the internal audit of the company. The audit has been conducted in two part i.e. for 1st half year ended 30th September & 2nd half year ended 31st March. The internal audit system adopted by the company is commensurate with the size and nature of the business of the company.
 - (b) We have considered the internal audit report so submitted by the internal auditor to the company and provided to us by the company for the half year period ended 30th September 2022 and the report for the period half year ended 31st March 2023 is yet to be received from the internal auditors, in determining the nature, timing and extent of our audit procedures.
15. Based on the representation given by the management, the Company has not entered into any non-cash transactions with the directors or other persons connected to directors and hence the provision of section 192 of the Companies Act is not applicable.
16.
 - (a) The company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934. Therefore, reporting under clause(xvi)(a) and (b) of paragraph 3 of the Order are not applicable.

- (b) The Company is not Core Investment Company (CIC) as defined in core investment Companies (Reserve Bank) Directions, 2016 (“Directions”) by the Reserve Bank of India. Accordingly, Reporting under clause (xvi)(c) and (d) of the paragraph 3 of the order are not applicable.
17. Based on the representation given by the management, the company has not incurred any cash losses during the financial year and immediately preceding financial year.
18. There has been no resignation of the statutory auditor during the year & accordingly, reporting under clause(xviii) of paragraph 3 of the Order is not applicable.
19. On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and management plans, we are in the opinion that no material uncertainty exist as on the date of the audit report that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of audit report & we neither give any guarantee nor any assurance that all liabilities falling due within a period of 1 year from the balance sheet date, will get discharged by the company as and when they fall due.
20. (a) The company has spent all the funds allocated during the year and accordingly no unspent amount available under section 135 of the Act.
- (b) The company did not have any unspent amount under sub-section (5) of section 135 of the Companies Act and accordingly this clause is not applicable.

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

Date: 03.07.2023
Place: New Delhi

CA Manoj Garg
Partner
Membership No. 074370.
UDIN:23074370BGXDVF1308

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 2023.

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

Compliance Certificate

We have conducted the audit of consolidated annual accounts of **REC Power Development and Consultancy Limited** for the year ended 31st March 2023 in accordance with the direction/sub-directions issued by the C&AG of the India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Direction/Sub-directions issued to us.

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

Date: 03.07.2023
Place: New Delhi

CA Manoj Garg
Partner
Membership No. 074370.
UDIN: 23074370BGXDVF1308

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 2023.

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

We have audited the internal financial controls over financial reporting of **REC Power Development and Consultancy Limited ("the Company")** as on 31st March 2023 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, 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

Date: 03.07.2023
Place: New Delhi

CA Manoj Garg
Partner
Membership No. 074370.
UDIN: 23074370BGXDVF1308

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF REC POWER DEVELOPMENT AND CONSULTANCY LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of REC Power Development and Consultancy Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 03 July 2023 which supersedes their earlier Audit Report dated 16 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of REC Power Development and Consultancy Limited for the year ended 31 March 2023 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

In view of the revision(s) made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

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

**Sd/-
(Sanjay K. Jha)
Director General of Audit (Energy),
New Delhi**

Date: 13.07.2023
Place: New Delhi

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

Consolidated Balance Sheet as at 31 March, 2023

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	Notes	As at 31 March, 2023	As at 31 March, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	26.37	37.33
Other intangible assets	5	0.88	2.84
Financial assets			
Investments	6	7,171.41	8,871.41
Other financial assets	7	7,085.71	6,500.39
Income tax assets (net)	8	1,011.46	848.76
Deferred tax assets (net)	9	3,057.10	2,537.56
Other non current assets	10	2.81	-
Total non current assets		18,355.74	18,798.29
Current assets			
Financial assets			
Investments	11	500.00	-
Trade receivables	12	11,443.07	10,064.63
Cash and cash equivalents	13	969.87	1,459.03
Other bank balances	14	32,770.21	15,864.47
Other financial assets	15	3,100.55	2,713.78
Current tax assets (Net)	16	-	337.58
Other current assets	17	478.78	2,271.04
Total current assets		49,262.48	32,710.53
Assets classified as held for sale	18	431.47	351.98
TOTAL ASSETS		68,049.69	51,860.80
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	8.55	8.55
Other equity	20	44,084.83	32,850.49
Total equity		44,093.38	32,859.04
Non-current liabilities			
Financial liabilities			
Other financial liabilities	21	-	149.38
Provisions	22	25.26	38.01
Other non-current liabilities	23	-	9.50
Total non-current liabilities		25.26	196.89
Current liabilities			
Financial liabilities			
Trade payables	24		
(a) Total outstanding dues of micro & small enterprises		-	-
(b) Total outstanding dues of Creditors other than micro & small enterprises		4,167.59	3,647.82
Other financial liabilities	25	15,804.93	14,337.69
Other current liabilities	26	2,848.73	740.49
Provisions	27	43.09	77.82
Current tax liabilities (net)	28	1,064.92	-
Total current liabilities		23,929.26	18,803.82
Liabilities directly associated with assets classified as held for sale	18	1.79	1.05
Total liabilities		23,956.31	19,001.76
TOTAL EQUITY & LIABILITIES		68,049.69	51,860.80

Summary of significant accounting policies 1 to 3
The accompanying notes from 4 to 40 are integral part of the financial statements.
These are the financial statements referred to in our report of even date.

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

CA Manoj Garg
Partner
Membership No. 074370

Date : May 16, 2023
Place : New Delhi

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

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

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

Consolidated Statement of Profit and Loss for the year ended 31 March, 2023

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	Notes	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Revenue from operations	29	28,484.41	16,001.02
Other income	30	2,242.55	1,718.94
Total Income		30,726.96	17,719.96
Expenses			
Cost of services rendered	31	7,242.92	7,983.60
Employee benefits expense	32	646.31	650.66
Finance costs	33	17.93	261.32
Depreciation and amortization expense	34	16.62	28.03
Impairment on financial assets	35	2,725.61	(328.91)
Corporate social responsibility expenses	36	126.16	167.95
Other expenses	37	1,313.57	1,099.62
Impairment on assets classified as held for sale	38	2.56	970.79
Total expenses		12,091.68	10,833.06
Profit/(Loss) before tax		18,635.28	6,886.90
Tax expense	39		
Current tax		5,191.83	1,789.87
Deferred tax expense/(credit)		(519.54)	(205.47)
Earlier year taxes/(credit)		(15.91)	-
Total tax expenses		4,656.38	1,584.40
Net profit/(loss) for the year		13,978.90	5,302.50
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		13,978.90	5,302.50
Earnings per equity share			
Basic/diluted earnings per share (In ₹)	40	16,350	6,202

Summary of significant accounting policies 1 to 3
The accompanying notes from 4 to 40 are integral part of the financial statements.
These are the financial statements referred to in our report of even date.

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

CA Manoj Garg
Partner
Membership No. 074370

Date : May 16, 2023
Place : New Delhi

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

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

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

Consolidated Statement of changes in equity for the year ended 31 March, 2023

A Equity share capital

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	Amount
Balance as at 1 April, 2022	8.55
Changes in equity share capital during the year	-
Balance as at 31 March, 2023	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, 2023			
	General reserve	Retained earnings	Capital reserve	Total
Balance as at 1 April, 2022	5,313.55	27,535.49	1.45	32,850.49
Profit/(Loss) for the year	-	13,978.90		13,978.90
Dividend				
- Final dividend for the previous year (FY 2021-22)	-	(890.91)		(890.91)
- Interim dividend for the year (FY 2022-23)	-	(1,853.65)		(1,853.65)
Balance as at 31 March, 2023	5,313.55	38,769.83	1.45	44,084.83
Particulars	31 March, 2022			
	General reserve	Retained earnings	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

Summary of significant accounting policies 1 to 3
The accompanying notes from 4 to 40 are integral part of the financial statements.
These are the financial statements referred to in our report of even date.

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

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

CA Manoj Garg
Partner
Membership No. 074370

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

Date : May 16, 2023
Place : New Delhi

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

Consolidated Statement of Cash Flows for the year ended 31 March, 2023

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	18,635.28	6,886.90
Adjustments for:		
Add/(Less)		
Depreciation and amortization expense	16.62	28.03
Impairment on financial assets	2,725.61	(328.91)
Impairment on assets classified as held for sale	2.56	970.79
Interest expense on other financial liabilities measured at amortized cost	17.93	16.00
Loss on sale/write off of property, plant and equipment	0.80	0.29
Liabilities/Provisions written back	(156.62)	(116.43)
Interest income on fixed deposit	(722.72)	(341.67)
Interest income on tax free bonds	(607.82)	(607.63)
Interest income from SPVs	(56.96)	(37.22)
Interest income on NCDs	(49.92)	(70.90)
Interest income on staggered papers	(7.41)	(15.10)
Interest income on other financial assets measured at amortized cost	(16.20)	(16.20)
Profit on sale of property, plant and equipment	(0.04)	-
Operating profit before working capital changes	19,781.11	6,367.95
Changes in working capital:		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables (current)	(4,104.05)	4,828.05
Other financial assets (current)	(386.77)	0.97
Other bank balances (excluding term deposits with maturity more than 3 months but less than 12 months)	(3,700.07)	14,830.95
Other current assets	1,792.26	(147.40)
Other non-current assets	(2.81)	-
<i>Adjustments for increase/(decrease) in operating liabilities:</i>		
Trade payables	519.77	(2,421.66)
Other financial liabilities (current)	1,565.28	(14,392.08)
Other financial liabilities (non current)	(149.38)	(0.00)
Other current liabilities	2,114.94	(207.14)
Provisions (current)	5.92	61.21
Provisions (non current)	(12.75)	(17.15)
Liabilities held for sale	0.74	(7.08)
Movement in operating assets and liabilities	(2,356.92)	2,528.67
Cash generated from operations	17,424.19	8,896.62
Less: Tax Expenses	(3,936.12)	(2,474.54)
Net cash flow from operating activities (A)	13,488.07	6,422.08
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work-in-progress)	(5.11)	(5.72)
Sale/Write Off of property, plant and equipment	0.39	(0.07)
Sale/Write Off of intangible assets	0.26	0.08
Deposits with bank (maturity more than 3 months but less than 12 months)	(13,205.67)	(1,340.53)
Deposit with Bank having original maturity period more than 12 Months	(585.32)	(6,403.20)
Interest received on fixed deposit	722.72	341.67
Interest received from SPV's	56.96	37.22
Interest received on tax free bonds	607.82	607.63

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest income on NCDs	49.92	70.90
Interest income on staggered papers	7.41	15.10
Sale/(Purchase) of investments	1,200.00	-
Sale/(investment) of/in shares of associate companies (net)	(82.05)	81.80
Net cash (used in)/flow from investing activities (B)	(11,232.67)	(6,595.11)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(2,744.56)	(2,242.67)
Net cash used in financing activities (C)	(2,744.56)	(2,242.67)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(489.16)	(2,415.71)
Cash and cash equivalents at the beginning of the year	1,459.03	3,874.74
Cash and cash equivalents at the end of the year	969.87	1,459.03
Reconciliation of cash and cash equivalents as per the cash flow statement	(489.16)	(2,415.71)

Explanatory notes -

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

	As at 31 March, 2023	As at 31 March, 2022
Balance held with schedule bank		
-in current account	969.87	650.49
-in deposit account	-	808.54

- b) Amount of expenditure incurred in cash on Corporate Social Responsibility during the year
- | | As at 31 March, 2023 | As at 31 March, 2022 |
|--|----------------------|----------------------|
| -on construction/acquisition of assets | - | - |
| -on purpose other than above | 117.70 | 167.95 |

Summary of significant accounting policies 1 to 3

The accompanying notes from 4 to 40 are integral part of the financial statements.

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

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

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

CA Manoj Garg
 Partner
 Membership No. 074370

Sanjay Kumar
 Director
 DIN - 08722752

Ajoy Choudhury
 Director
 DIN - 06629871

Date : May 16, 2023
 Place : New Delhi

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2023

1. CORPORATE INFORMATION

REC Power Development & Consultancy Limited (“the Parent Company”/“RECPDCL”) having CIN U40101DL2007GOI165779 was incorporated in the year 2007, with the main objective to engage in the engineering consultancy services, execution of work in the area of decentralized distributed generation (DDG), transmission, Distribution, Generation and Smart Grid etc. in India or abroad or other related activities for Government and other agencies in power sector in India. The 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 engineering consultancy services involving DPR preparation, project monitoring, project implementation, handholding etc. to different power sector utilities for their projects not covered under Govt. of India schemes.
- (ii) in carrying out the third party inspection (TPI), quality monitoring and supervision under Rajiv Gandhi Grameen Vidyutikaran Yojana(RGGVY)/Deendayal Upadhyaya Gram Jyoti Yojana(DDUGJY)/Saubhagya Schemes.
- (iii) in preparation of detailed project report (DPR), project management consultancy (PMC) and project management agency (PMA) under the Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme (IPDS) Schemes and Revamped Distribution Sector Scheme (RDSS).
- (iv) in execution of works of Information Technology (IT) implementation and installation of IT Infrastructure under R-APDRP Part A Schemes, project management agency (PMA) / project implementation agency (PIA) for implementation of various Government of India Projects viz. Prime Minister's Development Package (PMPD), Power System Development Fund (PSDF)(Urja Mitra, Rural Feeder Monitoring Scheme (RFMS), National Feeder Monitoring Scheme (NFMS) and Implementation of Smart Metering Project under RDSS.
- (v) as project management agency (PMA) for turnkey execution of smart grid project under NSGM of Government of India, execution of solar standalone /roof top power plants at various locations across the country.
- (vi) Bid Process Coordinator (BPC) under Scheme for flexibility in Generation and Scheduling of Thermal / Hydro Power Stations through bundling with Renewable Energy and Storage Power, 2022.
- (vii) Bid Process Coordinator (BPC) for Inter State Transmission Systems and Intra State Transmission Systems on Tariff Based Competitive Mode. Parent Company is conducting the bidding process for these projects starting from incorporation, survey, cost estimation of Special Purpose Vehicle (SPV) and selection of qualified bidders to handing over of the SPV to the lowest bidder.

2. STATEMENT OF COMPLIANCE

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

The Consolidated financial statements for the period ended 31st March, 2023 were authorized and approved by the Board of Directors on 15th May, 2023.

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 2022. The Group has not made earlier adoption of any other standard or amendment that has been issued but not yet effective:

Standard/ amendments applied first time w.e.f 01.04.2022: -

(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 amendment has no impact on the consolidated financial statements of the Group.

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

The amendment specifies 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 it has no impact in the consolidated financial statements of the Group.

(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 derecognize a financial liability.

This amendment has no impact on the consolidated financial statements of the Group.

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

The Companies (Indian Accounting Standards) Amendment Rules, 2023 shall be effective from 01st Day of April 2023. An entity shall apply these amendments for annual reporting periods beginning on or after 1st April 2023. The amendment includes addition, substitution, insertion and deletion (as the case may be) in Ind AS 1, Ind AS 8, Ind AS 12, Ind AS 34, Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, & Ind AS 115.

(C) Changes in Companies Act 2013.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of preparation and measurement

(i) Going concern and basis of measurement

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

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

(ii) Functional and presentation currency:

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

3.2 Basis of Consolidation

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

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

3.3 Revenue recognition

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

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

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

Income from Operation

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

- (i) In Cost Plus Contracts - revenue is recognized by including eligible contractual items of expenditures plus proportionate margin as per contract;
- (ii) In Fixed Price Contracts –revenue is recognized on the basis of stage of completion of the contract. The Group has assessed that the stage of completion determined as the proportion of the total time expected to complete the performance obligation that has lapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under Ind AS 115.

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

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

Sale proceeds of Request for Proposal (RFP) has been recognized as other income in the books of the parent company.

Interest income

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

3.4 Property, Plant and Equipment

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

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

Depreciation on assets is provided on straight-line method to the extent of 95% of the cost of the asset and in accordance to the useful lives prescribed under Schedule II of the Companies Act, 2013, except for the below assets where different useful lives have been taken on the basis of technical assessment:

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

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

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

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

De-recognition

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

3.5 Intangible assets

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

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

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

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

3.6 Fair value measurement

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

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

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

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

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

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

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

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

3.7 Financial instruments

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

Financial assets:

Initial recognition and measurement

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

Subsequent measurement

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

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

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

De-recognition of financial assets

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

Impairment of financial assets

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

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

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

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

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

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

Financial liabilities:

Initial recognition and measurement

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

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

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

Subsequent measurement

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

De-recognition

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

Offsetting of financial instruments

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

3.8 Non-Current assets/Disposal Company held for sale

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

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

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

3.9 Employee benefits:

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

a) Fixed Tenure Employees

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

b) Employees on secondment from holding company

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

c) Employees on Third Party Role

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

3.10 Taxation

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

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

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

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

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

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

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

3.11 Provisions, Contingent Liabilities, and Contingent Assets

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

A contingent liability is disclosed for:

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

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

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

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

3.12 Earnings per share

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

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

3.13 Impairment of assets

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

corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3.14 Cash and cash equivalents

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

3.15 Funds/grants received from government

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

3.16 Lease Accounting

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

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

Measurement and recognition of leases as a lessee

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

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

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

The Group as a lessor

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

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

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

3.17 Dividend

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

3.18 Material prior period errors

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

3.19 Prepaid Expenses

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

3.20 Rates and taxes

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

3.21 Recognition of expenses in case of SPVs

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

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

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.

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

3.23.2 Significant estimates

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

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

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

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

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

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

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

3.24 Rounding off amounts

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

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

Notes forming part of Financial Statements for the year ending 31 March, 2023

4 Property, plant and equipment

(All amounts in ₹ lakh, unless stated otherwise)

Description	31 March, 2022			
	Furniture & fixtures	Office equipments	Computers	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

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

a) Gross block includes obsolete fixed assets but not disposed off of ₹ 300.71 lakhs and depreciation reserve in respect of these assets ₹ 286.59 lakhs.

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

5 Other intangible assets

Description	31 March, 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)
As at 31 March, 2022	14.72	14.72
Accumulated amortisation		
As at 1 April, 2021	11.44	11.44
Amortisation charge for the year	1.78	1.78
Adjustment/Disposal	(1.34)	(1.34)
As at 31 March, 2022	11.88	11.88
Net block as at 31 March, 2022	2.84	2.84

(All amounts in ₹ lakh, unless stated otherwise)

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

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

6 Investments (Non current)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Investments in debentures or bonds		
(a) Investment in tax free bonds-quoted (at amortized cost) (in holding company)		
(i) REC Limited 7.38% tax free 15 years Secured Redeemable Non Convertible Bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022 : 100,000 / 100,000)	1,000.00	1,000.00
(ii) REC Limited 15 years secured redeemable tax free bonds @8.46%, bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022 : 300,000 / 3,00,000)" Bond includes ₹2500.00 Lakh with maturity date 30-08-2028 , Rs. 310.00 Lakh with maturity date 03-09-2028 and Rs 190.00 Lakh with maturity date 13-09-2028.	3,000.00	3,000.00
(iii) REC Limited 15 years secured redeemable tax free bonds @8.63%, bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022 : 20,000/20,000)" maturity date 23-03-2029.	200.00	200.00
(iv) REC Limited 20 years secured redeemable tax free bonds @7.18%, bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022 : 34,351/34,351) maturity date 11-05-2035.	343.51	343.51
(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, 2023 / 31 March, 2022: Nil / 20)" matured on 26-09-2022.	-	200.00
(ii) REC Limited 7.09% NCD of face value ₹1,000,000 /- each, fully paid (31 March, 2023 / 31 March, 2022: Nil / 100)" matured on 13-12-2022.	-	1,000.00

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023	As at 31 March, 2022
(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, 2023 / 31 March, 2022: 50,000 / 50,000) maturity date 13-01-2024.	-	500.00
7.39% tax Free 15 years Secured Redeemable Non Convertible Bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022: 86,798 / 86,798) Bond includes ₹476.46 lakh with maturity date 08-02-2031 , Rs. 391.51 lakh with maturity date 15-03-2031.	867.98	867.98
(ii) National Highway Authority of India Limited (NHAI) 7.35% tax free 15 years secured redeemable non convertible bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022: 42,855 / 42,855) maturity date 11-01-2031.	428.55	428.55
7.39% tax free 15 years secured redeemable non convertible bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022: 35,463 / 35,463) maturity date 09-03-2031.	354.63	354.63
(iii) Indian Renewable Energy Development Agency (IREDA) 7.49% tax Free 15 years secured redeemable non convertible bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022: 61,308 / 61,308) with maturity date 21-01-2031.	613.08	613.08
(iv) Indian Railway Finance Cooperation (IRFC) 7.35% tax Free 15 years secured redeemable non convertible bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022: 22,338 / 22,338) with maturity date 22-03-2031.	223.38	223.38
(v) National Bank for Agriculture and Rural Development (NABARD) 7.35% tax Free 15 years secured redeemable non convertible bonds of face value of ₹1000/- each, fully paid (31 March, 2023 / 31 March, 2022: 14,028 / 14,028) with maturity date 22-03-2031.	140.28	140.28
	7,171.41	8,871.41
Aggregate market value of quoted investment	8,399.03	10692.80

(a) Refer Note 46 for fair value disclosure.

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

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

7 Other financial assets (Non Current)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Term deposits with maturity more than 12 months*	7085.71	6,500.39
	7085.71	6,500.39

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

(b) The above term deposits are not earmarked.

8 Income tax assets (net)

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Income Tax Refundable	1011.46	848.76
(for AY 2017-21 . 808.67 Lakhs for AY 2022-23 . 202.80 Lakhs)		
	1011.46	848.76

9 Deferred tax assets (net)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deferred Tax Asset	3057.1	2,537.56
	3057.1	2,537.56

Movement in deferred tax balances as at 31 March, 2023

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

Movement in deferred tax balances as at 31 March, 2022

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

10 Other non current assets

Particulars	As at 31 March, 2023	As at 31 March, 2022
Prepaid expenses	2.81	-
	2.81	-

11 Investments (Current)

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023	As at 31 March, 2022
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, 2023 / 31 March, 2022: 50,000 / 50,000)	500.00	-
	500.00	-
Aggregate market value of quoted investment	640.00	-

(a) Refer Note 46 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.

12 Trade receivables

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured, considered good	12,859.15	9,503.44
Less: Allowance for expected credit loss	(2,566.59)	(1,197.93)
	10,292.56	8,305.51
Trade receivables which have significant increase in credit risk	3,762.60	3,390.37
Less: Allowance for expected credit loss	(2,807.29)	(1,778.70)
	955.31	1,611.67
Credit impaired receivables	5,634.66	5,442.82
Less: Allowance for expected credit loss	(5,596.48)	(5,295.37)
	38.18	147.45
"TDS Unreconciled Assets"	157.02	-
	11,443.07	10,064.63

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

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

iii) Ageing of trade receivables: -

Particulars	As at 31 March, 2023	As at 31 March, 2022
Less than six months	9738.31	7,154.80
More than six months to 1 year	3120.84	2,348.64
More than 1 year to 2 years	2131.89	1,934.85
More than 2 years to 3 years	1630.71	1,455.52
More than 3 years	5634.66	5,442.82
Total	22256.41	18336.63

*Refer note 47 - Financial risk management for assessment of expected credit losses.

(iv) **TDS Unreconciled Assets** - At the time of reconciling 26AS, certain receipts in 26AS has been identified for which justification/breakup (i.e. against which invoice of the company, the credit has been given) is pending from parties. Further, some of the parties have deducted the TDS but on reconciliation it has been identified that the TDS amount has not been received in 26AS. This TDS amount has been booked separately. The same shall be further adjusted with trade receivables after receipt of necessary clarification from the parties.

13 Cash and cash equivalents

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balances with banks:		
- with scheduled banks in current accounts*	969.87	660.27
Term deposits (with maturity upto 3 months)	-	808.54
	969.87	1,468.81
Cheque issued but not presented	-	(9.78)
	969.87	1,459.03

Previous year Balance with banks in current accounts includes amount of ₹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. Current year no such balance in Balance with banks in current accounts.

14 Other bank balances

Particulars	As at 31 March, 2023	As at 31 March, 2022
Earmarked balances for deposit works*	13,163.06	11,921.80
Earmarked balances with government fund accounts	1,477.61	64.01
Term deposits with remaining maturity more than 3 months but less than 12 months*	18,129.54	4,923.87
	32,770.21	16,909.68
Cheque issued but not presented	-	(1,045.21)
	32,770.21	15,864.47

* 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.

15 Other financial assets (Current)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Contract assets*	2,483.05	2,090.96
Recoverable from Ministry of Power, Government of India		
Deen Dayal Upadhyaya Gram Jyoti Yojana Fund**	302.40	302.40
Retention money deposits	86.37	86.37
Interest Accrued on bonds	205.61	280.08
Security deposits paid*	49.44	2.55
Other receivables	22.53	0.27
	3,149.40	2,762.63
ECL against Retention money deposits	(48.85)	(48.85)
	3,100.55	2,713.78

*Refer Note 41F for details of Contract assets.

**Refer Note 43 for details

16 Current tax assets (Net)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advance tax and TDS	-	2,127.45
Less : Provision for income tax	-	(1,789.87)
	-	337.58

17 Other current assets

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advances to employees	0.09	3.10
Prepaid expenses	2.00	1.39
Balances with statutory and government authorities*	470.43	2,184.58
Advance to suppliers	0.29	67.54
CSR Pre-Spent	-	8.46
Tax deposited on income tax demands under contest**	5.97	5.97
	478.78	2,271.04

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

** Refer Note 49 for details of tax deposited on income tax demands under contest.

18 Assets/Liabilities classified as held for sale*

Particulars	As at 31 March, 2023	As at 31 March, 2022
Assets classified as held for sale		
(A) Investment in associates (refer note 18.1)	65.00	40.00
(B) Amount receivable from associates (refer note 18.2)	1,339.82	1,282.77
(C) Provision for impairment on assets classified as held for sale	(973.35)	(970.79)
Total (A+B+C)	431.47	351.98
Liabilities directly associated with assets classified as held for sale		
(D) Payable to associates (refer note 18.3)	1.79	1.05
Total(D)	1.79	1.05
Disposal group (A+B+C-D)	429.68	350.93

Note - Refer Note 44 for details related to related party transaction.

18.1 Investments in associates

Particulars	As at 31 March, 2023	As at 31 March, 2022
Investments in Equity Instruments of associates (fully paid up)		
Chandil Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	5.00
Dumka Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	5.00
Koderma Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	5.00
Mandar Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	5.00
Bidar Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	5.00
MP Power Transmission Package I Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: Nil. 31 March, 2022: 50000)	-	5.00
Rajgarh Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: Nil. 31 March, 2022: 50000)	-	5.00
ER NER Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: Nil. 31 March, 2022: 50000)	-	5.00
Beawar Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	-
Khavda II-D Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	-
KPS1 Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	-

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Ramgarh II Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	-
Sikar Khetri Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	-
Luhri Power Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	-
Meerut Shamli Power Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	-
NERES XVI Power Transmission Limited 50000 equity shares of ₹ 10/- each (31 March, 2023: 50000, 31 March, 2022: 50000)	5.00	-
Total	65.00	40.00

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

18.2 Amount receivable from associates

Particulars	As at 31 March, 2023	As at 31 March, 2022
Chandil Transmission Limited	254.43	253.75
Dumka Transmission Limited	248.24	247.57
Mandar Transmission Limited	222.50	221.82
Koderma Transmission Limited	228.18	227.51
MP Power Transmission Package I Limited	-	199.03
Rajgarh Transmission Limited	-	28.18
ER NER Transmission Limited	-	28.38
Bidar Transmission Limited	10.08	-
Sikar Khetri Transmission Limited	67.30	-
KPS1 Transmission Limited	58.35	-
Ramgarh II Transmission Limited	69.60	-
Beawar Transmission Limited	70.94	-
Luhri Power Transmission Limited	48.15	-
Meerut Shamli Power Transmission Limited	43.29	-
NERES XVI Power Transmission Limited	18.76	-
Receivable from SPV-Yet to Incorporate	-	76.53
	1,339.82	1,282.77
Provision for impairment on assets classified as held for sale		
Chandil Transmission Limited	259.43	258.79
Dumka Transmission Limited	253.24	252.60
Mandar Transmission Limited	227.50	226.86
Koderma Transmission Limited	233.18	232.54
	973.35	970.79
Loan to associates (net of provisions)	366.47	311.98

(All amounts in ₹ lakh, unless stated otherwise)

Note: -

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 ₹2.56 Lacs (previous year ₹970.79 lacs) has been created.

18.3 Payable to associates

Particulars	As at 31 March, 2023	As at 31 March, 2022
Bidar Transmission Limited	-	1.05
Khavda II-D Transmission Limited	1.79	-
	1.79	1.05

19 Equity share capital

Particulars	As at 31 March, 2023	As at 31 March, 2022
Authorized equity share capital		
20,050,000 (31 March, 2023 : 20,050,000) Equity shares of ₹ 10 each	2,005.00	2,005.00
	2,005.00	2,005.00
Issued, subscribed and paid up equity share capital		
85,500 (31 March, 2023 : 85,500) Equity shares of ₹ 10 each	8.55	8.55
	8.55	8.55

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

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

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

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

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	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	8,55,000.00	85,500	8,55,000.00
Add: Issued during the year	-	-	-	-
Balance at the end of the year	85,500	8,55,000.00	85,500	8,55,000.00

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

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	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:

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	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 2022-23.

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

20 Other equity

Particulars	As at 31 March, 2023	As at 31 March, 2022
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	27,535.49	24,475.66
Add : Transferred from statement of profit and loss	13,978.90	5,302.50
	41,514.39	29,778.16
Less: Dividends		
- Final Dividend for the previous year (FY 2021-22/FY 2020-21)	(890.91)	(1,490.27)
- Interim Dividend for the year	(1,853.65)	(752.40)
Balance at the end of the year	38,769.83	27,535.49
Capital reserve		
Balance at the beginning of the year	1.45	1.45
Add: Movement during the year	-	-
Balance at the end of the year	1.45	1.45
Total other equity	44,084.83	32,850.49

Note:

- 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.
- Profits made by the company during the year are transferred to retained earnings from Statement of Profit and Loss.
- 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.
- Subsequent to the year ended 31 March, 2023; the Board of Directors of the Company on a meeting held on 15 May, 2023 has proposed final dividend amounting to ₹2,737 per share on 85,500 no. of shares totaling ₹2,340.13 lakh (FY 2021-22 - Proposed final Dividend: ₹1,042 per share on 85,500 no. of shares totaling ₹890.91 lakh), the effect of the same has not been taken into financial statements as the same is subject to the approval by the shareholders of the Company.

21 Other financial liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
Unsecured, considered good		
Performance bank guarantee retained	-	149.38
	-	149.38

Note - The amount is retained for performance obligation of M/s PEC Ltd. till 31 October, 2023 now transferred to Other financial liabilities (Current).

22 Provisions (Non current)

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for employee benefits		
Provision for compensated absences	25.26	38.01
	25.26	38.01
Provision for compensated absences		
Opening Balance	38.01	55.16
Addition During the year	13.58	4.76
Utilised during the year	(26.33)	(21.91)
Closing balance	25.26	38.01

Refer Note 45 for details

23 Other non-current liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
Advance as performance bank guarantee	-	9.50
	-	9.50

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

24 Trade payables

Particulars	As at 31 March, 2023	As at 31 March, 2022
Total outstanding dues of micro & small enterprises	-	-
Total outstanding dues of Creditors other than micro & small enterprises	4,167.59	3,647.82
	4,167.59	3,647.82

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

ii) Ageing of trade payables: - Others

Particulars	As at 31 March, 2023	As at 31 March, 2022
Less than 1 year	1,631.42	1,500.84
More than 1 years to 2 years	1,263.66	838.93
More than 2 years to 3 years	32.70	1,130.20
More than 3 years	1,239.81	177.85
Gross Trade Payables	4,167.59	3,647.82

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

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

Particulars	As at 31 March, 2023	As at 31 March, 2022
I) (a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
II) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023	As at 31 March, 2022
III) Suppliers for whom confirmation not received is deemed not registered under MSMED, 2006 Act and Interest payable on payment made but not claimed has not been provided.	-	-
IV) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
V) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED, 2006 ACT.	-	-

Suppliers for whom confirmation not received is deemed not registered under MSMED, 2006 Act and Interest payable on payment made but not claimed has not been provided.

25 Other financial liabilities (Current)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Earnest money deposits	140.41	70.56
Expenses payables	1,432.49	1,863.74
Advance for deposit work	11,966.61	11,468.21
Payable to related parties	669.79	597.76
Performance bank guarantee retained	192.11	26.55
Employee payable	8.11	7.17
Government fund for schemes -		
Power System Development Fund for Rural Feeder Monitoring Scheme	1,387.58	231.91
Urja Mitra Scheme Fund	7.83	71.79
	15,804.93	14,337.69

Refer Note 42 for details on Advance for deposit works.

Refer Note 43 for details on Government fund for schemes.

Refer Note 44 for details on Payable to related parties.

26 Other current liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
Contract Liability	700.82	9.45
Statutory dues	519.05	526.25
Advance as performance bank guarantee*	9.50	16.20
Statutory dues for deposit work	259.08	188.31
Unidentified Receipts	0.28	0.28
BG Invoked-Adani	1,360.00	-
	2,848.73	740.49

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

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

27 Provisions (Current)

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for employee benefits		
Provision for compensated absences	1.52	1.84
Provision for Performance Linked Incentive	41.57	75.98
	43.09	77.82
Provision for loyalty bonus		
Opening Balance	-	14.42
Utilised during the year	-	(14.42)
Closing balance	-	-
Provision for compensated absences		
Opening Balance	1.84	2.19
Addition During the year	1.52	0.25
Utilised during the year	(1.84)	-
Adjusted during the year	-	(0.60)
Closing balance	1.52	1.84
Provision for Performance Linked Incentive		
Opening Balance	75.98	-
Addition During the year	41.57	75.98
Utilised during the year	(35.33)	-
Adjusted during the year	(40.65)	-
Closing balance	41.57	75.98

Refer Note 45 for details

28 Current tax liabilities (net)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for income tax	5,191.83	-
Less: Advance tax and TDS	(4,126.91)	-
	1,064.92	-

29 Revenue from operations

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Income from Consultancy Services	12,312.19	8,733.20
Project implementing agency (PIA)- Infrastructure works (including distribution & transmission)	3,014.28	3,830.01
Government Scheme Management/Monitoring Fees	-	16.95
TBCB business (BPC)-Transmission SPV	12,593.48	3,420.86
Developer mode & new schemes (smart metering implementation, NFMS, etc)	564.46	-
	28,484.41	16,001.02

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

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Income from Consultancy Services	1,273.59	1,903.88
Project implementing agency (PIA)- Infrastructure works (including distribution & transmission)	477.42	187.08
Developer mode & new schemes (smart metering implementation, NFMS, etc)	564.46	-
	2,315.47	2,090.96

Refer note 41 for details related to revenue from operations

30 Other income

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest income on fixed deposits	722.72	341.67
Interest income on grant fixed deposits	-	169.88
Interest income on tax free bonds	607.82	607.63
Interest on income tax refund	-	0.68
Interest income from SPVs	56.96	37.22
Interest income on NCDs	49.92	70.90
Interest income on staggered papers	7.41	15.10
Interest income on other financial assets measured at amortized cost	16.20	16.20
Liabilities/Provisions written back	156.62	116.43
Liquidation damages	0.01	-
Profit on sale of property, plant and equipment	0.04	-
RFQ/RFP/Tender fee	624.55	340.00
Miscellaneous income	0.30	3.23
	2,242.55	1,718.94

31 Cost of services rendered

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Project technical services - PMC/PMA/DPR	2,362.85	3,279.25
Project outsourced manpower	4,479.90	4,441.81
REC - UE village project expenditure	110.94	495.74
Manpower Charges for RDSS Scheme and REC Business	213.50	-
Consultancy charges	102.61	-
AMI Implementation DBFOOT exp.	468.46	-
	7,738.26	8,216.80
Less :-		
Manpower Cost allocated to DDUGJY	-	(49.16)
Manpower Cost allocated to PSDF/RFMS	(104.69)	-
Manpower Cost allocated to Urja Mitra Scheme	(32.54)	-
Manpower cost reimbursable from SPV-Cost of service rendered	(358.11)	(184.04)
	7,242.92	7,983.60

Note :

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

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

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

32 Employee benefits expense

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Salaries and wages	569.08	544.43
Contribution to provident and other funds	36.98	32.87
Staff welfare expenses	100.15	95.10
	706.21	672.40
Manpower cost reimbursable from SPV-Employee Benefit Exp	(59.90)	(21.74)
	646.31	650.66

Refer Note 31 for noting on Manpower Cost reimbursable from SPV

Note - For disclosures related to provision for employee benefits, refer note 45 - Employee benefit obligations.

33 Finance costs

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest expenses		
Interest expenses on grant fund	-	169.88
Interest expense on other financial liabilities measured at amortized cost	17.93	16.00
Interest on income tax	-	75.44
	17.93	261.32

34 Depreciation and amortization expense

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Depreciation on Property, Plant & Equipment (Refer note 4)	14.92	26.25
Amortization of Other intangible assets (Refer note 5)	1.70	1.78
	16.62	28.03

35 Impairment on financial assets

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Provision (net of reversal)	2,720.82	(354.84)
Bad debts	4.79	25.93
	2,725.61	(328.91)

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

Refer Note 47 for details

36 Corporate social responsibility expenses

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
CSR expenditure	126.16	167.95
	126.16	167.95

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

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(a) Gross amount required to be spent on CSR activities	126.16	167.95
(b) Amount approved by the Board to be spent during the year	126.16	167.95
(c) Amount of expenditure incurred during the year		
- on construction/acquisition of assets	-	-
- on purpose other than above *	126.16	167.95
(d) Shortfall at the end of the year	-	-
(e) Total of previous years shortfall	-	-
(* Include pre spent amount of Rs. 8.46 lacs)		
(f) Nature of CSR activities		

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

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

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

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
(h) Movements of provision with respect to CSR liability/expenditure		
Opening balance of provision	4.09	-
Add - Provision made during the year	10.50	4.09
Less - Provision utilised during the year	4.09	-
Closing balance of provision	10.50	4.09

37 Other expenses

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Rent : Office premises	563.79	466.23
Office Equipments hire charges	9.99	2.83
Vehicle hire charges	102.32	54.59
Rates and taxes	9.57	14.98
Repairs and maintenance	15.81	9.39
Office maintenance and security	213.28	51.25
Power and fuel	4.52	29.12
Advertisement Expense	58.84	22.10
Business Promotion Expense	20.77	33.39
Entertainment & Hospitality Expenses	5.84	6.67
Meeting and Conference Expense	0.90	3.80

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Communication cost	6.14	4.63
Travelling and conveyance	264.87	164.65
Printing and stationary	15.31	15.37
Legal expenses	8.24	44.32
Consultancy & Professional expenses.	173.58	185.37
Bank charges	2.67	5.82
Auditors' remuneration*	8.25	7.30
Delay payment charges	0.69	2.61
Loss on sale of property, plant and equipment (net)	0.80	0.29
Liquidation damages (expenses)	-	18.75
Office expenses	25.49	18.33
Sponsorship	5.12	-
Expenses incurred for SPV's**	288.05	120.69
Technical / IT Services expenses	1.00	2.78
Other Expenses on NFMS	3.47	-
Miscellaneous expenses	3.32	7.66
	1,812.63	1,292.92
Direct Cost reimbursable from SPV	(282.22)	(120.69)
Indirect Cost reimbursable from SPV	(216.84)	(72.61)
	1,313.57	1,099.62

*Details of auditors remuneration are as under :

Statutory auditor

As auditors

- Audit fees

4.50

4.20

- Tax audit

2.00

1.60

Internal auditor

- Audit fees

1.75

1.50

8.25

7.30

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

38 Impairment on assets classified as held for sale

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Impairment expense - On assets classified as held for sale	2.56	970.79
	2.56	970.79

Refer note 18.2 for details

39 Tax expense

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Current tax		
Tax pertaining to current year	5,191.83	1,789.87
Tax pertaining to earlier years	(15.91)	-
Deferred tax expense/(credit)	(519.54)	(205.47)
	4,656.38	1,584.40

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

Accounting profit before income tax	18,635.28	6,886.90
At country's statutory income tax rate of 25.168%	4,690.13	1,733.29
Adjustments in respect of taxes earlier years		
(i) Non-deductible expenses for tax purposes	(17.84)	4.04
(ii) Non-taxable incomes		(152.93)
(iii) Earlier year taxes	(15.91)	
(iv) Deferred tax on allowable provisional expenditure of earlier year		
(v) Deferred tax change due to rate change		
	4,656.38	1,584.40

40 Basic/diluted earnings per share

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Net profit for the year	13,978.90	5,302.50
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 ₹)	16,350	6,202

41 Revenue from contracts with customers under Ind AS 115 are as follow:-
A The Company is engaged in providing following services-

RECPDCL provides consultancy services in Power Sector to states/Union Territories under various central/state Government schemes such as Third Party Inspection Agency (TPIA)/Project Management Agency (PMA)/Project Management Consultancy (PMC)/ Project Implementing Agency (PIA) etc. under Deendayal Upadhyaya Gram Jyoti Yojana(DDUGJY)/Integrated Power Development Scheme (IPDS)/Prime Minister Development Program (PMDP)/ Restructured Accelerated Power Development and Reforms Program (R-APDRP)/Backward Regions Grant Fund (BRGF)/ Revamped Distribution Sector Scheme (RDSS) and other state schemes. The major activities undertaken in these types of projects include inspection of Village Electrification, Substation and Feeder inspection & Material inspection, Survey & preparation of Detailed project report, assisting DISCOMS in bid management, supervision & monitoring of electrical infrastructure work, assisting Distribution Companies (DISCOMs) in closure of the project, getting executed the electrical infrastructure work etc. Ministry of Power has appointed the Company as Bid Process Coordinator (BPC) for Inter State Transmission Systems across the country on Tariff Based Competitive Mode. Some of the State Government has also appointed the company as BPC for intra state transmission projects under TBCB route. The company is conducting the bidding process for ISTS projects, starting from selection of qualified bidders to handing over of the Special Purpose Vehicle to the lowest bidder. The company is also working in Smart Metering Projects/ Smart Grid and Information Technology (IT) projects/ National Feeder Monitoring Scheme (NFMS) as Project Implementing Agency (PIA)/Project Management Agency (PMA). The company has been appointed Bid Process Coordinator (BPC) under Scheme for flexibility in Generation and Scheduling of Thermal / Hydro Power Stations through bundling with Renewable Energy and Storage Power, 2022.

B Significant management judgments on revenue recognition

(All amounts in ₹ lakh, unless stated otherwise)

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

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

C Segregation of revenue

RECPDCL's revenue mostly comes from core business of sale of services as consultancy (PMA/PMC, TPIA, Project Implementation Agency, Bid Process Coordinator, Quality Control Projects in power sector and some turnkey projects of Solar/IT implementation from projects within India). In case of execution of IT/Solar implementation projects revenue is recognized at a point in time specifically when the control of goods/services is transferred to the customer. In case of the selection of bidders/developers for transmission projects put on tariff based bidding revenue is recognized at a point in time when it is reasonably certain that the ultimate collection of the professional charges will be made. The total business portfolio of RECPDCL includes various Central/State Govt. entities e.g. State Distribution Companies (DISCOM), Power and Electricity Departments of States/UTs, Central Public Sector Undertaking (CPSUs) and selected bidders in private & public sectors.

In accordance with Ind AS 115, for disaggregation of the Company's revenue from contracts with customers has been done on the basis of different type service provided by the company. For detail of disaggregation pl. refer note no.29 on Revenue from Operation.

D Reconciliation of revenue recognized with contract price

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Contract price	28,484.41	16,001.02
Adjustments for:		
Rebates and discounts	-	-
Revenue from contracts with customers	28,484.41	16,001.02

For detail of contract price pl. refer note no.29 on Revenue from Operation.

E Contract balances

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Assets		
Trade Receivables (net of provisions)	11,443.07	10,064.63
Contract assets		
Contract assets	2,483.05	2,090.96
Cost of fulfillment carried forward		-
Contract liability		
Contract Liability***	700.82	9.45
Deferred income****		-

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

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

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

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

F Reconciliations of Contract assets

(All amounts in ₹ lakh, unless stated otherwise)

Particular	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening balance	2,090.96	2,174.20
Invoices raised during the year	(1,913.55)	(1,616.71)
Contract assets recognized during the year	2,315.47	2,090.96
Reversal of previous year's contract assets	(9.83)	(557.49)
Closing balance	2483.05	2090.96

G Reconciliations of Contract liability

Particular	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening balance	9.45	1.05
Revenue recognized during the year		(1.05)
Addition during the year	691.37	9.45
Closing balance	700.82	9.45

H Remaining performance obligations

Particular	As at 31 March, 2023	As at 31 March, 2022
Amount of the unsatisfied performance obligations (or partially unsatisfied)	61,474.47	33,347.42

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period. It is expected that an amount of ₹13669.34 Lakh is expected to be recognized in next financial year. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized. The entity expects to satisfy the above performance obligations within the contracted terms.

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

42 Advance for deposit work:

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

During the year, interest earned of ₹1238.00 lakh (Previous year ₹544.43 lakh) has been taken to advance for deposit work account. Further, during the year, an amount of ₹831.65 lakh (Previous year ₹2,387.32 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: (All amounts in ₹ lakh, unless stated otherwise)

Particular	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening Balance	10642.28	22185.58
Add: Amount received during the year	51,409.56	15,129.86
Less: Amount refunded to Govt. during the year	(3,698.77)	-
Less: Disbursement during the year	(47,618.75)	(26,673.16)
Closing Balance	10,734.32	10,642.28

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

Particular	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Opening balance	825.94	2,668.83
Add: Interest earned during the year	1,238.00	544.43
Less: Interest refunded during the year	(831.65)	(2,387.32)
Closing Balance	1,232.29	825.94

43 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- Gol. 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 RV incoming Feeder from where such 11 kV feeder are emanating. The work includes Page s & integration with Central MDAS with Operation &aintenance supply, installation, commissioning 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 (Current)" and recoverable fund (if any) is classified + under "Recoverable from Ministry of Power, Government of India" under the head "Other Financial Assets (Current)".

During the year, interest earned of ₹ 6.33 lakh (previous year ₹ 13.35 lakh) has been credited to the Government fund for the scheme.

44 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 (existing on the date of closing)	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)
	Sikar Khetri Transmission Limited (w.e.f. 6 May, 2022)
	KPS1 Transmission Limited (w.e.f. 6 May, 2022)**
	Ramgarh II Transmission Limited (w.e.f. 20 April, 2022)
	Beawar Transmission Limited (w.e.f. 27 April, 2022)
	Khavda II-D Transmission Limited (w.e.f. 25 April, 2022)*
	Luhri Power Transmission Limited (w.e.f. 28 October, 2022)
	Meerut Shamli Power Transmission Limited (w.e.f. 14 December, 2022)
	NERES XVI Power Transmission Limited (w.e.f. 10 January, 2023)

(All amounts in ₹ lakh, unless stated otherwise)

* Khavda II-D scheme has been denotified by the Ministry of Power. The company is under process of strike off.

** KPS1 Transmission Limited has been transferred to the successful bidder on 20.04.2023.

Description of relationship	Names of related parties
Associate Companies (transferred during the Financial year)	Rajgarh Transmission Limited (06.06.2020 to 30.05.2022) MP Power Transmission Package-I Limited (04.08.2020 to 21.01.2023) ER NER Transmission Limited (06.10.2021 to 10.10.2022) Neemuch Transmission Limited (12.04.2022 to 24.08.2022) Gadag II A Transmission Limited (08.06.2022 to 08.11.2022) WRSR Power Transmission Limited (22.09.2022 to 18.01.2023) Khavda II-A Transmission Limited (19.04.2022 to 28.03.2023) Khavda II-B Transmission Limited (21.04.2022 to 21.03.2023) Khavda II-C Transmission Limited (22.04.2022 to 21.03.2023) KPS3 Transmission Limited (29.04.2022 to 21.03.2023) KPS2 Transmission Limited (04.05.2022 to 21.03.2023) Khavda RE Transmission Limited (07.05.2022 to 21.03.2023) ERWR Power Transmission Limited (27.09.2022 to 21.03.2023)

Key management personnel (KMP)

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

Name	Designation	Tenure		Date of Appointment
		From	To	
Sh. R. Lakshmanan (IAS)	Chief Executive Officer	10 January, 2020	13 Nov., 2022	10 January, 2020
Sh. Sudhir Kumar Gangadhar Rahate	Chairman & Director	22 February, 2022	16 May, 2022	22 February, 2022
Sh. Vivek Kumar Dewangan	Chairman & Director	17 May, 2022		17 May, 2022
Sh. Rahul Dwivedi	Chief Executive Officer	14 November, 2022		14 November, 2022
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. Sahab Narain	CFO	26 Sept, 2021		26 September, 2021

b Transactions with Holding Company and KMP are as under:

	Year ended	Holding Company	Society registered for undertaking CSR activities	Key management personnel
(i) Transactions during the year				
Services rendered	Year ended 31 March, 2023	354.03	-	-
	Year ended 31 March, 2022	1,263.49	-	-
Services received from related party	Year ended 31 March, 2023	2,440.66	-	-
	Year ended 31 March, 2022	1,996.52	-	-
Remuneration to KMP's (through Holding Company)	Year ended 31 March, 2023	-	-	114.91
	Year ended 31 March, 2022	-	-	106.12
Interest income from investment in tax free bonds	Year ended 31 March, 2023	369.52	-	-
	Year ended 31 March, 2022	455.52	-	-
Dividend on equity shares	Year ended 31 March, 2023	2,744.56	-	-
	Year ended 31 March, 2022	2,242.67	-	-

(All amounts in ₹ lakh, unless stated otherwise)

	Year ended	Holding Company	Society registered for undertaking CSR activities	Key management personnel
(ii) Outstanding Balances at year end				
Amount payables	Year ended 31 March, 2023	669.79	-	-
	Year ended 31 March, 2022	597.76	-	-
Amount receivables	Year ended 31 March, 2023	146.22	-	-
	Year ended 31 March, 2022	641.33	-	-
Non-current/Current investment (Investment in tax free bonds, NCD's & Staggered papers incl. of accrued interest)	Year ended 31 March, 2023	4,666.01	-	-
	Year ended 31 March, 2022	5,894.68	-	-

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

Key management personnel remuneration includes the following expenses:

Particular	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Short-term employee benefits	89.12	93.05
Post-employment benefits	25.79	13.07
Total remuneration	114.91	106.12

Note:

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

C Transactions with associates are as under:

		For the year ended 31 March, 2023	For the year ended 31 March, 2022
(i)	Dumka Transmission Limited (w.e.f. 25 March, 2018:)		
	Interest income	-	-
	Reimbursement/ expenses reimbursement	-	0.44
	Advance received from parties	-	-
	Investment made	-	-
(ii)	Chandil Transmission Limited (w.e.f. 14 March, 2018:)		
	Interest income	-	-
	Reimbursement/ expenses reimbursement	-	0.44
	Advance received from parties	-	-
	Investment made	-	-
(iii)	Mandar Transmission Limited (w.e.f. 26 March, 2018:)		
	Interest income	-	-
	Reimbursement/ expenses reimbursement	-	0.44
	Advance received from parties	-	-
	Investment made	-	-
(iv)	Koderma Transmission Limited (w.e.f. 19 March, 2018)		
	Interest income	-	-
	Reimbursement/ expenses reimbursement	-	0.44
	Advance received from parties	-	-
	Investment made	-	-
(v)	Bidar Transmission Limited (w.e.f. 8 June, 2020)		
	Interest income	0.07	-
	Reimbursement/ expenses reimbursement	10.28	1.65
	Advance received from parties	-	-
	Investment made	-	-

(All amounts in ₹ lakh, unless stated otherwise)

		For the year ended 31 March, 2023	For the year ended 31 March, 2022
(vi)	Sikar Khetri Transmission Limited (w.e.f. 06 May, 2022)		
	Interest income	3.47	0.13
	Reimbursement/ expenses reimbursement	67.99	10.69
	Advance received from parties	-	-
	Investment made	5.00	-
(vii)	KPS 1 Transmission Limited (w.e.f. 6 May, 2022)		
	Consultancy fee	-	-
	Interest income	2.35	-
	Reimbursement/ expenses reimbursement	59.34	-
	Advance received from parties	-	-
	Investment made	5.00	-
	Sale of investments	-	-
(viii)	Ramgarh II Transmission Limited (w.e.f. 20 April, 2022)		
	Consultancy Fees	-	-
	Interest income	3.56	0.13
	Reimbursement/ expenses reimbursement	70.27	10.69
	Advance received from parties	-	-
	Investment made	5.00	-
	Sale of investments	-	-
(ix)	Beawar Transmission Limited (w.e.f. 27 May, 2022)		
	Interest income	3.66	0.10
	Reimbursement/ expenses reimbursement	71.78	11.13
	Investment made	5.00	-
	Sale of investments	-	-
(x)	Khavda II-D Transmission Limited (w.e.f. 25 April, 2022)		
	Interest income	-	-
	Reimbursement/ expenses reimbursement	-	-
	Advance received from parties	-	-
	Investment made	5.00	-
	Sale of investments	-	-
(xi)	Luhri Power Transmission Limited (w.e.f. 28 October, 2022)		
	Consultancy Fees	-	-
	Interest income	1.16	-
	Reimbursement/ expenses reimbursement	48.97	-
	Advance received from parties	-	-
	Investment made	5.00	-
(xii)	Meerut Shamli Power Transmission Limited (w.e.f. 14 December, 2022)		
	Interest income	0.51	-
	Reimbursement/ expenses reimbursement	42.77	-
	Investment made	5.00	-
(xiii)	NERES XVI Power Transmission Limited (w.e.f. 10 January, 2023)		
	Interest income	0.22	-
	Reimbursement/ expenses reimbursement	18.54	-
	Investment made	5.00	-

(All amounts in ₹ lakh, unless stated otherwise)

		For the year ended 31 March, 2023	For the year ended 31 March, 2022
(xiv)	Rajgarh Transmission Limited (w.e.f. 6 June, 2020 to 30 May, 2022)		
	Consultancy Fees	500.07	-
	Interest income	0.78	2.62
	Reimbursement/ expenses reimbursement	19.96	34.30
	Advance received from parties	-	41.30
	Sale of investments	5.00	
(xv)	MP Power Transmission Package-I Limited (w.e.f. 4 August, 2020 to 21 January, 2023)		
	Consultancy Fees	407.53	-
	Interest income	15.63	14.45
	Reimbursement/ expenses reimbursement	59.72	85.95
	Sale of investments	5.00	-
(xvi)	ER NER Transmission Limited (w.e.f. 6 October, 2021 to 10 October, 2022)		
	Consultancy Fees	590.00	-
	Interest income	3.38	1.17
	Reimbursement/ expenses reimbursement	74.67	29.86
	Advance received from parties	-	4.70
	Sale of investments	5.00	-
	Investment made	-	5.00
(xvii)	Neemuch Transmission Limited (w.e.f. 12 April, 2022 to 24 August, 2022)		
	Consultancy Fees	1663.72	-
	Interest income	1.10	0.13
	Reimbursement/ expenses reimbursement	53.28	10.69
	Sale of investments	5.00	-
	Investment made	5.00	-
(xviii)	GADAG IIA Transmission Limited (w.e.f. 08 June, 2022 to 08 November, 2022)		
	Consultancy Fees	590.00	-
	Interest income	2.17	0.10
	Reimbursement/ expenses reimbursement	60.92	11.13
	Sale of investments	5.00	-
	Investment made	5.00	-
(xix)	WRSR Power Transmission Limited (w.e.f. 22 September, 2022 to 18 January, 2023)		
	Consultancy Fees	1770.00	-
	Interest income	1.53	-
	Reimbursement/ expenses reimbursement	53.51	-
	Sale of investments	5.00	-
	Investment made	5.00	-
(xx)	KHAVDA IIA Transmission Limited (w.e.f. 19 April, 2022 to 28 March, 2023)		
	Consultancy Fees	1770.00	-
	Interest income	2.65	-
	Reimbursement/ expenses reimbursement	70.10	-
	Sale of investments	5.00	-
	Investment made	5.00	-

(All amounts in ₹ lakh, unless stated otherwise)

		For the year ended 31 March, 2023	For the year ended 31 March, 2022
(xxi)	KHAVDA IIB Transmission Limited (w.e.f. 21 April, 2022 to 21 March, 2023)		
	Consultancy Fees	1770.00	-
	Interest income	2.64	-
	Reimbursement/ expenses reimbursement	71.06	-
	Sale of investments	5.00	-
	Investment made	5.00	-
(xxii)	KHAVDA IIC Transmission Limited (w.e.f. 22 April, 2022 to 21 March, 2023)		
	Consultancy Fees	1770.00	-
	Interest income	2.66	-
	Reimbursement/ expenses reimbursement	70.81	-
	Sale of investments	5.00	-
	Investment made	5.00	-
(xxiii)	KPS3 Transmission Limited (w.e.f. 29 April, 2022 to 21 March, 2023)		
	Consultancy Fees	1048.42	-
	Interest income	3.54	0.13
	Reimbursement/ expenses reimbursement	76.32	10.69
	Sale of investments	5.00	-
	Investment made	5.00	-
(xxiv)	KPS2 Transmission Limited (w.e.f. 04 May, 2022 to 21 March, 2023)		
	Consultancy Fees	1023.98	-
	Interest income	2.90	0.13
	Reimbursement/ expenses reimbursement	89.73	10.69
	Sale of investments	5.00	-
	Investment made	5.00	-
(xxv)	KHAVDA RE Transmission Limited (w.e.f. 07 May, 2022 to 21 March, 2023)		
	Consultancy Fees	1366.59	-
	Interest income	2.34	-
	Reimbursement/ expenses reimbursement	64.95	-
	Sale of investments	5.00	-
	Investment made	5.00	-
(xxvi)	ERWR Power Transmission Limited (w.e.f. 27 September, 2022 to 21 March, 2023)		
	Consultancy Fees	590.00	-
	Interest income	1.42	-
	Reimbursement/ expenses reimbursement	56.88	-
	Sale of investments	5.00	-
	Investment made	5.00	-

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

(All amounts in ₹ lakh, unless stated otherwise)

Receivable from associates/(Payable to associates)	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Chandil Transmission Limited	254.43	253.75
Dumka Transmission Limited	248.24	247.57
Mandar Transmission Limited	222.50	221.82
Koderma Transmission Limited	228.18	227.51
Bidar Transmission Limited	10.08	(1.05)
Rajgarh Transmission Limited	-	28.18
MP Power Transmission Package-I Limited	-	199.03
ER NER Transmission Limited	-	28.38
Ramgarh II Transmission Limited	69.60	10.82
Sikar Khetri Transmission Limited	67.30	10.82
Neemuch Transmission Limited	-	10.82
KPS2 Transmission Limited	-	10.82
KPS3 Transmission Limited	-	10.82
Beawar Transmission Limited	70.94	11.23
Gadag II A Transmission Limited	-	11.22
KPS1 Transmission Limited	58.35	-
Khavda II-D Transmission Limited	(1.79)	-
Luhri Power Transmission Limited	48.15	-
Meerut Shamli Power Transmission Limited	43.29	-
NERES XVI Power Transmission Limited	18.76	-
	1,338.03	1,281.72

Investments in SPVs	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Chandil Transmission Limited	5.00	5.00
Dumka Transmission Limited	5.00	5.00
Mandar Transmission Limited	5.00	5.00
Koderma Transmission Limited	5.00	5.00
Bidar Transmission Limited	5.00	5.00
Rajgarh Transmission Limited	-	5.00
MP Power Transmission Package-I Limited	-	5.00
ER NER Transmission Limited	-	5.00
Sikar Khetri Transmission Limited	5.00	-
KPS1 Transmission Limited	5.00	-
Ramgarh II Transmission Limited	5.00	-
Beawar Transmission Limited	5.00	-
Khavda II-D Transmission Limited	5.00	-
Luhri Power Transmission Limited	5.00	-
Meerut Shamli Power Transmission Limited	5.00	-
NERES XVI Power Transmission Limited	5.00	-
	65.00	40.00

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

Designation of officer	As at 31 March, 2023	Maximum amount outstanding for the year ended 31 March, 2023	As at 31 March, 2022	Maximum amount outstanding for the year ended 31 March, 2022
Chairman	NIL	NIL	NIL	NIL
Company Secretary	NIL	NIL	NIL	NIL

45 Employee benefit obligations

(All amounts in ₹ lakh, unless stated otherwise)

Defined contribution plans

The Company makes contributions to the Provident Fund for all eligible employees. Under the plan, the Company is required to contribute a specified percentage of payroll costs. Accordingly, the Company has recognized ₹36.83 lakh as expense in the statement of profit and loss during the current year (Previous Year ended 31 March, 2022 ₹32.87 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 basis.

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, 2023	For the year ended 31 March, 2022
	Leave encashment	Leave encashment
Current service cost	13.15	13.88
Interest cost	2.86	3.89
Actuarial loss/(gain)	(0.91)	(7.10)
Total expense recognized in the Statement of profit and loss	15.10	10.67

Net defined benefit liability/ (asset) recognized in the Balance Sheet	For the year ended 31 March, 2023	For the year ended 31 March, 2022
	Leave encashment	Leave encashment
Current	1.52	1.84
Non-current	25.26	38.01
Present value of obligation at year end	26.78	39.85

Change in obligations during the year	For the year ended 31 March, 2023	For the year ended 31 March, 2022
	Leave encashment	Leave encashment
Present value at beginning of the year	39.85	57.35
Current service cost	13.15	13.88
Interest cost	2.86	3.89
Actuarial loss/(gain)	(0.91)	(7.10)
Benefits paid	(28.17)	(28.17)
Present value at the end of the year	26.78	39.85

Change in obligations during the year	For the year ended 31 March, 2023	For the year ended 31 March, 2022
	Leave encashment	Leave encashment
Actuarial assumptions		
Discount rate*	7.38%	7.18%
Expected return on plan assets	NA	NA
Salary escalation	6.00%	6.00%
Attrition		
Upto 30 Years	3.00%	3.00%
From 31 to 44 Years	2.00%	2.00%
Above 44 Years	1.00%	1.00%
Method used **	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.

** Projected credit unit method

Maturity profile of obligations - Leave encashment

(All amounts in ₹ lakh, unless stated otherwise)

SL No.	Years	For the year ended 31 March, 2023	For the year ended 31 March, 2022
a)	0 to 1 Year	1.52	1.84
b)	1 to 2 Year	0.54	0.80
c)	2 to 3 Year	0.53	0.76
d)	3 to 4 Year	0.53	0.75
e)	4 Year onwards	23.66	35.69

Sensitivity analysis in respect of obligation*

Particulars	Leave encashment	
	For the year ended 31 March, 2023	For the year ended 31 March, 2022
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	26.78	39.85
a) Impact due to increase of 0.50 %	(2.31)	(3.30)
b) Impact due to decrease of 0.50 %	2.54	3.67
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	26.78	39.85
a) Impact due to increase of 0.50 %	2.58	3.70
b) Impact due to decrease of 0.50 %	(2.33)	(3.35)

*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.

46 Financial instruments
i) Financial instruments by category measured at amortized cost:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Financial assets		
Investments*	7,671.41	8,871.41
Trade receivables	11,443.07	10,064.63
Cash and cash equivalents	969.87	1,459.03
Other bank balances	32,770.21	15,864.47
Other financial assets (Note 7 & Note 15)	10,186.26	9,214.17
Total	63,040.82	45,473.71
Financial liabilities		
Borrowings	-	-
Trade payable	4,167.59	3,647.82
Other financial liabilities (Note 21 & Note 25)	15,804.93	14,487.07
Total	19,972.52	18,134.89

*Aggregate fair value of investment in tax free bonds, NCD's and staggered paper is ₹9039.03lakh (31 March, 2022 : ₹ 10,692.80 lakh)

ii Fair values hierarchy

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

47 Financial risk management

(All amounts in ₹ lakh, unless stated otherwise)

I) Risk management

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 46. The main types of risks are credit risk, liquidity risk and market risk.

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

A) Credit risk
a) Credit risk rating

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

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

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

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

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

Credit risk assets are as follows:

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

b) Credit risk exposure
(I) Provision for expected credit losses

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

31 March, 2023

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	7,671.41	-	7,671.41
Cash and cash equivalents	969.87	-	969.87
Other bank balances	32,770.21	-	32,770.21
Trade receivables	22,413.43	(10,970.36)	11,443.07
Other financial assets (Note 7 & Note 15)	10,235.11	(48.85)	10,186.26

31 March, 2022

(All amounts in ₹ lakh, unless stated otherwise)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	8,871.41	-	8,871.41
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 (Note 7 & Note 15)	9,263.02	(48.85)	9,214.17

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

31 March, 2023

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

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

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

Reconciliation of loss provision – Trade receivables

Reconciliation of loss allowance	Amount
Loss allowance on 1 April, 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	8,271.99
Provisions utilized (reversal against bad debts) during the year	(22.45)
Provision created during the year	2,720.82
Loss allowance on 31 March, 2023	10,970.36

B) Liquidity risk

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

Maturities of financial liabilities

(All amounts in ₹ lakh, unless stated otherwise)

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

C) Market risk

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

Currency risk:

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

Interest rate risk

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

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Floating rate borrowings (-0.5% Change in interest rate)	-	0.00
Floating rate borrowings (+0.5% Change in interest rate)	-	-

Price risk:

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

48 Capital Management

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

49 Contingent liabilities and commitments

Particulars	As at 31 March, 2023	As at 31 March, 2022
I) Contingent Liabilities (to the extent not provided for)		
a) Claims against the company not acknowledged as debt		
Disputed tax demands		
(a) Income tax demand for AY 2017-18	29.86	29.86
(b) Income tax demand against notice U/s 245 of Income Tax Act for AY 2018-19	0.01	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
Others		
(d) Outstanding claims of contractors pending in arbitration and courts	2,670.95	2,943.03
	4,162.95	4,435.03

(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 Rs 5.97 lakh. So the company is contesting this tax demands and the management believes that its position will likely be upheld in the appellate process. Further, the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(B) The amount referred in (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.

(All amounts in ₹ lakh, unless stated otherwise)

- (C) The amount referred in (d) above, is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Company's results of operations or financial condition.
- (D) A commercial suit is filed against the company (RECPDCL) & Ors by Ms. Sumotek Innovation Pvt. Ltd ("Sumotek") before the High Court of Judicature at Bombay. RECPDCL has been marked as Defendant No 1 in the suit. Brihan Mumbai Electric Supply & Transport Undertaking (BEST) is Defendant No 2 and Adani Transmission Limited is Defendant No 3. It has been stated in the suit that a patent was registered in the name of one Girish M Bachate ("Patentee") in the name and title head of 'Pre-paid- Post Paid Electricity Supply Machine', which was registered as Patent, number 208216. The Patentee has subsequently assigned the same in favour of the Petitioner. The petition alleges that floating of the tender No. RECPDCL/BD/e-tender/20222023/73759N (by RECPDCL on behalf of BEST) for appointment of advanced metering infrastructure service provider for implementing prepaid smart metering project allegedly infringes patent in the name of Patentee (now assigned to the Petitioner) as the technology and process of developing the smart meters covered under the tender is similar and identical to the Pre-paid Post Paid Electricity Supply Machine, which was patented to the Patentee. Adani Transmission Limited has emerged as the successful bidder in the said tender. Therefore, claims have been made by the Petitioner against RECPDCL, BEST and Adani Transmission Limited inter-alia for payment of ₹10806.60 Lakh (towards royalty) + ₹2106.33 Lakh (against damages) along with interest and other charges etc. along with other reliefs.

Initially, RECPDCL had been appointed as project implementing agency by BEST for smart metering project and the tender on behalf of best has been floated accordingly by the RECPDCL for selection of suitable bidder for execution of the project. RECPDCL was only acting as an agent in the project and later on BEST has removed RECPDCL as PIA for the project and accordingly no such liability shall arise on RECPDCL due to this commercial suit and figure as mentioned above not shown in contingent liability.

ii) Commitments (to the extent not provided for)

- (A) The company submitted performance bank guarantee to its service recipient as per requirement of the contract. The Un-expired performance bank guarantees as on 31.03.2023 is ₹2979.25 Lakh (Previous year ₹3106.29 Lakh). These bank guarantees are secured against current assets excluding earmarked balances for deposit works and government fund account, as indicated in Note 14 - Other bank balances.
- (B) The outstanding commitment on account of CSR activities which are sanctioned prior to/ during the financial year is ₹165.58 Lakh (previous year ₹117.21 Lakh).

50 Impact of Covid-19 Outbreak

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

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

51 Impairment of non financial assets:

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

52 Leases

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

(All amounts in ₹ lakh, unless stated otherwise)

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

A Lease payments not included in measurement of lease liability

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

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Short-term leases	-	469.06
Total	0.00	469.06

B Total cash outflow for leases for the year ended 31 March, 2023 was ₹ NIL Lakh, (31 March, 2022 - ₹469.06 Lakh).

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Short-term leases	-	469.06
Total	0.00	469.06

C The Company has total commitment for short-term leases of ₹ NIL lakh as at 31 March, 2023 (31 March, 2022 ₹325.93 lakh).

53 Ration Analysis

Ratio	31 March, 2023			31 March, 2022			Analysis	
	Numerator	Denominator	Ratios	Numerator	Denominator	Ratios	% Variance	Reason
Current Ratio	49,262.48	23,929.26	2.06	32,430.45	18,803.82	1.72	19.37	
Return on Equity Ratio	13,978.90	38,476.21	0.36	5,302.50	31,329.12	0.17	114.66	refer pt. (a)
Trade Receivables Turnover Ratio	28,484.41	10,753.85	2.65	16,001.02	12,314.21	1.30	103.85	refer pt. (b)
Trade Payables Turnover Ratio	7,242.92	3,907.71	1.85	7,983.60	4,916.87	1.62	14.15	
Net capital Turnover Ratio	28,484.41	25,333.22	1.12	16,001.02	13,626.63	1.17	(4.25)	
Net Profit Ratio	13,978.90	28,484.41	0.49	5,302.50	16,001.02	0.33	48.09	refer pt. (c)
Return on Capital employed	18,653.21	44,093.38	0.42	7,148.22	32,859.04	0.22	94.46	refer pt. (d)

1. Current ratio - Numerator includes current assets and Denominator includes current liabilities
2. Return on Equity ratio - Numerator includes Net profit after taxes and Denominator includes average shareholders equity.
3. Trade receivable turnover ratio - Numerator includes Revenue from operations and Denominator includes average trade receivables.
4. Trade payable turnover ratio - Numerator includes Cost of services rendered and Denominator includes average trade payables.
5. Net capital turnover ratio - Numerator includes Revenue from operations and Denominator includes working capital (Current Assets - Current Liabilities).
6. Net profit ratio - Numerator includes profit after tax and Denominator includes Revenue from operations.
7. Return on capital employed - Numerator includes earning before interest and taxes and Denominator includes capital employed (Tangible 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) The ratio has been improved due to 100% collection of revenue recognised under TBCB business (BPC)-Transmission SPV, 100% receipt of revenue in PIA fee for transmission projects resulting in decrease in average net trade receivables.
- (c) Net profit ratio improved due to significant increase in net income from TBCB business (BPC)-Transmission SPV by ₹ 9172.62 Lakh.
- (d) Return on capital employed improved due to increase in profit before interest and tax.

54 Other notes

- I "There were Eight opening associate companies (SPVs), in the previous years, namely Chandil Transmission Limited, Dumka Transmission Limited., Koderma Transmission Limited, Mandar Transmission Limited, Rajgarh Transmission Limited, Bidar Transmission Limited, MP Power Transmission Package-I Limited & ER NER Transmission Limited.

During the financial year 2022-23 eighteen number of associate companies (SPVs) namely Sikar Khetri Transmission Limited, KPS1 Transmission Limited, Ramgarh II Transmission Limited, Beawar Transmission Limited, Khavda II-D Transmission Limited, Luhri Power Transmission Limited, Meerut Shamli Power Transmission Limited, NERES XVI Power Transmission Limited, Neemuch Transmission Limited, Gadag II A Transmission Limited, WRSR Power Transmission Limited, Khavda II-A Transmission Limited, Khavda II-B Transmission Limited, Khavda II-C Transmission Limited, KPS3 Transmission Limited, KPS2 Transmission Limited, Khavda RE Transmission Limited & ERWR Power Transmission Limited have been incorporated.

Further, during FY 2022-23 thirteen number of associate companies SPVs namely Rajgarh Transmission Limited, MP Power Transmission Package-I Limited, ER NER Transmission Limited, Neemuch Transmission Limited, Gadag II A Transmission Limited, WRSR Power Transmission Limited, Khavda II-A Transmission Limited, Khavda II-B Transmission Limited, Khavda II-C Transmission Limited, KPS3 Transmission Limited, KPS2 Transmission Limited, Khavda RE Transmission Limited & ERWR Power Transmission Limited have been transferred to the successful bidders.

There are thirteen associates (SPVs) as at 31 March, 2023. Out of these 4 number SPVs of namely Chandil Transmission Limited, Dumka Transmission Limited., Koderma Transmission Limited & Mandar Transmission Limited are kept in abeyance, one no. of SPVs namely Khavda II-D Transmission Limited is under process of strike off.

- II
- a) Government of Jharkhand vide its letter dated 21 August, 2017 had nominated Company as the Bid Process Coordinator for the development of Intra-State transmission elements of Jharkhand State through Tariff Based Competitive Bidding route. Further, Government of Jharkhand vide its letter dated 30 September, 2020, has decided to reinstate the bidding process. Hence, the four projects namely Chandil Transmission Limited, Dumka Transmission Limited., Koderma Transmission Limited & Mandar Transmission Limited 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 has appointed REC Power Development and Consultancy Limited as Bid Process coordinator for selection of the developer for the project Khavda II-D scheme. The company has been incorporated 25th April 2022. The scheme has been de-notified by the Ministry of Power, Power System Planning Appraisal Division - II vide its minutes of the meeting dated 07.11.2022 and proposed to be developed under (Regulated Tariff Method) RTM method instead of bidding route. Accordingly, the company is under process of strike off. The direct expenditure incurred on the project has been charged to statement of the profit & loss.
 - c) The Bidar Transmission Limited was incorporated on 08.06.2020. The bidding of the project had been put on hold as per the minutes of meeting held on 16.10.2020 of Ministry of Power, Power System Planning Appraisal Division - I. The bidding process has been reinstated in M/o March 2023 after taking approval from the competent authority and in accordance to minutes of meeting dated 03.11.2022 of Ministry of Power, Power System Planning Appraisal Division -I.
- III There are no foreign currency transactions during the year. Therefore no disclosures are required under Schedule III of the Companies Act, 2013.

(All amounts in ₹ lakh, unless stated otherwise)

- IV The Company does not have more than 2 layers as specified in sub-rule (2) of Companies (Restriction on number of layers) Rules, 2017. As on 31.03.2023, the Company has 13 SPVs, In which it has directly invested and holds 100% of its shares. So Company does not violate the provision of Section 2(87) of companies Act.
- V The Company presently operating in a single segment i.e. providing engineering consultancy services and therefore disclosure requirements of Ind AS 108 is not applicable. The company presently has single geographical segment, as all its project offices are located within the Country.
- VI No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- VII During the Financial Year 2022-23, there is no transaction with companies Struck off under section 248 of the Companies Act, 2013.
- VIII The code on social security 2020 (Code) relating to employee benefit during employment and post employment benefit received presidential accent in September 2020. The code has been published in the Gazette of India. However, the date on which the code will come in to effect has not been notified. The company will assess the impact of the code when it comes in to effect and will record any related impact in the year the code becomes effective.
- IX The company has no 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.
- XII Previous year figures have been regrouped/reclassified wherever required.

Summary of significant accounting policies 1 to 3

The accompanying notes from 4 to 40 are integral part of the financial statements.

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

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

CA Manoj Garg
Partner
Membership No. 074370

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

Sanjay Kumar
Director
DIN - 08722752

Ajoy Choudhury
Director
DIN - 06629871

Date : May 16, 2023

Place: New Delhi

(Pursuant to provision 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 2022-23

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

Name of Associates/Joint Ventures	(Amount in lakhs)												
	Koderma Transmission Limited *	Chandil Transmission Limited *	Dumka Transmission Limited #	Mandar Transmission Limited #	Bidar Transmission Limited *	Sikar Khetri Transmission Limited *	KPS1 Transmission Limited *	Rangarh II Transmission Limited *	Beawar Transmission Limited *	Khavda II-D Transmission Limited *	Luhri Power Transmission Limited *	Meerut Shami Power Transmission Limited *	NERES XVI Power Transmission Limited #
1 Latest audited/ unaudited Balance Sheet Date	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23
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	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	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%	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	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	NA	NA	NA	NA	NA
5 Network attributable to Shareholding as per latest Balance Sheet	(228.43)	(254.78)	(209.55)	(187.47)	(10.33)	(66.96)	(57.19)	(69.30)	(70.90)	2.71	(45.63)	(38.29)	(13.76)
6 Profit / (Loss) for the year / period	(0.74)	(0.85)	(0.32)	(0.32)	(11.09)	(71.96)	(62.19)	(74.30)	(75.90)	(2.29)	(50.63)	(43.29)	(18.76)
i. Considered in Consolidation **	-	-	-	-	-	-	-	-	-	-	-	-	-
ii. Not Considered in Consolidation	(0.74)	(0.85)	(0.32)	(0.32)	(11.09)	(71.96)	(62.19)	(74.30)	(75.90)	(2.29)	(50.63)	(43.29)	(18.76)

* 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. Thirteen associates was transferred during FY 2022-23 whose details are as follows:

Name of SPV	Date of transfer
Rajgarh Transmission Limited	30.05.2022
Neemuch Transmission Limited	24.08.2022
ER NER Transmission Limited	10.10.2022
Gadag IIA Transmission Limited	08.11.2022
WRSR Power Transmission Limited	18.01.2023
MP Power Transmission Package-I Limited	21.01.2023
Khavda II-B Transmission Limited	21.03.2023
Khavda II-C Transmission Limited	21.03.2023
KPS3 Transmission Limited	21.03.2023
KPS2 Transmission Limited	21.03.2023
Khavda RE Transmission Limited	21.03.2023
ERWR Power Transmission Limited	21.03.2023
Khavda II-A Transmission Limited	28.03.2023

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

CA Nitin Grover
Partner
Membership No. 516604
Date : September 16, 2023
Place : NewDelhi

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

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

Revised Report on the Audit of the Consolidated Financial Statements

Opinion

1. Our audit report dated 16th May 2023 on the accounts for the year ended 31st March 2023 is being revised vide this report dated 3rd July 2023 to give effect to the observations made by the Comptroller & Auditor General of India in the supplementary audit carried out under section 143(6) of the Companies Act 2013 as these facts were either inadvertently not reported or misprinted in the original report.
2. 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, 2023, 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").
3. 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, 2023, the consolidated profit and consolidated state affairs of the Group as at March 31, 2023, 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

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

Emphasis of Matter

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

Reference is invited to Note No.54 regarding denotified one of the associate companies (i.e. Khavda II-D Transmission Limited) by the Ministry of Power. The company is under process of strike off.

Our opinion is not modified in respect of these matters.

Key Audit Matters

5. 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.
6. It is informed that financial information for all thirteen SPV's, i.e. Chandil Transmission Limited, Dumka Transmission Limited, Mandar Transmission Limited, Beawar Transmission Limited, Bidar Transmission Limited, Khavda II-D Transmission Limited, Koderma Transmission Limited, KPS1 Transmission Limited, Luhri Power Transmission Limited, Meerut Shamli Power

Transmission Limited, NERES XVI Power Transmission Limited, Ramgarh II Transmission Limited and Sikar Khetri 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.

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

S. No.	Key Audit Matter	Auditor's Response
1.	<p>Valuation of account Receivable in view of risk of credit loss (Refer to Note no. 46 "Financial Instrument" and note no 12 "Trade Receivable")</p> <p>Accounts receivables is a significant item in the Company's financial statements as at March 31, 2023 and assumptions used for estimating the credit loss on receivables is an area which is influenced by management's judgment.</p> <p>The Company makes an assessment of the estimated credit losses basis credit risk, project status, past history, latest discussion/ correspondence with the customer.</p> <p>Given the relative significance of these receivables to the financial statements and the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter.</p>	<p>Principal Audit Procedures Our audit incorporated the following procedure with regards to provisioning of receivables:</p> <ul style="list-style-type: none"> Understood and evaluated the accounting policy of the company. We evaluated the design and tested the operating effectiveness of key controls in relation to determination of estimated credit loss. Inquired with senior management regarding status of collectability of the receivable For material balances, the basis of provision was discussed with the management. Assessed and challenged the information used by the Management to determine the expected credit losses by considering credit risk of the customer, cash collection, performance against historical trends and the level of credit loss charges over time.
2.	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"</p> <p>The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period.</p> <p>Refer Notes 3.3 and 41 to the Financial Statements</p>	<p>Principal Audit Procedures We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>We carried out the following procedures:</p> <ul style="list-style-type: none"> Understand the design of internal controls relating to implementation of the new revenue accounting standard. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. Regarding the stage of completion and revenue in respect of ongoing projects, we have relied upon the reports of the Technical Experts of the Company as we did not have that technical expertise with us. Selected a sample of continuing and new contracts and performed the following procedures: Read, analyzed and identified the distinct performance obligations in these contracts. Compared these performance obligations with that identified and recorded by the Company. Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.

S. No.	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> • 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

8. 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. Such other information is expected to be made available to us after the date of auditor's report.
9. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance/conclusion thereon.
10. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available 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.
11. When we read the report mentioned above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. As the other information is not made available to us at the date of Auditor's Report, we have nothing to report in this regard.

Management Responsibility for the Consolidated Financial Statements

12. The Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS 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.
13. In preparing the financial statements, the respective Board of Directors of the companies included in the Group are 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.
14. 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

15. 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.

16. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(1) 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.
17. 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.
18. 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.
19. 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.
20. 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 statement also includes the Group's share of net profits/loss of ₹13978.91 lacs for the year ended 31st March 2023 as considered in the consolidated financial statements, in respect of 13 associate companies, whose financial statements have not been audited by us. This financial statements / 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 associates, 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.
- (b) Thirteen of the associate companies, namely ER NER Transmission Ltd., ERWR Power Transmission Ltd., Gadag-II A Transmission Ltd., Khavda II-A Transmission Ltd., Khavda II-B Transmission Ltd., Khavda II-C Transmission Ltd., Khavda RE Transmission Ltd., KPS2 Transmission Ltd., KPS3 Transmission Ltd., MP Package-I Transmission Ltd., Neemuch Transmission Ltd., Rajgarh Transmission Ltd. and WRSR Power Transmission Ltd. were transferred/sold during the year and further one associate company namely Khavda II-D Transmission Limited denotified by the Ministry of Power. The company is under process of strike off. 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 above 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

21. As required by section 143(3) the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraphs 3 and 4 of the Order.
22. 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**".
23. 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, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 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) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (16) of Section 197 of the Companies Act, 2013, are not applicable to the Company;

- i) 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 ₹2670.95 lakh pending litigations as on 31st March 2023
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. The provision of transferring the amount to the Investor Education and Protection Fund is not applicable to the company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in the consolidated financial statements
- (a) The final dividend proposed in the previous year, declared and paid by the holding company during the year is in accordance with Section 123 of the Companies Act 2013, as applicable.
 - (b) The interim dividend declared and paid by the holding company during the year and until the date of this report is in compliance with Section 123 of the Companies Act 2013.
 - (c) The Board of Director of the holding company has proposed final dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Companies Act 2013, as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 with respect to using accounting software for maintaining its books of account which has certain features e.g. edit log etc. as enumerated in afore said proviso is applicable to the Company with effect from 1st April 2023. Therefore, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2023.

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

Date: 03/07/2023
Place: NewDelhi

CA Manoj Garg
Partner
Membership No. 074370.
UDIN:23074370BGXDVF1308

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 2023.

1. In respect of its property, plant and equipment
 - (a) (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 is maintaining proper records showing full particulars of intangible assets 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 Property, Plant, Equipment during the year. Accordingly, reporting under clause(i)(d) of paragraph 3 of the Order is not applicable.
 - (e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the group as at March 31st, 2023 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
2.
 - (a) The group being a consultancy provider does not have any inventory during the year.
 - (b) The Group has not obtained any sanctioned working capital limit during the year, from banks and/or financial institutions, on the basis of security of current assets. Therefore, reporting under clause(ii)(b) of paragraph 3 of the Order is not applicable.
3. During the year the Group has not made investments, provided any guarantee or security, or granted any loans or advances in the nature of loans, secure or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly, reporting under clause (iii) of paragraph 3 of the Order is not applicable.
4. The provisions of Section 185 of the Act are not applicable to the Group as the Group has not given any loan or provided any guarantee to any of the parties covered under section 185 of the Act. Further, the provision of section 186 of the Act are also not applicable as the Group has not given any loan, given any guarantee, provided any guarantee or invest in the securities of any other body corporate or person.
5. In our opinion, the Group has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
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 Services 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 Services tax, Sales tax, Income tax, Custom tax, Excise duty, Cess as at 31st March, 2023 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.
 - (a) The Group has not taken any loan or other borrowings from any lender. Accordingly, reporting under clause(ix)(a) of paragraph 3 of the Order is not applicable.
 - (b) The Group has not been declared a wilful defaulter by any bank or financial institution or government or any other government authorities.
 - (c) The Group did not obtain any money by way of term loan during the year and there was no term loan outstanding at the beginning of the year. Accordingly, reporting under clause(ix)(c) of paragraph 3 of the Order is not applicable.
 - (d) On an overall examination of Financial Statements of the Group, The Group has not availed any short-term borrowings. Accordingly, reporting under clause(ix)(d) of paragraph 3 of the Order is not applicable.
 - (e) On an overall examination of Financial Statements of the Group, The Group has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act.
 - (f) The Group has not raised any loan during the year on the pledge of securities held in its subsidiary as defined under the Act.
10.
 - (a) The Group has not raised any money by way of initial public issue offer, further public offer (including debt instruments) during the year. Therefore, reporting under clause(x)(a) of paragraph 3 of the Order is not applicable.
 - (b) The Group has not made any preferential allotment or private placement of shares or convertible debenture during the year (fully, partially, or optionally convertible) during the year. Therefore, reporting under clause(x)(b) of paragraph of the order is not applicable.
11.
 - (a) During the course of our examination of the books and records of the Group, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the company nor any fraud on the company has been noticed or reported during the year; nor have we been informed of any such instance by the management.
 - (b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in form ADT-4 as prescribed under rule 13 of the companies (Audit & Auditors) rules, 2014, during the year or up to the date of this report.
 - (c) There are no whistle blower complaints received by the Group during the year & up to the date of this report.
12. The Group is not the group of Nidhi companies 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 external internal auditors for carrying out the internal audit of the group companies. The audit has been conducted in two part i.e. for 1st half year ended 30th September & 2nd half year ended 31st March. The internal audit system adopted by the company is commensurate with the size and nature of the business of the company.
 - (b) We have considered the internal audit report so submitted by the internal auditor to the Company and provided to us by the company for the half year period ended 30th September 2022 and the report for the period half year ended 31st March 2023 is yet to be received from the internal auditors, in determining the nature, timing and extent of our audit procedures.
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.
 - (a) The Group is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934. Therefore, reporting under clause(xvi)(a) and (b) of paragraph 3 of the Order are not applicable.

- (b) The Group is not Core Investment Company (CIC) as defined in core investment Companies (Reserve Bank) Directions, 2016 (“Directions”) by the Reserve Bank of India. According Reporting under clause (xvi)(c) and (d) of the paragraph 3 of the order are not applicable.
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. There has been no resignation of the statutory auditor during the year & accordingly, reporting under clause(xviii) of paragraph 3 of the Order is not applicable.
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. We, however, state that this is not an assurance as to the future viability of the Group. We further state that our reporting is based on the facts up to the date of audit report & we neither give any guarantee nor any assurance that all liabilities falling due within a period of 1 year from the balance sheet date, will get discharged by the group as and when they fall due.
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.
21. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (the “Order”/“CARO”) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor’s Report and based on the CARO report issued by us for the company, we report that there is no qualification or adverse remark in the said report. However, according to the information and explanations given to us, the CARO reports in respect of 13 associate companies included in the consolidated financial statement have not been issued by their auditors till the date of our principal audit report dated 16.05.2023.

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

Date: 03.07.2023
Place: New Delhi

CA Manoj Garg
Partner
Membership No. 074370
UDIN:23074370BGXDVG3540

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 2023.

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/Prime). The group does not have any processing outside IT system of accounting transactions.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off debts /loans/interest etc. made by a lender to the company due to the group's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases have been properly accounted for.	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 (grant / subsidy etc.) received / receivable for specific schemes from central / state Government or its agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	According to the information and explanations given to us, the funds (grant / subsidy/etc.) received/receivable for specific schemes from central/state agencies has been properly accounted for /utilized by the group. There are no cases of any deviation.

Compliance Certificate

We have conducted the audit of annual accounts of **REC Power Development and Consultancy Limited** for the year ended 31st March 2023 in accordance with the direction/sub-directions issued by the C&AG of the India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Direction/Sub-directions issued to us.

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

Date: 03.07.2023
Place: New Delhi

CA Manoj Garg
Partner
Membership No. 074370
UDIN:23074370BGXDVG3540

Annexure C to the Independent Auditor's Report

Annexure referred to in paragraph 3(g) 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 consolidated financial statements for the financial year ended on 31st March 2023.

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 2023 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Group; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, 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**

Date: 03.07.2023
Place: New Delhi

**CA Manoj Garg
Partner
Membership No. 074370
UDIN:23074370BGXDVG3540**

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF REC POWER DEVELOPMENT AND CONSULTANCY LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of consolidated financial statements of REC Power Development and Consultancy Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 03 July 2023 which supersedes their earlier Audit Report dated 16 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of REC Power Development and Consultancy Limited for the year ended 31 March 2023 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of REC Power Development and Consultancy Limited but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities listed in Armexure for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision(s) made in the statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) read with section 129(4) of the Act.

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

**Sd/-
(Sanjay K. Jha)
Director General of Audit (Engry),
New Delhi**

Date: 14.07.2023
Place: New Delhi

REC Power Development and Consultancy Limited
(formerly REC Power Distribution Company Limited)
Regd. Office : Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003
CIN : U40101DL2007GOI165779
Tel.: 011-43091500
Email: co@recpdcl.in Website: www.recpdcl.in

ATTENDANCE SLIP

16TH ANNUAL GENERAL MEETING TO BE HELD ON THURSDAY, SEPTEMBER 21, 2023 AT 10:00 A.M. AT PLOT NO. I-4, SECTOR-29, GURUGRAM, HARYANA - 122001 INDIA.

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

I/We, hereby record my/our presence at the 16th Annual General Meeting of the Company held on Thursday, September 21, 2023 at 10:00 A.M at Plot No. I-4, Sector-29, Gurugram, Haryana - 122001 India.

Signature of Member/ Proxy

NOTES:

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

REC Power Development and Consultancy Limited

(formerly REC Power Distribution Company Limited)
 Regd. Office : Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003
 CIN : U40101DL2007GOI165779
 Tel.: 011-43091500
 Email: co@recpdcl.in Website: www.recpdcl.in

PROXY FORM (Form No. MGT-11)

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

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

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

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

or failing him/her

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

or failing him/her

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16th Annual General Meeting of the Company, to be held on Thursday, September 21, 2023 at 10:00 A.M. at the Plot No. I-4, Sector-29, Gurugram, Haryana - 122001 India. and at any adjournment thereof in respect of such businesses as are indicated below:

Sl. No	Particulars
Ordinary Business	
1.	To receive, consider, approve and adopt the audited financial statements of the Company for the financial year ended March 31, 2023 along with the Reports of the Board of Directors and Auditors thereon.
2.	To confirm the payment of Interim Dividend for the financial year 2022-23 and to declare Final Dividend on equity shares of the Company for the financial year 2022-23.
3.	To appoint a Director in place of Shri Vijay Kumar Singh (DIN: 02772733), who retires by rotation and being eligible, offers himself for re-appointment.
4.	To fix the remuneration of Statutory Auditors for the financial year 2023-24.

Signed this..... day of..... 2023

Signature of ShareholderSignature of Proxy holder(s)

Affix
 Revenue
 Stamp
 of ₹1/-



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

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

CIN: U40101DL2007GOI165779

Tel.: 011-43091500

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