

REMC Limited

(A Joint Venture of Indian Railways and RITES Limited)



ANNUAL REPORT 2022 - 2023



Mission

EXPLORING BUSINESS OPPORTUNITIES IN GREEN ENERGY, ESPECIALLY IN THE FIELD OF WIND AND SOLAR BY INSTALLING WINDMILLS AND SOLAR PLANTS FOR GENERATING AND SELLING RENEWABLE ENERGY, MAINLY FOR RAILWAYS CONSUMPTION.

FACILITATING COST EFFICIENCIES IN THE ENERGY MANAGEMENT FOR RAILWAYS BY POWER PROCUREMENT THROUGH OPEN BIDDING AS WELL AS TRADING THROUGH POWER EXCHANGES.

ENTERING UPON THE CONSULTANCY BUSINESS IN ENERGY MANAGEMENT AREA INCLUDING BOTH WIND AND SOLAR ENERGY PROJECTS.

What's Inside

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Board of Directors



Shri Rahul Mithal
Chairman



**Shri Ajeet Kumar
Srivastava**
Director



Shri Manish Gupta
Director



Shri Arun Kumar Singh
Director
(From 06.10.2022)



Shri KG Agarwal
Director
(From 11.08.2023)



Shri Bibhu Prasad Nayak
Director
(Up to 31.07.2023)



**Shri Gopi Sureshkumar
Varadarajan**
Director
(Up to 31.07.2022)



Smt. Sheela Koul
Independent Director
(Up to 24.07.2022)

Key Managerial Personnel



Shri Ajay Kumar Singhal
Chief Executive Officer
(Up to 17.07.2023)



Shri Sanjay Singh
Chief Executive Officer
(From 25.07.2023)



Shri Anjeev Kumar Jain
Chief Financial Officer



Shri Ranjan Kumar Tiwary
Company Secretary



Dear Shareholders,

I write this with a sense of pride about how well your company performed during the financial year 2022-23, not just in financial terms, but also in terms of what we accomplished for our stakeholders.

During FY23, your company has achieved two key milestones first, the highest-ever turnover of ₹ 117.06 crore, up by 23.05% and profit before tax of ₹ 83.80 crore, up by 30.30%, secondly, your company became a debt-free entity,

Based on the company's excellent performance, your Board of Directors has recommended ₹ 3 per share as the final dividend, which comes to 30% of the paid-up capital of the company for FY23 in addition to an interim dividend of ₹ 2.50 per share, which has already been paid during the year. It is the highest-ever dividend payout of ₹ 5.50 per share totaling to ₹ 57.75 Crores, 97.82% of the profit earned.

With a focus on cleaner sources of power to effectively balance growth with sustainability, your company assisted the Railways in procuring 1418 MUs of green energy as compared to 179 MUs in FY22. Also, your company facilitated procurement of 14414 MUs of energy for the Railways under the 'open access' policy during the year as compared to 11054 MUs in FY22. It has, so far, arranged open access in 13 states/entities (including DVC control

Chairman's Message

Area & UP ISTS).

The Railways' aim to have 100% electrification of its broad-gauge network and its vision for net zero carbon emissions by 2030 is providing multiple opportunities and your company is tapping these aggressively. Accordingly, your company has already tied-up for 1800 MW of standalone renewable (solar & wind) power through mega solar parks in Madhya Pradesh, Uttar Pradesh, and a solar power plant, under the CPSE scheme, in Karnataka besides for wind power in Maharashtra. Under the Round-The-Clock (RTC) mode 1000 MW of renewable power has also been tied-up for 25 years for the Railways to provide renewable energy 24X7, complementing the Railways' integrated approach for a green environment.

Your company consistently endeavors to adopt and maintain the highest standards of ethics in all spheres of business activities. It accords highest importance to transparency, accountability, and credibility in all facets of its operations.

Further, your company is implementing the precepts of Corporate Governance in letter and spirit. As a responsible corporate entity, your company has spent ₹ 101.04 lakh on various CSR activities during FY23.

All the above would not have been possible without the continuous support and guidance of our parent ministry and our stakeholders for which we are thankful. With a vision to assist the Railways in achieving its Net Zero mission, your company remains committed to its vision of continuing to cross new frontiers in the renewable energy space.

With Best Wishes,

(Rahul Mithal)
Chairman
REMC LIMITED

17.08.2023

Financial Performance of REMCL for Last Six Years at a Glance

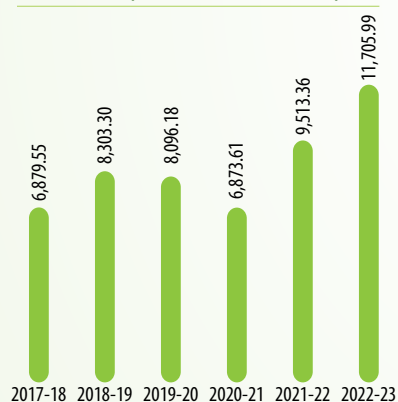
All figures are in ₹ Lakhs except specified)

S/No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
A.	Operating Turnover	6,562.88	8,148.33	7,856.15	6,787.02	9,310.14	11,414.59
B.	Other Income	316.67	154.97	240.03	86.59	203.22	291.40
C.	Total Income (including Other Income)	6,879.55	8,303.30	8,096.18	6,873.61	9,513.36	11,705.99
D.	Operating Expenditure (including Depreciation)	2,203.72	2,918.71	2,737.97	3,118.91	2,870.49	3,283.61
E.	Finance Cost	749.90	438.37	384.08	310.64	211.57	42.50
F.	Depreciation & Amortisation	614.73	620.87	634.39	705.87	712.70	730.36
G.	Operating Margin/EBIT (A-D)	4,359.16	5,229.62	5,118.18	3,668.11	6,439.65	8,045.98
H.	Profit Before Tax (A+B-D-E)	3,925.93	4,946.22	4,974.13	3,444.06	6,431.30	8,379.88
I.	Profit After Tax	3,027.98	4,134.06	3,501.55	2,413.37	4,532.08	5,903.65
J.	EPS (₹)	2.88	3.94	3.33	2.30	4.32	5.62
K.	Dividend Paid excluding Dividend Distribution Tax	368.00	909.00	1,241.00	1,050.00	900.00	3,990.00
L.	Share Capital	7,000.00	7,000.00	7,000.00	10,500.00	10,500.00	10,500.00
M.	General Reserve including Retained Earning	4,584.45	7,622.66	9,628.12	7,491.49	11,123.57	13,037.25
N.	Net Worth (L+M)	11,584.45	14,622.66	16,628.12	17,991.49	21,623.57	23,537.25
O.	Capital Employed	19,193.08	19,595.99	21,477.82	22,475.78	26,116.47	26,575.14
P.	Operating Margin %(G/A)	66.42	64.18	65.15	54.05	69.17	70.49
Q.	EBIT to Capital employed %(G/O)	22.71	26.69	23.83	16.32	24.66	30.28
R.	PAT to Networth % (I/N)	26.14	28.27	21.06	13.41	20.96	25.08
S.	Current Ratio (No. of times)	2.67	3.37	2.48	3.20	6.56	22.14

* Earning per share has been Computed on the basis of post bonus issued during financial Year 2020-21.

(₹ in Lakhs)

TOTAL INCOME (INCLUDING OTHER INCOME)



PROFIT BEFORE TAX



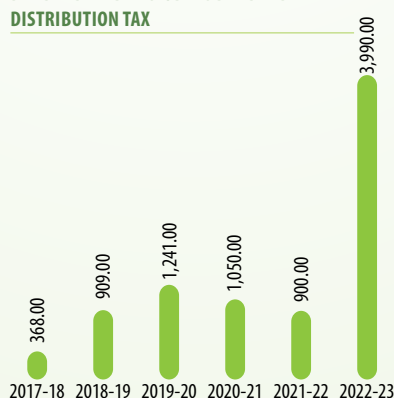
PROFIT AFTER TAX



NET WORTH



DIVIDEND PAID EXCLUDING DIVIDEND DISTRIBUTION TAX



CAPITAL EMPLOYED



Directors' Report

Distinguished Shareholders

The Directors of the Company pleased to present 10th Annual Report of the company with audited Financial Statements together with Auditor's Report for the year ended 31st March, 2023.

Financial Highlights:

The financial performance of the Company for the financial year 2022-23 is given below:

(₹ in Crore)

Particulars	2022-23	2021-22
Financial Results:		
Total Income	117.06	95.13
Operating Turnover	114.15	93.10
Operating Expenditure	32.84	28.70
Finance Cost	0.42	2.12
Profit Before Tax (PBT)	83.80	64.31
Taxes including deferred Tax	24.76	18.99
Profit After Tax (PAT)	59.04	45.32
Dividend Paid	39.90	9.00
Transfer to Retained Earnings	19.14	36.32
Net Worth	235.37	216.24

Business Performance:

Progressing on the path of growth and excellence, the company has delivered robust performance during the financial year 2022-23 achieving an all-time high turnover of ₹117.06 crore as compared to previous year of ₹95.13 crore and Profit before Tax of ₹83.80 crore as compared to previous year of ₹64.31 crore. The turnover registered a growth of 23.05% and profit before tax registering a growth of 30.30% over the previous year.

During the Financial year 2022-23, company managed a power portfolio of about 1696 MW for Indian Railways in 13 states / entities (including DVC Control Area & UP ISTS) under Open access. Besides the mandate for power procurement under Open Access, your company is also facilitating Indian Railways in achieving their Mission of Net Zero Carbon Emission by greening its power portfolio. The Company has facilitated in scaling IRs renewable energy portfolio to 5111 MW, out of which 136 MW is operational and remaining capacities shall start coming up by FY 2023-24 and are targeted to be completely operational by FY 2025-26. 50 MW solar power plant at Bhilai has been commissioned and is operational since 22-04-2023.

Your Company has facilitated IR is signing PPA with Ircon Renewable Power Limited (IRPL) in the month of May'2022 and M/s Green Infra Wind Energy Limited in the month of March'2023 for procurement of 500 MW Solar Power & 50 MW wind power respectively.

Your company so far has successfully awarded 170 MW of solar roof top projects, 53.7 MW of ground mounted solar projects and 143 MW of wind power projects. After, successful implementation of above-mentioned renewable energy projects the carbon-di-oxide emissions will be reduced by about 5 Lakh tonne per year. Your Company is also facilitating IR in expanding its Green Portfolio by procuring renewable power from various market mechanisms available at Power Exchanges i.e., GDAM (Green Day Ahead Market) and trading of RECs (Renewable Energy Certificates), thus helping Indian Railways in ensuring compliance to Renewable Purchase Obligation (RPO). It benefits IR in meeting its green energy requirement and encourages environmental sustainability. During financial year 2022-23, company facilitated procurement of approximately 1256 MUs of Renewable Power from GDAM for Indian Railways.

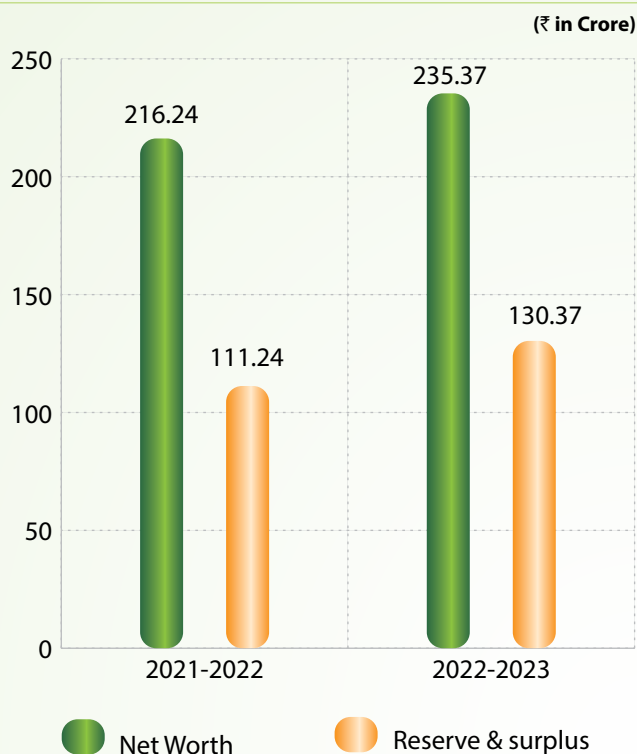
Your Company, with its deep expertise in the realm of Regulatory issues in Power Sector, is continuously providing advisory services to Indian Railways and helping in capacity building. Your Company also provides Legal services to IR to represent/contest disputes with Power Utilities at Central & State Regulatory Commissions.

Some of the major highlights for the FY 2022-23 are as under:

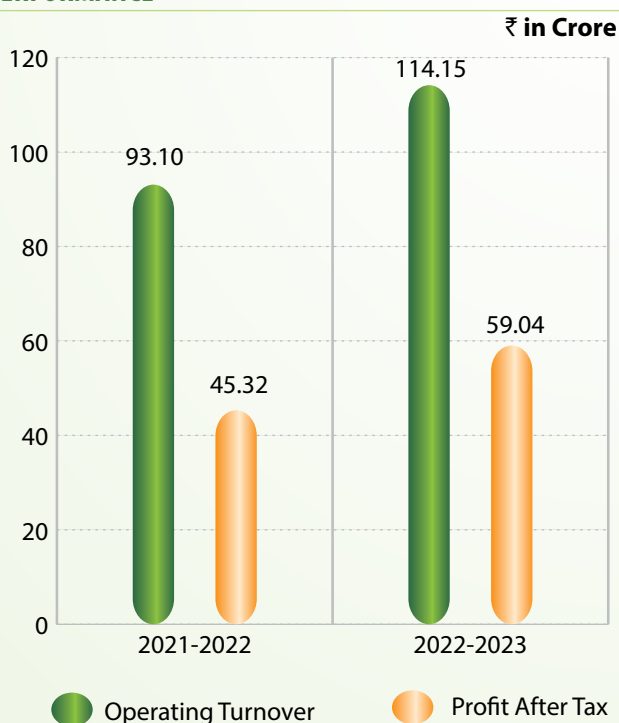
Your company has witnessed remarkable improvement in the performance, these are as under:

- Your company has set up a state-of the art National Energy Management Centre in the premises of registered office of REMC Ltd. which is connected with all 17 State Energy Management Centres across various zones of Indian Railways. The center is manned round the clock and is facilitating IR in accurate load forecasting, scheduling and planning deficit power through real time intervention.
- Facilitated in signing of PPA with Ircon Renewable Power Limited (IRPL) in the month of May'2022 and M/s Green Infra Wind Energy Limited in the month of March'2023 for procurement of 500 MW Solar Power & 50 MW wind power respectively.

ACHIEVEMENTS



PERFORMANCE



- Facilitated Indian Railways in procurement of power from Power Exchange. Same has commenced in the state of U.P., M.P, Rajasthan, Delhi, Haryana, UP-ISTS, Jharkhand, Gujarat, Maharashtra, and Karnataka to meet the peak power requirement and standby power in case of failure of open access generators through market mechanisms available at Exchanges viz., DAM (Day Ahead Market) and RTM (Real Time Market). 5378 MUs purchased through Energy Exchange during year 2022-23 as compared to 2112 MUs during 2021-22, an increase of 155%.
- Successfully facilitated purchasing of renewable power from Green Day Ahead Market (GDAM) platform of Energy Exchange to fulfill RPO compliance by IR. During financial year 2022-23, company facilitated procurement of approximately 1256 MUs of Green Power under GDAM for Indian Railways.
- 600 MW thermal Power was successfully tied up under Medium term Open access (MTOA) and power flow of 210 MW has commenced in April 2022, 70 MW in October' 2022, 180 MW in November' 2022 and 90 MW in December' 2022.
- Machine availability of Company owned wind Plant in Rajasthan has increased to 91.17 % during FY 2023 as compared to 88.37 % in FY 2022.
- All time high procurement of energy -14414 MUs
- Company become debt free during current FY 2022-23 and paid highest ever dividend amounted to Rs. 39.90 crore, which consist of Rs 13.65 crore as final dividend of 2021-22 and Rs 26.25 crore as interim dividend for FY 2022-23
- Highest ever Turnover (Rs.117.06 crore), Profit before Tax (Rs.83.80 crore) and Profit after Tax (Rs.59.04 crore).

Outlook:

In view of Government of India's commitment at Glasgow summit in COP 26. Indian Railways has set up target to achieve Net-Zero Carbon Emission (NZCE) by 2030. Indian Railways is taking a multi-pronged approach to go green and decarbonise by increasing its sourcing of renewable energy (RE) electrifying its traction network and reducing its energy consumption.

Indian Railways is continuously promoting development of renewable energy infrastructure with a vision to reduce dependence on fossil fuel, thereby augmenting

de-carbonization. In this process, your company is assisting Indian Railways in accomplishing its mission of NZCE and thus driving its journey towards becoming the largest green transporter in the world.

Capital Structure:

The paid-up share capital of the company is ₹105.00 crore as against its authorized share capital of ₹1000.00 crore.

Dividend:

Your directors have recommended a final dividend of ₹ 31.50 crore for the financial year 2022-23 (i.e., ₹3 per share on 10.50 crore equity shares) which is 30% of paid-up capital of the company, subject to the approval of Shareholders in Annual General Meeting.

During the FY 2022-23 the company has paid a final dividend of ₹ 13.65 crore for the FY 2021-22 along with Interim Dividend of ₹ 26.25 crore for FY 2022-23

Deposits:

The Company has not accepted any deposits from the public during the year.

Reserves:

During the year, ₹19.13 crore has been transferred to Retained Earnings by appropriation from profits of the company. Reserve and surplus has been increased from ₹111.24 crore as at end of 31st March, 2022 to ₹130.37 crore as at 31st March, 2023

Conservation Of Energy, Technology Absorption And Foreign Exchange Earning And Out Go:

The details of conservation / generation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

Conservation Of Energy/ Clean Energy:

Indian Railways is entrusted to achieve Net Zero Carbon Emission by 2030 and also adhere to cut down their energy bills. To achieve this vision Indian Railways has targeted to reduce its dependence on fossil fuel by harnessing Renewable Energy sources. In order to achieve the target, set by Government of India (GoI) to achieve Net Zero Carbon Emission by 2030, Indian Railways has also envisaged requirement of about 30 GW Renewable Power

by 2030 across Zonal Railways (ZRs) and Production Units (PUs). Your company is going aggressively in planning procurement of renewable energy by implementing various renewable energy projects for Indian Railways in a phased manner.

Implementation of Renewable Energy Projects:

Your company is continuously adding up to the capacity of renewable energy projects on a large scale thus expanding its portfolio mix to ensure economical cost of power for IR and long-term competitiveness, mitigation of fuel risks and development of sustainable power sources. Your Company has facilitated IR in executing PPAs for setting up renewable energy plants of 5111 MW, out of which 136 MW is operational and remaining capacities shall start coming up by FY 2023-24 and are targeted to be completely operational by FY 2025-26. 5111 MW of renewable capacity comprises of 3019 MW from solar Plants and 2092 MW from Wind sources.

Solar Power Projects:

Indian Railways is committed to employ Renewable energy projects for meeting its traction power demand and become a complete 'green mode of transportation'. As part of this target, a mega plan has been developed to install renewable power plants of 30 GW capacity by 2030. To achieve the above target, your company has taken up various projects. The status of the solar projects undertaken by your company is as follows:



50 MW solar ground mounted project

Railway Board mandated REMCL for setting up of 50 MW Solar power Plant at Bhilai. LOA issued to Solar Power Developer (SPD) by REMC Limited. Power Purchase Agreement (PPA) signed in December-2019 between SECR and SPD. Railway Land (122 Ha) at Bhilai was provided by SECR to REMCL on Lease for a period of 25 years which has been further provided to SPD for construction, maintenance, and operation of the plant. Power generated from this solar plant is evacuated through nearby 220 KV CTU/PGCIL sub-station at Raipur and is being used for traction purpose in states of UP (NCR) (25 MW) and Karnataka (SWR) (25 MW).

Solar PV plant will generate approx. 102 MUs of solar power annually and it is anticipated to result in an annual saving of approx. Rs. 20 Crore to IR. This initiative would assist in achieving the target of Net Zero Carbon Emission by 2030. Plant was commissioned on 24.03.2023 & Power flow to grid started on 22.04.2023.

400 MW solar ground mounted project

Indian Railways shall also source green energy from upcoming solar park in Madhya Pradesh being developed by Rewa Ultra Mega Solar (RUMS) Ltd, a JV between Solar Energy Corporation of India (SECI) & Madhya Pradesh Urja Vikas Nigam Ltd. (MPUVNL). The proposed capacity of the solar park will be 1500 MW out of which 400 MW power will be supplied to Indian Railways in states of Gujarat, Maharashtra, Rajasthan, UP-ISTS, UP-STU, Haryana, Jharkhand, DVC Area & Bihar. This proposed state wise distribution of solar power will help Zonal Railways to meet

their Solar Power Obligations (SPOs) as per respective SERCs. LOA was issued on 01.09.2021. PPA was signed on 25.11.2021 by West Central Railways on behalf of IR, with RUMSL and SPDs for procurement of 400 MW Solar power. Regular visits to ascertain the progress of the power plant installation are being undertaken by REMC Ltd. Officials. Commencement of power flow is expected in FY 2023-24.

2.56 MW Solar ground mounted project - First Pilot Solar Project of Indian Railways along Railway track

REMC has undertaken the development of first ever 2.56 MW solar ground mounted projects along the railway tracks as a pilot project for Northern Railways. The project was awarded through tariff based competitive e-bidding followed by reverse e-auction. The project is first of its kind designed for feeding generated solar power directly into the Railways Traction System. The plant was successfully commissioned during the year 2020-21, feeding power at 132 KV Railway Transmission System. Energy generated by the plant per annum is approximately 3 MUs (Million Units) which replaces conventional energy and saves around 2.8 thousand tons CO2 per annum.

1.7 MW ground Mounted solar Power Project on vacant railway land near TSS at Bina

Bina Solar Plant is successfully commissioned since July '2020 and is acting as a Proof of Concept (POC) for Indian Railways for future implementation of such solar plants all over India. This is especially important as Railways has gone for massive electrification under 100% electrification target. With success of this pilot power project, Indian Railways would also install such type of Solar



Plants in various locations to feed traction distribution for utilization by electric engine hauled trains. The said Plant is feeding power at 25 KV OHE. Energy Generated by the plant is approximately 2 MUs (Million Units) / per annum which replaces conventional energy and saves around 1.9 thousand tons of CO2 per annum.

Wind Power Projects:

Consistently growing in wind energy space by implementing various wind power projects for Indian Railways till date, company has implemented about 93 MW of wind projects for traction load, detailed as under:

- (i) 26 MW Windmill Plant on CAPEX mode at Jaisalmer, Rajasthan. Your company has accounted for 34.56 MUs (Million Units) of energy generated from 26 MW Wind Power Plant during FY 2022-23.
- (ii) 10.5 MW wind power project on PMC mode and the energy has been directly utilized Southern Railway (SR), Tamil Nadu.
- (iii) 56.4 MW wind power project for CR in Maharashtra on tariff based competitive bidding. 96.80 MUs (Million Units) of energy generated from the Power Plant has been utilized by Central Railway in the state of Maharashtra during FY 2022-23.

50 MW Wind Power Plants

The company invited and finalised the tender for procurement of 50 MW Wind Power Project in the state of Maharashtra. The connectivity of plant is at CTU/STU level. PPA has also been signed on 31.03.2023.



Power Procurement

Indian Railways, as a bulk consumer of electricity, was paying tariff as determined by State Electricity Regulatory Commission (SERC), which has been replaced with tariff determined through competitive bidding / MoP allocation. Your company has assisted Indian Railways in obtaining the status of Deemed Licensee as per Section 14 of Electricity Act 2003 read in conjunction with the Railway Act 1989 and ensuring flow of economic power under open access, thereby reducing the electricity bills of Indian Railways which have resulted into huge cost savings.

Status of Deemed Licensee

REMC's continuous efforts in past several years have already brought open access in 13 states/ entities (including DVC control area and UPISTs) for procurement of power under the ambit of Deemed Licensee status of Indian Railways. Similar efforts are being made by your company for the 7 major remaining states of West Bengal, Tamil Nadu, Andhra Pradesh, Chhattisgarh, Odisha, Kerala and Telangana through regulatory intervention.

Procurement of power under Open Access

Your Company has successfully facilitated the power procurement about 1696 MW in the open access states during the FY 2022-23 in 13 states / entities (Rajasthan, UP (ISTS), Maharashtra, Gujarat, MP, Karnataka, Jharkhand, DVC command area, Haryana, Delhi, Bihar and Punjab including DVC control Area & UP ISTS).

Compliance to Renewable Purchase Obligation (RPO)

One of the regulatory requirements for Railways as deemed licensee is compliance to Renewable Purchase Obligations (RPO). REMC Ltd has assisted Railways in purchasing Renewable Energy Certificates from Energy Exchange.



Procurement through Energy Exchange:

Indian Railways has also initiated procurement of energy through collective transaction by bidding of power through trader on energy exchange. Procurement of power through IEX (energy exchange) has also commenced in the state of U.P., Delhi, Haryana, M.P. Karnataka, Maharashtra, Gujarat, U.P.-ISTS, Jharkhand and Rajasthan to meet the peak power requirement of Indian Railways and as an arrangement for back – up power in case of failure of open access generators. Tri-Partite agreements have been executed between Nodal Railway, REMC & Trader Member. REMC is regularly advising Railways on bidding guidelines. In current financial year 2022-23, Railways have purchased about 5378 MUs of Energy through Exchange as compared to 2112 MUs during 2021-22, an increase of 155%.

Energy management of BRBCL plant:

Your Company is coordinating the energy management of IR by providing all the required assistance pertaining to scheduling of power from Nabinagar thermal power plant of BRBCL on daily basis with four units of 250 MW each in operation, surplus power from Railways allocation is being diverted to beneficiary ZRs requiring additional power under Un-Requisitioned Surplus (URS). In addition to above, the company is also assisting ZR in sale of excess power of BRBCL through power exchange thereby ensuring that units generated are fully utilized.

Coordination with state authority:

Your Company has been providing single window service to ZRs for interaction with state and central utilities in obtaining NOCs and fulfilling other regulatory compliances. The company has also coordinated with CTU & RLDCs for revision and operationalization of Long-Term Open Access (LTA) for BRBCL power. The company has also coordinated with Power System Operation Corporation Ltd (POSOCO) on transaction of URS power.

Technology Absorption & Upgradation:

A New Paradigm Shift in Railway:

The requirement of traction power is going to increase significantly with Mission 100 % electrification of rail routes of Indian Railways. This will correspondingly increase requirement of power and scale up the power portfolio of IR. Thus, optimum scheduling, load forecasting and Power Planning shall become of paramount importance. With the setting up of NEMC (National Energy Management Centre,

traction load data shall be available on real time basis which shall be harnessed to form accurate scheduling and forecasting strategy with real time intervention.

New Technology Innovation:

Generation from renewable sources is infirm and varies across the day and seasons and as such availability of power from renewable sources is a challenge. Though the cost of generation of renewable power is quite less however, due to its inherent variability nature, it poses issues in grid integration and underutilization of transmission corridor.

Recently, your company has stepped into realm of promoting innovation by adopting a new technology of solar energy storage. REMC in consultation with Railway has planned to take up solar / Wind Power procurement under Round the clock (RTC) mode for IR for utilisation during non-solar hours / peak hours.

In RTC mode, Aggregator/Trader/Developer provides power from renewable energy sources complemented/ balanced with thermal/hydro/gas. This is done by integration of generation profile from various sources and leveraging IT tools to match the load profile of procurer. RTC procurement can be designed as per the need of buyer i.e., Fixed (Continuous) Demand Procurement, Slot wise Fixed Demand procurement and Real time Demand procurement. With progressive developments in storage technology including battery and pump based hydro storage, developers have solutions to provide 100% renewable power in RTC mode.

RTC power provides great opportunity for Indian Railways in view of variable nature of its traction load and its long-term goal to become Transporter with Net Zero carbon emissions. However, procurement of RE power in RTC mode is evolving during last 2/3 years.

Ministry of Railways mandated REMC Ltd. (a JV of MoR and RITES Ltd.) to conduct the bid process for procurement of RE RTC power. Accordingly, REMCL invited bids for procurement of 1000 MW RE power under RTC (Round the Clock) mode on 14.07.2022 which has been successfully concluded and, LoAs for execution of 900 MW RE RTC Projects have been issued to three (03) renewable power developers on 27.04.2022. The Projects are likely to be commissioned during FY 2025-26.

Regulatory Matters

Appellate Tribunal for Electricity (APTEL):

Your Company also provides Legal services to IR to represent/contest disputes with Power Utilities at Central & State Regulatory Commissions and Hon'ble Appellate Tribunal. Some of the states do not recognise Deemed Licensee status of IR and are levying Cross Subsidy Surcharge and Additional Surcharge on power availed under Open Access, thus making the power procurement costly. Your Company is facilitating IR in contesting these cases effectively through its expert panel of Legal Counsels.

Central Electricity Regulatory Commission (CERC):

Your company is facilitating IR in matters regarding termination of Agreement for Power Purchase (APP) with Open Access generator and imposition of different claims such as compensation on account of Bank Guarantee etc. Your company on behalf of Indian Railways is defending the matter regarding, approving/determining the capital cost and tariff of BRBCL plant. Your company is also providing all the required assistance to IR, who is also contesting the matter of applicability of DSM charges and sign change penalty charges as per CERC DSM regulation.

State Electricity Regulatory Commission (SERC):

REMC is assisting Zonal Railways in defending matters related to issuance of No Objection Certificate (NOC) by state entities, compliance to RPO, additional open access quantum, imposition of CSS, additional surcharge, imbalance charges, specific conditions for Indian Railways as deemed licensee in the state, applicability of various open access charges as deemed licensee etc.

Promotion Of Micro And Small Enterprises (MSMES)

REMC supports and encourages bidders registered under the category Micro, Small and Medium Enterprises by exempting them from paying cost of tender and/ or Earnest Money Deposit (EMD) in accordance with Government Policy.

Corporate Social Responsibility (CSR):

Corporate Social Responsibility and Sustainability policy demonstrates our commitment to operate in economically, socially and environmentally sustainable manner that is transparent and ethical. It encourages engagement with the stakeholders including employees, shareholders, investors,

customers, clients, business associates, civil society groups, Centre/State/ local government, communities, at large in determining their needs and expectations towards betterment of environment and society at large. A total of ₹101.04 Lakh as per the mandatory requirement has been spent under CSR plan of your company for various projects undertaken during the year.

As per Section 135 of the Companies Act, 2013, and Guidelines on CSR issued by DPE, Board level committee has been constituted to oversee the implementation of CSR activities and to assist the Board of Directors to formulate strategies in this regard. CSR Committee comprise of Shri Arun Kumar Singh, Director of the company as Chairman and Shri Manish Gupta and Shri Bibhu Prasad Nayak, Directors of the company as member.

During the year four (4) meeting of the CSR Committee were held (17-05-2022, 22-07-2022, 31-10-2022 and 31-01-2023).

The CSR projects / activities taken up by the company are in the area/sectors as defined in the Schedule VII of Companies Act 2013. Sector wise brief of CSR Projects/ Activities taken up by the Company during the year is as under:

SECTOR: Eradicating hunger, poverty and malnutrition and promoting health care including preventive 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.

i) Financial Support for Pediatric Cardiac Surgeries in Sri Sathya Sai Sanjeevani Centre for Child Heart Care in Chhattisgarh, Haryana and Maharashtra

The Company has provided financial support to "Sri Satya Sai" Health & Education Trust, Bangalore for providing Paediatric Cardiac Surgeries in Sri Sathya Sai Sanjeevani Centre for Child Heart Care in Chhattisgarh, Haryana, and Maharashtra for (20+10) 30 numbers of Children.

ii) Financial support for Patient Care Services at Ramakrishna Mission Free Tuberculosis Clinic and Medical Centre, New Delhi.

The Company has provided financial support to "Ramakrishna Mission, New Delhi" for Patient Care Services at Ramakrishna Mission Free Tuberculosis Clinic and Medical Centre, New Delhi to 234 number of Poor Patients with cataract and 10376 number



CSR initiatives of REMCL

of patients by Mobile Medical Service to improve in health status of under privileged.

iii) Financial support for Menstrual Hygiene Management workshops among rural Girls and women of District Jaisalmer, Rajasthan.

The Company has provided financial support to "Bharti Vikas Sansthan, Jaipur" for conducting work shop for Rural Girls and women of 28-Gram Panchayat of 7 blocks on Menstrual Hygiene Management in District Jaisalmer, Rajasthan for improving proper knowledge and awareness education on menstruation and related hygiene practice.

iv) Financial assistance to early intervention center for children with Special Needs (Physical Disability) in Delhi/NCR.

The Company has provided financial support to "Sarthaik Educational Trust", New Delhi for 29 numbers of Children having disability(s) with Special Need developmental delays or susceptible to such delays through therapeutic intervention and special education.

v) Financial Assistance for procurement of Digital X-Ray machine and other connected equipment

for Arogya Dham Charitable hospital Faridabad Haryana

The Company has provided financial support to "Anand Dham, New Delhi" for procurement of Digital X-Ray machine and other connected equipment for Arogya Dham Charitable hospital Faridabad Haryana for betterment of underprivileged section of the society.

SECTOR: Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.

vi) Financial Support to promote the education for under privileged/children of urban slums and skill development training to women of that section in urban slams of Dehradun, Uttarakhand.

The Company has provided financial support to "Navkiran Education & Welfare Society, Dehradun" for Early Childhood Education & Development programme for 70 number of Children of age 2 years to 12 years in Dehradun and carried out Skill Development cum livelihood creation programme for 28 number of Women underprivileged section of urban slums in Uttarakhand, Dehradun.



CSR initiatives of REMCL

vii) Financial support for the manufacture of Canvas Bags with the “say no to the single-use plastic” motto under REMC Ltd CSR Plan 2022-23.

The Company has provided financial support to “Vishwas Sansthan”, Udaipur for the manufacture of Canvas Bags with the “say no to the single-use plastic” motto under REMC Ltd CSR Plan 2022-23.

Detailed report on CSR has been placed at **Annexure-IV**.

Foreign Exchange Earnings And Outgo:

There were no foreign exchange earnings and outgo during the FY 2022-23.

Presidential Directive:

No Presidential Directive was received during the year.

Corporate Governance & Management Discussion And Analysis Report:

“Corporate Governance Report” and “Management Discussion and Analysis Report” form integral part of this Directors’ Report and have been placed as **Annexure – “I” & “II”** respectively.

Contracts or Arrangements with Related Parties Under Section 188 (1) of the Companies Act, 2013:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm’s length basis.

Your directors draw attention of the members to Note **2.29** to the financial statements which contain our related party disclosures. **(The detail of contracts entered into with related parties in prescribed format AOC-2 is placed at Annexure – III).**

Pursuant to the amendments to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return (Form MGT-7) for the financial year ended March 31, 2023, is available on the Company’s website and can be accessed at <https://www.remcltd.com/Index>.

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

During the year the company has not given any loans,

guarantees or investment under section 186 of the Companies Act, 2013.

Formal Annual Evaluation of Directors under Section 134(3)(p) of the Companies Act, 2013

Formal Annual Evaluation of the Directors is being done by Administrative Ministry. (As per notification issued by Ministry of Corporate Affairs dt 05.06.2015 the provisions of this section shall not apply to a Government Company, in case the directors are evaluated by the Ministry or Department of the Central Government etc.)

Risk Management under Section 134(3)(n) of Companies Act, 2013

There are no known technological risks associated with the renewable energy wind power project of 26 MW installed in Rajasthan. A long-term power purchase agreement with Railways for 25 years is in place ensuring flow of income from sale of wind energy.

- Company does not foresee business risk in providing consultancy for procurement of power for Indian Railways through bilateral agreement arrangement with power producers at economical terms & tariff.
- Company has robust internal control system and procedure in line with holding company.
- As on 31.03.2023, Risk Management Committee comprising of Shri Manish Gupta, as Chairman, Shri Bibhu Prasad Nayak and Shri Arun Kumar Singh Directors of the company as Member.

Board of Director's & Number of Meetings of the Board

The Board of Directors consists of Five (5) Directors, two (2) Directors nominated by Ministry of Railways and three (3) Directors nominated by RITES Limited including Chairman. The Board met Five (5) times during the year for transacting businesses.

The following Directors held office during the Financial Year 2022-23:

Sl. No.	Name	Designation
1	Shri Rahul Mithal DIN: 07610499	Chairman
2	Shri Ajeet Kumar Srivastava DIN: 08187918	Director
3	Shri Manish Gupta DIN: 07327439	Director
4	Shri Bibhu Prasad Nayak DIN: 08197975	Director

Sl. No.	Name	Designation
5	Shri Arun Kumar Singh (From 06-10-2022) DIN: 09747776	Director
6	Shri Gopi Suresh Kumar Varadarajan (Up to 31-07-2022) DIN: 08241385	Director
7	Smt. Sheela Koul (Up to 24-07-2022) DIN: 08519641	Independent Director

Retirement of Directors by Rotation

As per the Companies Act, 2013, the provision relating to retirement of Directors by rotation is applicable. In view of this, all the directors except Independent Directors, if any, will be liable to retire by rotation. Accordingly, one third of all directors will retire by rotation. Therefore, Shri Rahul Mithal (DIN: 07610499, Director of the company with longest term in the office will retire by rotation and being eligible to offer themselves for reappointment.

Key Managerial Personnel (KMP) (Section 203 of the Companies Act, 2013)

Shri Sanjay Singh (From 25-07-2023)	Chief Executive Officer
Shri Ajay Kumar Singhal (Upto 17-07-2023)	Chief Executive Officer
Shri Anjeev Kumar Jain	Chief Financial Officer
Shri Ranjan Kumar Tiwary	Company Secretary

Dates of the meeting and attendance sheet of the Board of Directors meeting during the year 2022-23 are placed at **Annexure-A**.

Audit Committee

The company has constituted Audit committee in line with section 177 of the companies Act, 2013. As on 31st March 2023 the composition of Audit Committee comprises of Shri Bibhu Prasad Nayak, as Chairman, Shri Manish Gupta and Shri Arun Kumar Singh Directors of the company as member. During the year four (4) meetings of the Audit Committee were held (17-05-2022, 22-07-2022, 31-10-2022 and 31-01-2023).

Particulars of Employees and Related Disclosures

There is no employee in the Company falling under the category of employee required to be reported under

the provisions of Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Declaration by an Independent Director(s) (Section 149(6) of Companies Act, 2013)

During the year Independent Directors have met the requirements specified u/s 149 (6) of the companies Act, 2013 for holding the position of "Independent Director" and necessary declaration u/s 149(7) were received.

Meeting of Independent Director(s)

During the year no meeting of Independent Directors was held on account of only one Independent Directors was in position.

Nomination and Remuneration Committee (Section 178 of the Companies Act 2013)

The company has constituted the Nomination and Remuneration Committee in line with the requirements of Section 178 of the companies Act, 2013.

As on 31st March 2023 the Nomination and Remuneration Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri Manish Gupta DIN: 07327439	Chairman	Director
Shri Bibhu Prasad Nayak DIN: 08197975	Member	Director
Shri Arun Kumar Singh DIN: 09747776	Member	Director

Performance and Financial Position of each of Subsidiaries, Associate and Joint Venture Companies

The Company has no Subsidiary, Associate and Joint Venture Company.

Directors' Responsibility Statement under the Companies Act, 2013

In pursuance of Section 134 (5) of the Companies Act, 2013, The Directors hereby confirm that:

- In the preparation of the annual accounts the applicable accounting standards have been followed and there is no material departure from the same.
- The directors have selected such accounting policies and applied them 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 the financial year and of the profit and loss of the company for that period.

- The directors have taken proper and sufficient care for the 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 fraud and other irregularities.
- The directors have prepared the annual accounts on a going concern basis; and
- The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Human Resources and Industrial Relations

All the manpower including CEO, CFO & Company Secretary have been deputed by the holding company to conduct day to day operations. All its projects under progress are being executed by deployment of experienced expert manpower from the holding company i.e., RITES Ltd

Scheduled Caste, Scheduled Tribes, and other Backward Classes

Your company has utilized the human resources deployed by the parent company, i.e., RITES Limited. RITES has adopted the best practices for providing equal opportunities and harmonious environment for advancement of SC, ST, OBC, Minorities and woman employees.

Organizing Business Meets, Seminars & Conferences:

Your Company is facilitating various Zonal Railways / Railway Production Units (PUs) to familiarize / understand the concept of Power procurement/ Renewable Energy/ Energy Efficiency etc. In this regard, various capacity building programmes are being organized from time to time to develop the expertise in the field of Power Procurement, Renewable etc.

Also, the company is aiming towards showcasing its brand image among its peers and Proliferate

its presence in market by participating in various seminars and exhibitions regularly. Your company has successfully participated in various Trainings / conferences/ exhibitions at ELECRAMA, INDIA EXPO MART, IREE, IITF, NAIR, IEX etc

Officials of your company participated in following capacity buildings programmes during 2022-23.

- i. "Leading India's Energy Transition" Role of Exchange Market (27th – 29th April,2022)
- ii. "Exhibition on Wind energy India"(27th – 29th April,2022)
- iii. Two days training programme on "MS Office" for employees through Expert Agency (14th September – 15th September,2022)
- iv. Conference on "Renewable Energy" at India Expo, Greater Noida (UP) (28th September – 30th September, 2022)
- v. To understand the Management techniques for power portfolio management at 50 Hertz, New Delhi (15th December,2022) for upcoming NEMC
- vi. Training course on " Project Management, PP and Project Finance" at NAIR (12th December to 16th December, 2022)
- vii. Emphasis on Renewables at Railway Pavilion in IITF 2022 (21st November, 2022)
- viii. Conference on "National Energy Summit at Mumbai" (15th December, 2022)
- ix. Seminar on "Solar Power Congress" (17th March,2023)

Various eminent speakers & Industry experts showcased their presentation and shared the knowledge about power planning for IR, Management techniques like Scheduling & Forecasting of power, Wind & Solar power projects scenario for IR, challenges, mitigation & way forward, hydro power, Deep portal for power procurement etc.



25.07.2022 MOU signing between REMC Ltd. and MPCON Ltd. for sale of generated carbon credits from the project of IR/REMC Ltd.

Awards & Recognitions:

REMC growth is remarkable and its exemplary performance in various business areas brings many achievements and recognitions. Your company facilitated procurement of 1818 MUs of renewable energy for Indian Railways which is 8.74% of total energy consumed in open access states on Indian Railways.

Auditors

The Comptroller & Auditor General of India appointed M/s ASHM & Associates, Chartered Accountants as Company's Statutory Auditors, to audit the accounts of the company for the year 2022-23. The Auditors' Report for the financial year 2022-23 does not contain any qualification, reservation or adverse remark. The Report is enclosed with the financial statements in this Annual Report. The Board would like to place on record their sincere thanks for the valuable services rendered by Statutory Auditors.

Comptroller and Auditor General's Comments

The Company has received nil comments on the Financial Statements for the financial year 2022-23 from the Comptroller and Auditor General of India under Section 143 (6) of the Companies Act, 2013.

Secretarial Auditor

The Board has appointed M/s Akhil Rohatgi & Co., Company Secretaries to conduct Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report for the financial year ended 31st March 2023 has been placed at Annexure – V.

The secretarial audit report does not contain any qualification, reservation or adverse remark.

Cost Records and Cost Audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of section 148(1) of the



01.08.2022 MOU signed between REMC Ltd. and TERI for development of green projects of Indian Railways.



Companies Act, 2013 are not applicable for the business carried out by the company.

General

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Details Relating To Deposits Covered Under Chapter V Of The Companies Act. → Issue Of Equity Shares With Differential Rights As To Dividend, Voting Or Otherwise.
- Issue Of Shares (Including Sweat Equity Shares) To Employees Of The Company Under Any Scheme Save And Except Esop Referred To In This Report.
- Neither The Chairman Nor The Directors Of The Company Receive Any Remuneration Or Commission From Any Of Its Subsidiaries. – Not Applicable

Significant and Material Orders Passed by the Regulators/Courts/Tribunals impacting the Going Concern Status and Company's Operations in Future

No significant or material order has been passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

Application / Proceeding Pending Under Insolvency & Amp; Bankruptcy Code, 2016

There are no proceedings initiated / pending against your company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the company.

Disclosure in Relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal Act, 2013)

The company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013). During the year under review, there were no cases filed pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal Act, 2013).

Acknowledgements

The Directors express gratitude for the guidance provided by CEO and Chairman, Members of Railway Board and Cooperation extended by Officers of Indian Railways in conceptualizing and implementing various initiatives taken up by your Company.

Director placed on record sincere thanks to our esteemed shareholders, officers from Zonal / Divisional Railways, Chairman & Official of CEA, CERC/SERCs, C&AG of India, official of MNRE, Bankers of the company, auditors & team-REMC for their valuable support, advice and co-operation.

For and on behalf of Board of Directors

(Rahul Mithal)

Chairman

DIN: 07610499

Date : 25.07.2023

Place : Delhi

Report on Corporate Governance

Company's Philosophy on Corporate Governance

The philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and reporting that conforms fully to laws, rules, regulations and guidelines and to promote ethical conduct throughout the organization with the primary objective of enhancing shareholders value.

Incorporation

Railway Energy Management Company Limited was incorporated on 16th August 2013 as a Joint Venture Company of Ministry of Railways and RITES Limited with equity participation in the ratio of Indian Railways (49%) & RITES Ltd (51%). Authorised Share Capital of the company is ₹1000 crore and Paid-up Share Capital is ₹105 crore.

Board of Directors

The Board of Directors of the company comprises of six (5) Directors viz. three (3) Nominee Directors of RITES Ltd including Chairman and two (2) Nominee Directors of Ministry of Railways.

Composition of the Board of Directors

The names and categories of Directors on the Board, number of Directorships and Committee Chairmanship/Membership held by them in other companies are as under:

S. No.	Directors	Category of Directors (Part Time) / Independent	No. of other Directorship*	No. of Committee Membership**	
				As Chairman	As Member
1	Shri Rahul Mithal DIN: 07610499	Chairman	1	Nil	Nil
2	Shri Ajeet Kumar Srivastava DIN: 08187918	Director	2	Nil	Nil
3	Shri Manish Gupta DIN: 07327439	Director	Nil	Nil	Nil
4	Shri Bibhu Prasad Nayak DIN: 08197975	Director	3	Nil	3
5	Shri Arun Kumar Singh (From 06-10-2022) DIN: 09747776	Director	1	1	2
6	Shri Gopi Suresh Kumar Varadarajan (Up to 31-07-2022) DIN: 08241385	Director	1	1	1
7	Smt. Sheela Koul (Up to 24-07-2022) DIN: 08519641	Independent Director	Nil	Nil	Nil

Notes:

* Does not include Directorship in Private Companies, Section 8 Companies and Foreign Companies

** Does not include Chairmanship / Membership in the Board of Committees other than the Audit Committee, CSR Committee, Nomination & Remuneration Committee and Risk Management Committee.

*** None of the Directors on the Board is a member of more than 10 committees or chairman of more than 5 committees across all the companies in which he is a director.

Brief Resume of Director who joined the Board as Whole - time / Part time/ Independent Director during the year 2022-23

Arun Kumar Singh, Director Projects, RITES joined the Board of REMCL on 06.10.2022 as Director. He is from Indian Railway Services of Engineers (IRSE 1990 Batch). He holds the qualifications of B.E. (Civil Engineering) from MNIT, Prayagraj and M. Tech (Building Science and Construction Management) from I.I.T Delhi. He has vast experience of more than 30 years in major infrastructure planning, implementation and monitoring design, project management, procurement & contract management, risk management (including FIDIC based project), Operation and Maintenance, Consultancy services, business development and revenue generation etc while working in Indian Railways, Delhi Metro Rail Corporation (DMRC) and RITES. He has been associated with planning of various metros such as Lucknow, Nagpur and Delhi Metro Phase IV etc, implementation of Phase- 3 of DMRC.

He has also worked on General Consultancy / Detailed Design Consultancy for Delhi Metro, Ahmedabad Metro, Nagpur Metro, Pune Metro in India and Dhaka Jakarta Metro abroad and was Project Director of PMC team of RITES, on prestigious and challenging Mauritius Metro Project, for 5 years.

Number of Board Meetings

The Board of Directors met Five (5) times during the year 2022-23 to review the working of the company and discuss the future business activities/ plans etc. of the Company.

S. No.	Directors	Board of Directors Meetings During the Year		
		Held During their tenure	Attended	Attendance at the AGM held on 13 th September, 2022
1	Shri Rahul Mithal DIN: 07610499	5	5	Present
2	Shri Ajeet Kumar Srivastava DIN: 08187918	5	1	Present
3	Shri Manish Gupta DIN: 07327439	5	5	Present
4	Shri Bibhu Prasad Nayak DIN: 08197975	5	5	Present
5	Shri Arun Kumar Singh (From 06-10-2022) DIN: 09747776	3	3	NA
6	Shri Gopi Suresh Kumar Varadarajan. (Up to 31-07-2022) DIN: 08241385	2	2	NA
7	Smt. Sheela Koul (Up to 24-07-2022) DIN: 08519641	2	2	NA

Note: - Dates of the meeting and attendance sheet of the Board of Directors meeting during the year 2022-23 is placed at **Annexure-A**

Remuneration of Directors

Directors, nominated on the Board of REMC LIMITED (Railway Energy Management Company Limited) by the respective organization i.e., Ministry of Railways and RITES Limited, do not draw any remuneration from the Company.

No sitting fee is paid to Nominee Directors of Ministry of Railways and RITES Limited for attending Board and Committee Meeting of the Company.

However, sitting fee was paid to Non-official Independent Director for attending Board and Committee meetings of the Company.

Code of Conduct

All Board members and senior management personnel have affirmed compliance with the code of conduct for the year ended 31st March 2023.

Committees of the Board of Directors

Audit Committee:

Audit Committee comprising of Shri Bibhu Prasad Nayak as Chairman, Shri Manish Gupta and Shri Arun Kumar Singh, Directors of the company as member

As on 31st March 2023 the Audit Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri Bibhu Prasad Nayak (DIN: 08197975)	Chairman	Director
Shri Manish Gupta (DIN: 07327439)	Member	Director
Shri Arun Kumar Singh (DIN: 09747776)	Member	Director

During the year four (4) meetings of the Audit Committee were held (17-05-2022, 22-07-2022, 31-10-2022 and 31-01-2023).

The Terms of Reference:

- Oversight of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient, and credible;
- Recommending to the Board regarding the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause(c) of sub- section (3) of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with the legal requirements relating to financial statements;
 - Disclosures of any related party transactions; and
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issues etc.), the statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of public or right issue and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing, with the management, performance of internal auditors and adequacy of the internal control system;
- Reviewing, the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the officials heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with Internal Auditors on any significant findings and follow-up thereon.

- (j) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- (k) Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern;
- (l) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (m) To review the functioning of the whistle blower mechanism, in case the same is existing;
- (n) To review the follow up action on the audit observations of the C&AG audit;
- (o) To review the follow up action taken on the recommendation of committee on public Undertakings ('COPU') of the Parliament;
- (p) Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors;
- (q) Review of all related party transactions in the Company. For this purpose, the Audit Committee may designate a member who shall be responsible for pre-approving related party transactions;
- (r) Reviewing with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources;
- (s) Consider and review the following with the independent auditor and the management;
 - (i) The adequacy of the internal controls including computerized information system controls and security, and
 - (ii) Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
- (t) Consider and review the following with the management, internal auditor and the independent auditor:
 - (i) Significant findings during the year, including the status of previous audit recommendations.
 - (ii) Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
- (u) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Powers of Audit Committee:

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- e) To mitigate conflicts of interest by strengthening auditor independence.

Investment Committee

The Investment Committee will be constituted as and when need arises.

Risk Management Committee:

As on 31st March 2023 the Risk Management Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri Manish Gupta (DIN: 07327439)	Chairman	Director
Shri Bibhu Prasad Nayak (DIN: 08197975)	Member	Director
Shri Arun Kumar Singh (DIN: 09747776)	Member	Director

Nomination and Remuneration committee

As on 31st March 2023 the Nomination and Remuneration Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri Manish Gupta (DIN: 07327439)	Chairman	Director
Shri Bibhu Prasad Nayak (DIN: 08197975)	Member	Director
Shri Arun Kumar Singh (DIN: 09747776)	Member	Director

Corporate Social Responsibility and Sustainability (CSR):

As on 31st March 2023 the Corporate Social Responsibility Committee comprised the following Directors. During the year four (4) meeting of the CSR Committee were held (17-05-2022, 22-07-2022, 31-10-2022 and 31-01-2023).

Name	Position in the Committee	Designation
Shri Arun Kumar Singh (DIN: 09747776)	Chairman	Director
Shri Manish Gupta (DIN: 07327439)	Member	Director
Shri Bibhu Prasad Nayak (DIN: 08197975)	Member	Director

The CSR projects / activities taken up by the company are in accordance with the sectors as defined in the Schedule VII of Companies Act 2013. Sector wise brief of CSR Projects / Activities taken up by the Company during the year is as under: -

SECTOR: Eradicating hunger, poverty and malnutrition and promoting health care including preventive 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.

i) **Financial Support for Paediatric Cardiac Surgeries in Sri Sathya Sai Sanjeevani Centre for Child Heart Care in Chhattisgarh, Haryana and Maharashtra**

The Company has provided financial support to "Sri Satya Sai" Health & Education Trust, Bangalore for providing Paediatric Cardiac Surgeries in Sri Sathya Sai Sanjeevani Centre for Child Heart Care in Chhattisgarh, Haryana and Maharashtra for (20+10) 30 numbers of Children.

ii) **Financial support for Patient Care Services at Ramakrishna Mission Free Tuberculosis Clinic and Medical Centre, New Delhi**

The Company has provided financial support to "Ramakrishna Mission, New Delhi" for Patient Care Services at Ramakrishna Mission Free Tuberculosis Clinic and Medical Centre, New Delhi to 234 number of Poor Patients with cataract and 10376 number of patients by Mobile Medical Service to improve in health status of under privileged.

iii) **Financial support for Menstrual Hygiene Management workshops among rural Girls and women of District Jaisalmer, Rajasthan**

The Company has provided financial support to "Bharti Vikas Sansthan, Jaipur" for conducting work shop for Rural Girls and women of 28-Gram Panchayat of 7 blocks on Menstrual Hygiene Management in District Jaisalmer, Rajasthan, for Improving proper knowledge and awareness education on menstruation and related hygiene practice.

iv) **Financial assistance to early intervention centre for children with Special Needs (Physical Disability) in Delhi/ NCR**

The Company has provided financial support to "Sarthak Educational Trust", New Delhi for 29 numbers of Children having disability(s) with Special Need developmental delays or susceptible to such delays through therapeutic intervention and special education.

v) **Financial Assistance for procurement of Digital X-Ray machine and other connected equipment for Arogya Dham Charitable hospital Faridabad Haryana**

The Company has provided financial support to "Anand Dham, New Delhi" for procurement of Digital X-Ray machine and other connected equipment for Arogya Dham Charitable hospital Faridabad Haryana for betterment of underprivileged section of the society.

SECTOR: Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.

vi) **Financial Support to promote the education for under privileged/children of urban slums and skill development training to women of that section in urban slams of Dehradun, Uttarakhand.**

The Company has provided financial support to “Navkiran Education & Welfare Society, Dehradun” for Early Childhood Education & Development programme for 70 number of Children of age 2 years to 12 years in Dehradun and carried out Skill Development cum livelihood creation programme for 28 number of Women underprivileged section of urban slums in Uttarakhand, Dehradun.

vii) **Financial support for the manufacture of Canvas Bags with the “say no to the single-use plastic” motto under REMC Ltd CSR Plan 2022-23.**

The Company has provided financial support to “Vishwas Sansthan, Udaipur for the manufacture of Canvas Bags with the “say no to the single-use plastic” motto under REMC Ltd CSR Plan 2022-23.

General Body Meetings

The details of the last three Annual General Meeting of the Company and Extra Ordinary General Meeting are as under:

AGM/EGM	Year	Date of holding Meeting	Time	Venue	Special Resolution
9th AGM	2021-22	13-09-2022	16:30 HRS	8th Floor, 7 Bhikaji Cama Place, New Delhi- 110066	Nil
8th AGM	2020-21	25-06-2021	12:30 HRS [Through video conferencing ('v c')]	RITES Bhawan, No.1 Sector-29, Gurugram	Nil
7th AGM	2019-20	24-08-2020	12:30 HRS [Through video conferencing ('v c')]	RITES Bhawan, No.1 Sector-29, Gurugram	06

Disclosures

- During the year, there has been no materially significant related party transaction with the Directors, Management or their relatives that have a potential conflict with the interest of the company.
- Transactions with related parties as per the requirements of Ind-AS 24 'Related Party Disclosures' are disclosed.
- The company has followed the Ind-AS in the preparation of financial Statements.
- No penalties imposed or strictures passed against the company by any statutory authorities on any matters related to any guidelines issued by the Government during the year.
- There were no instances of non-compliance by the Company.

Means of Communication

All important information pertaining to the Company has been mentioned in the Annual Report of the Company containing inter-alia Audited Financial Statements, Directors' Report, Report on Corporate Governance which is being circulated to the members and others entitled thereto. All other communications shall be sent to the members through electronic mail and/or by surface Post.

Compliance

Certificate obtained from a Practicing Company Secretary regarding the conditions of Corporate Governance as stipulated in the Guidelines is placed as **Annexure - B** to this report.

ANNEXURE - A

DATE OF THE MEETING AND ATTENDANCE SHEET OF BOARD OF DIRECTORS MEETING DURING THE YEAR 2022-23

Sl. No.	Name Of Directors	45 th BOD Meeting 17-05-2022	46 th BOD Meeting 22-07-2022	47 th BOD Meeting 06-10-2022	48 th BOD Meeting 31-10-2022	49 th BOD Meeting 31-01-2023	Total 5 (Five) Meetings
1.	Shri Rahul Mithal	✓	✓	✓	✓	✓	All
2.	Shri Ajeet Kumar Srivastava	•	•	•	✓	•	1 out of 5
3.	Shri Manish Gupta	✓	✓	✓	✓	✓	All
4.	Shri Bibhu Prasad Nayak	✓	✓	✓	✓	✓	All
5.	Shri Arun Kumar Singh (From 06-10-2022)	NA	NA	✓	✓	✓	All
6.	Shri Gopi Suresh Kumar Varadarajan (Up to 31-07-2022)	✓	✓	NA	NA	NA	All
7.	Smt. Sheela Koul (Up to 24-07-2022)	✓	✓	NA	NA	NA	All

Note:

- ✓ - Meeting attended.
- NA - Not applicable (Not in position)
- - Meeting not attended

ANNEXURE - B

CERTIFICATE

To
The Members of
REMC LIMITED

We have examined the compliance of conditions of Corporate Governance by REMC LIMITED for the period ended on 31st March, 2023 as stipulated in the DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination, carried out is in accordance with the Corporate Governance (Models of Best practices) issued by the Institute of Company Secretaries of India, was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of certification and have been provided with such records, documents, certification, etc. as had been required by us.

In our opinion and to the best of our knowledge and information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the guidelines on corporate governance issued by the 'Department of Public Enterprises'.

We further state such compliance is neither an assurance as to further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Akhil Rohatgi & Co.
Company Secretaries
Reg. no. P1995DE072900

Deepak Kumar
Partner

M. No.: F10189

CP No:11372

UDIN: F010189E000802189

Date: 14-08-2023

Place: New Delhi

Management Discussion and Analysis

This analysis report briefly describes about the company's business outlook with the potential of the company to leverage the opportunities in the area of renewable energy, power management, operational performance and other related issues. The MD&A is intended to understand the dynamics of the Company's business and the key factors underlying its financial results.

About the company:

The Company was incorporated in the year 2013 as a Joint Venture company of RITES Ltd & Indian Railways with equity participation in the ratio of RITES Ltd (51%) & Indian Railways (49%) respectively. The main objectives of the Company are: -

- Exploring the business opportunities in Green Energy, in the field of wind and solar for Indian Railways.
- Facilitating cost efficiencies in the energy management for Railways by power procurement through open bidding as well as power trading through power exchanges.
- Implementation agency for the energy conservation projects owned by Indian Railways.
- Identification and implementation of energy efficient technologies in both electric traction and non-traction avenues of Indian Railways
- Coordination with regulatory authorities on regulatory matters to obtain relief in electricity tariff processing.

Outlook And Opportunities

The Indian Railways (IR) is in a mission mode to become the largest 'Green Railways' in the world and is moving towards becoming a 'net zero carbon emitter' by 2030, in view of the Government of India commitment in COP 26 at Glasgow.

IR is taking a multi-pronged approach to go green and decarbonise by increasing its sourcing of Renewable Energy (RE), electrifying its traction network and reducing its conventional energy consumption.

Indian Railways (IR), being a significant consumer of energy sources, needs to identify cost effective options for energy system having least environmental impacts. To reduce dependence on fossil fuels and mitigate the emission of CO₂ in environment, it is required to proliferate sourcing of Renewable Energy commensurate to the Railways 'mission of Net Zero Carbon Emission'.

As a part of the mission, REMC has taken various initiatives to undertake and implement the projects for Indian Railways related to harnessing of green energy. Company has successfully awarded **170MW** (approx.) of solar roof top projects, 53.7 MW ground mounted Solar projects and **143 MW** of wind projects so far.

Besides harnessing IR's renewable energy spectrum for sustaining the growth and reducing the carbon footprints with further economizing the cost of power, company is also managing electrical energy portfolio of IR by economic power procurement through long term & medium terms PPAs and collective transaction through Energy Exchanges.

Indian Railway was charged for power as a bulk consumer. In this regard, realizing potential under deemed licensee status; available to Railways was the first land mark achievement of Railways which reversed increasing trend of electric traction bill of Indian Railways. Company is facilitating IR in migrating from consumer to deemed licensee mode progressively across the country and is relentlessly working on multiple fronts to speed up transition of Indian Railways thus reducing its traction energy bill substantially. Company has also initiated procurement of energy through collective transaction by bidding of power through trader on energy exchange and has also fulfilled the compliance of Renewable Purchase obligation (RPO) for IR. Power procurement through IEX (energy exchange) has also been ensured in the states of U.P., M.P, Rajasthan, Delhi, Haryana, UP-ISTS, Jharkhand, Gujarat, Maharashtra and Karnataka to meet the additional power requirement and standby power in case of failure of GENCO's. **5378 MU**s purchased through energy exchange during year 2022-23.

Power Planning In Indian Railways:

Railways have embarked to reduce its operating expenses by adopting various alternatives including sourcing energy at economical prices. With this innovative approach, REMC has assisted Railways to get the status of Deemed Licensee, which enables Indian Railways to directly buy economical energy from generators by paying discovered tariff and applicable regulated charges to central and state utilities under open access. To diversify into emerging businesses and markets across the power value chain, company has initiated procurement of energy through collective transaction by bidding of power through trader on energy

exchange, while also fulfilling the compliance of Renewable Purchase obligation (RPO) for IR Company, which has been mandated to handle entire Power Procurement under open access for Indian Railways, was successful in facilitating about 1696MW power in current financial year.

Harnessing Renewable Energy

Indian Railways has set an ambitious target towards achieving the mission of net zero carbon emissions by 2030. IR is continuously working on this front and reducing its dependence on fossil fuels by utilizing energy from renewable sources. To achieve the target set by the Government of India, Indian Railways has planned to source around 30 GW of renewable power by 2030 in Zonal Railways and Production Units.

Several measures in the renewable energy sector such as (i) Guidelines for Tariff Based Competitive Bidding Process for procurement of power from grid connected solar PV and wind power projects, (ii) Solar-wind hybrid policy to create investment opportunities in the sector, (iii) waiver of transmission charges and losses for renewable projects, these, coupled with historic lows in solar and wind tariffs have completely transformed business dynamics in the sector.

Further, the Renewable Purchase Obligations trajectories set by Government of India is likely to enhance the opportunity for capacity growth in renewable energy space.

In line with this, REMC Ltd has paved the way towards implementation of renewable energy projects (wind & solar) for Indian Railways. REMC Ltd is the Nodal agency for planning, tendering / bid processing and implementation of such projects on behalf of IR.

Solar Power Project:

The Company is progressive in harnessing energy from renewable sources in a broad way. Company is expanding its Renewable Energy portfolio by tying up capacities to the tune of 3019 MW solar power for Indian Railways, these Plants shall start coming up in FY 2023-24 and shall be completely commissioned by FY 2025-26 and flow of power is expected from the year 2023-24 onwards.

Solar roof-top projects

- (i) Your company successfully awarded **170 MW** solar roof top projects on behalf of ZRs with and without Central Finance Assistance (CFA) till date. Out of which more than **65 MW solar roof top** plants successfully

commissioned and remaining projects are under implementation.

- (ii) A fresh tender being invited for setting up of 14 MWp rooftop solar power plant at MCF, Raebareli.

50 MW solar ground mounted project:

Railway Board mandated REMCL for setting up of 50 MW Solar power Plant at Bhilai & LOA issued to Solar Power Developer (SPD) by REMC Limited. Power Purchase Agreement (PPA) signed in December-2019 between SECR and SPD. Railway Land (122 Ha) at Bhilai was provided by SECR to REMCL on Lease for a period of 25 years which has been further provided to SPD for construction, maintenance, and operation of the plant. Power generated from this solar plant is evacuated through nearby 220 KV CTU/PGCIL sub-station at Raipur and being used for traction purpose in states of UP (NCR) for 25 MW and Karnataka (SWR) for 25 MW.

Solar PV plant will generate approx. 102 MUs of solar power annually and it is anticipated to result in an annual saving of approx. Rs. 20 Crore to IR. This initiative would assist in achieving the target of Net Zero Carbon Emission by 2030. Plant was commissioned on 24.03.2023 & Power flow to grid started on 22.04.2023.

400 MW solar ground mounted project:

Indian Railways shall also source green energy from upcoming solar park in Madhya Pradesh being developed by Rewa Ultra Mega Solar (RUMS) Ltd, a JV between Solar Energy Corporation of India (SECI) & Madhya Pradesh Urja Vikas Nigam Ltd. (MPUVNL). The proposed capacity of the solar park will be 1500 MW out of which 400 MW power will be supplied to Indian Railways in states of Gujarat, Maharashtra, Rajasthan, UP-ISTS, UP-STU, Haryana, Jharkhand, DVC Area & Bihar. This proposed state wise distribution of solar power will help Zonal Railways to meet their Solar Power Obligations (SPOs) as per respective SERCs. LOA was issued on 01.09.2021. PPA was signed on 25.11.2021 by West Central Railways on behalf of IR, with RUMSL and SPDs for procurement of 400 MW Solar power. Regular visits to ascertain the progress of the power plant installation are being undertaken by REMC Ltd. Officials. Commencement of power flow is expected in FY 2023-24.

2.56 MW Solar ground mounted project - First Pilot Solar Project of Indian Railways along Railway track

REMC has undertaken the development of first ever 2.56 MW solar ground mounted projects along the railway tracks as a pilot project for Northern Railways. The project

was awarded through tariff based competitive e-bidding followed by reverse e-auction. The project is first of its kind designed for feeding generated solar power directly into the Railways Traction System. The plant was successfully commissioned during the year 2020-21, feeding power at 132 KV Railway Transmission System. Energy generated by the plant per annum is approximately 3 MUs (Million Units) which replaces conventional energy and saves around 2.8 thousand tons CO₂ per annum.

1.7 MW ground Mounted solar Power Project on vacant railway land near TSS at Bina:

Bina Solar Plant is successfully commissioned since July '2020 and is acting as a Proof of Concept (POC) for Indian Railways for future implementation of such solar plants all over India. This is especially important as Railways has gone for massive electrification under 100% electrification target. With success of this pilot power project, Indian Railways shall install such type of Solar Plants in various locations to feed traction distribution for utilization by electric engine hauled trains. The said Plant is feeding power at 25 KV OHE Energy Generated by the plant is approximately 2 MUs (Million Units)/Annum which replaces conventional energy and saves around 1.9 thousand tons of CO₂ per annum.

Wind Power Projects:

Consistently growing in wind energy space by implementing various wind power projects for Indian Railways Till date, company has implemented about 93 MW of wind projects for traction load, detailed as under:

- (i) 26 MW Windmill Plant on CAPEX mode at Jaisalmer, Rajasthan. Your company has accounted for 34.56 MUs (Million Units) of energy generated from 26 MW Wind Power Plant during FY 2022-23.
- (ii) 10.5 MW wind power project on PMC mode and the energy has been directly utilized Southern Railway (SR), Tamil Nadu.
- (iii) 56.4 MW wind power project for CR in Maharashtra on tariff based competitive bidding. 96.80 MUs (Million Units) of energy generated from the Power Plant has been utilized by Central Railway in the state of Maharashtra during FY 2022-23.

Business Performance:

During the year, your company has made remarkable progress in the field of Renewable Energy and Electricity sector. Power flow of about **1696** MW was successfully commenced in various 13 states/entities under open access for Indian Railways.

Also, to tap the potential of Renewable Energy nationwide, Indian Railways has planned various initiatives through REMC Ltd. With this mission & vision of achieving Net Zero Carbon Emission and transforming Indian Railways into "Green Railways" by reducing its carbon footprint and improving finances through reduction in cost of energy, company has successfully implemented about **170MW** (approx.) of solar roof top projects, 53.7 MW ground mounted Solar projects and **93** MW of wind projects so far, which will also reduce the CO₂ emissions to a great extent.

All these initiatives taken by your Company have helped Indian Railways to earn substantial savings in its energy expenditure and manage the sustainability portfolio of Indian Railways by utilizing energy from renewable sources (Wind and Solar).

Future Projects

Planning to fulfil Railways RPO by purchasing power under Green Day Ahead Market (GDAM) through Power Exchange and procurement of RE RTC power blended with other power source. Your company shall coordinate with IRCON for procurement of 500 MW solar power and BSUL (Bundelkhand Saur Urja Ltd.) for procurement 800 MW solar powers for IR. Further your company invited Bids for procurement of 1000 MW Renewable power in RTC mode after approval of bid specifications by RB. The same was finalised and LOA issued for 900 MW out of 1000 MW to three (03) renewable power developers on 27.04.2023.

Regulatory Matters

- (i) The company is assisting Zonal Railways in contesting, preparation and filing of petitions at APTEL, CERC and SERCs by hiring eminent legal counsels of power sector.
- (ii) The company is facilitating Indian Railways in defending the legal cases filed before Hon'ble APTEL related to Deemed Licensee status of Indian Railways, imposition of various charges (Cross Subsidy Surcharge, additional surcharge, standby charges etc.) by some states on Indian Railways. The company is proliferating open access and to reduce financial burden caused due to imposition of such charges.
- (ii) The company is facilitating IR in matters regarding termination of Agreement for Power Purchase (APP) with Open Access generator and, imposition of different claims such as compensation on account of Bank Charges etc. The on behalf of Indian Railways is defending the matter regarding, approving/determining the capital cost and tariff of BRBCL plant

and also contesting the matter of applicability of DSM charges and sign change penalty charges as per CERC DSM regulation.

- (iii) REMC is assisting Zonal Railways in defending matters related to issuance of No Objection Certificate (NOC) by state entities, compliance to RPO, additional open access quantum, imposition of CSS, additional surcharge, imbalance charges, Specific conditions for Indian Railways as deemed licensee in the state, applicability of various open access charges as deemed licensee etc.

Operational Performance:

Indian Railways is promoting renewable energy in its infrastructure with a view to achieve net zero carbon emissions by 2030 and reduce its dependence on fossil fuels. Your company is supporting IR to achieve its NZCE mission to meet the decarbonization requirement. REMCL is efficiently managing the power portfolio of Indian Railways which includes traction load, renewable energy (wind and solar), transmission projects, legal & regulatory assistance etc.

Some of the major highlights for the FY 2022-23 are as under:

- The company has set up a state-of the art National Energy Management Centre in the premises of registered office of REMC Ltd. which is connected with all 17 State Energy Management Centres across various zones of Indian Railways. The center is manned round the clock and is facilitating IR in accurate load forecasting, scheduling, and planning deficit power through real time intervention.
- Facilitated in signing of PPA with Ircon Renewable Power Limited (IRPL) in the month of May'2022 and M/s Green Infra Wind Energy Limited in the month of March'2023 for procurement of 500 MW Solar Power & 50 MW wind power respectively.
- Facilitated Indian Railways in procurement of power from Power Exchange. Same has commenced in the state of U.P., M.P, Rajasthan, Delhi, Haryana, UP-ISTS, Jharkhand, Gujarat, Maharashtra, and Karnataka to meet the peak power requirement and standby power in case of failure of open access generators through market mechanisms available at Exchanges viz., DAM (Day Ahead Market) and RTM (Real Time Market), **5378 MU**s purchased through Energy Exchange during year 2022-23 as compared to **2112 MU**s during 2021-22, an increase of **155%**.

- Successfully facilitated purchasing of renewable power from Green Day Ahead Market (GDAM) platform of Energy Exchange to fulfill RPO compliance by IR. During financial year 2022-23, company facilitated procurement of approximately **1256 MU**s of Green Power under GDAM for Indian Railways.
- 600 MW thermal Power was successfully tied up under MTOA and power flow of 210 MW has commenced on in April 2022, 70 MW in October 2022, 180MW in November 2022 and 90 MW in December 2022.
- Machine availability of Company owned wind Plant in Rajasthan has increased to 91.17 % during FY 2023 as compared to 88.37 % in FY 2022.
- All time high procurement of energy -14414 MU
- Company become debt free during current FY 2022-23 and paid highest ever dividend amounted to Rs. 39.90 crore, which consist of Rs 13.65 crore as final dividend for 2021-22 and Rs 26.25 crore as interim dividend for FY 2022-23
- Highest ever Turnover (Rs.117.06 crore), Profit before Tax (Rs.83.80 crore) and Profit after Tax (Rs.59.04 crore).

Key Financial Ratios:

S. No.	Particulars	2022-23	2021-22
i)	Debtor Turnover (No of Days)	135.07	147.87
ii)	Interest Coverage Ratio (Times)	198.17	31.40
iii)	Current Ratio (Times)	22.14	6.56
iv)	Debt Equity Ratio (Times)*	-	0.11
v)	Operating Profit Margin (%)	70.86	69.17
vi)	Net Profit Margin (%) (PAT / Total Revenue)	50.43	47.64
vii)	Return on Net Worth (PAT/Avg. Net worth)	26.14	22.88

Strength:

Company derives competitive edge from its strengths and is confident of meeting future challenges in the sector. Power Portfolio of Indian Railways is expanding with progressive electrification of Railways tracks thus opening up several opportunities in the sector.

With its vast experience, company has established itself as a brand name in the Power Sector. The Company has

adopted state of art technologies to facilitate Railways in reducing its operating expenses by procuring power at reduced tariff with steady focused efforts. The quantum of power procurement is on increase and a comprehensive Pan-India power procurement plan has been developed for Railways.

Since the Railways electrification in the country is a regular process and with the passage of time more electrified tracks to be fed therefore the economic power procurement will prove to be a stronger tool in limiting the energy bill. In this regard, Scheduling of power, as near to actual load, is a prerequisite. Setting up of National energy Management Centre shall further strengthen its competitiveness in managing the power portfolio for Indian Railways.

Govt. thrust to shift to Renewable Energy Resources is expanding opportunities in renewable energy sector. Therefore, possibilities are being continuously explored to harness 'Renewable Energy' i.e., wind & solar and in RTC mode. The company is working to proliferate the use of Renewable energy on a large scale by successfully implemented various state-of-the-art projects.

Risk And Concerns:

- (i) Company has been contesting cases on behalf of Indian Railways in APTEL/CERC/ SERC on various issues related to the status of Deemed Licensee. The decision which is being awaited in aforesaid cases may have impact on business area of the company. Company has been planning and helping Indian Railways to procure renewable energy to comply with its Renewable Purchase Obligation adhering to the provisions under the Electricity Act 2003 subject to the applicability of Deemed Licensee status in all states. Some states are not accepting the recognition of the Deemed Licensee status given to Indian Railways. Further Open Access Power shall become uneconomical if Cross Subsidy Surcharge and Additional Surcharge are levied as part of the open access charges. In this regard, IR with the help of the Company had earlier filed appeals against the respective adverse Orders of SERCs at Hon'ble Appellate Tribunal for Electricity. The Case is in the final stage and final hearings in the matter have been completed during March'2023 to May'2023 and is reserved for Order.
- (ii) Growing renewable sector has brought new opportunities for many domestic and foreign players which are drifting the market towards intense competition. Foreign investments, multiple equity

participations (through JVs) & better financing by many conglomerates have started dragging the tariff to its new low. The Company foresees business risk amidst this growing competition and thus is suitably expanding its resources.

- (iii) The power scenario in India is rapidly shifting from non-renewable sources of energy to renewable sources of energy. This shift is bringing new technological innovations and advancements in the renewable energy market resulting into launch of efficient products which are quickly outdated and replacing its predecessors. However, the upfront capital cost is incurred in beginning of project life cycle and fixing the revenue stream by the anticipating tariff throughout the project life is a concern as switching to new technology will outdate the existing infrastructure.
- (iv) Predicting Capacity Utilization Factor (CUF) for new renewable projects (solar, wind and hybrid power plants) is a challenging and important task as its authenticity helps in determination of projected revenue cash flows which are needed for discovery of levelized tariff. However, CUF depends on a variety of technical and environmental parameters which are difficult to predict thus posing risk to the business.
- (v) Issues related with the connectivity of the project to deliver the power at drawl points, lack of adequate transmission infrastructure for power extraction, i.e., the power generated from the generators to reach the grid for distribution.

Internal Control System:

REMC has adequate internal control and audit systems for enhancement of efficiency in operations and to ensure compliance with applicable laws, rules and regulations. REMC internal audit is conducted by experienced firm of Chartered Accountants. The internal control and audit systems are also reviewed periodically. Corrective and preventive measures, whenever necessary are taken up from time to time for continuous improvement. Effective control and audit systems are implemented on the lines of the parent company i.e., RITES Ltd.

Human Resources And Industrial Relations:

All the manpower including CEO, CFO & Company Secretary have been deputed by the holding company to conduct day to day operations. All its projects under progress are being executed by deployment of experienced expert manpower from the holding company i.e., RITES Ltd.

ANNEXURE - III

FORM NO. AOC - 2
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2023
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act 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 transaction under third proviso thereto.

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

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions'	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advances if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

2. Details of contracts or arrangements or transactions at Arm's length basis.

S. No.	Particulars	Details	
a)	Name (s) of the related party & nature of relationship	RITES Limited – Holding Company (51%) and Ministry of Railways (49%) shareholder of the Company	
b)	Nature of contracts / arrangements / transaction	RITES Limited: - (₹ in Lakh)	
		Particulars	Year Ended 31.03.2023
		- Fee for services obtained	930.79
		- Man-Month Expenses of KMP	202.67
		- Reimbursable Expenses & Taxes	7.13
		- National Energy Management Centre (NEMC) CWIP- Inspection Fee	7.53
		- Dividend Paid	2034.90
		- Capital Advance	27.48
		Ministry of Railways: - (₹ in Lakh)	
		Particulars	Year Ended 31.03.2023
		Revenue	
		- Consultancy	9298.01
		- Power Generation	1983.19
		- Recoverable	140.35
- Dividend Paid	1955.10		

S. No.	Particulars	Details										
		CEO, CFO and Company Secretary are the employee of holding company i.e., RITES Ltd and they have been deputed in the subsidiary company. The salary & other benefits viz. PF, pensions etc. of CEO, CFO and Company Secretary are being paid directly by RITES Ltd. (holding company) after deduction of TDS as per provisions of Income Tax Act, 1961. For rendering service to subsidiary company, fees are charged at man-month rate basis.										
		<table><tr><th>Particulars</th><th>Year Ended 31.03.2023</th></tr><tr><td>Man- Month Charges</td><td>(₹ in Lakh)</td></tr><tr><td>Shri Ajay Kumar Singhal (CEO) (Up to 17.07.2023)</td><td>87.14</td></tr><tr><td>Shri Anjeev Kumar Jain (CFO)</td><td>84.44</td></tr><tr><td>Shri Ranjan Kumar Tiwary (CS)</td><td>31.09</td></tr></table>	Particulars	Year Ended 31.03.2023	Man- Month Charges	(₹ in Lakh)	Shri Ajay Kumar Singhal (CEO) (Up to 17.07.2023)	87.14	Shri Anjeev Kumar Jain (CFO)	84.44	Shri Ranjan Kumar Tiwary (CS)	31.09
Particulars	Year Ended 31.03.2023											
Man- Month Charges	(₹ in Lakh)											
Shri Ajay Kumar Singhal (CEO) (Up to 17.07.2023)	87.14											
Shri Anjeev Kumar Jain (CFO)	84.44											
Shri Ranjan Kumar Tiwary (CS)	31.09											

c)	Duration of the contracts/ arrangements/ transaction.	<p>RITES Ltd. – Services of experts from holding company is obtained as and when required.</p> <p>Ministry of Railways –</p> <p>(i) Services for Economic Power Procurement at professional charges of 07 paisa per unit</p> <table> <tr> <th></th><th>Railways Zone</th><th>Period</th></tr> <tr> <td>a)</td><td>West Central Railway (JPL-120MW)</td><td>24.11.2022 to 30.09.2025</td></tr> <tr> <td>b)</td><td>Central Railway (DIL-210MW)</td><td>01.04.2022 to 30.03.2025</td></tr> <tr> <td>c)</td><td>Western Railway (JPL90MW)</td><td>21.12.2022 to 30.09.2025</td></tr> <tr> <td>d)</td><td>South-Eastern Railway (JPL-70MW)</td><td>01.10.2022 to 30.09.2025</td></tr> <tr> <td>e)</td><td>North-Central Railway (JPL-60MW)</td><td>24.11.2022 to 30.09.2025.</td></tr> <tr> <td>f)</td><td>Central Railway (Nalco – 50.40MW Wind)</td><td>25 years PPA from June, 2019</td></tr> <tr> <td>g)</td><td>Power from Indian energy exchange (IEX) to Zonal railways on various open access State.</td><td>-</td></tr> <tr> <td>h)</td><td>BRBCL- (819 MW)</td><td>25 years from November, 2021</td></tr> <tr> <td>i)</td><td>MOUDA I & II (1MW+1.32MW)</td><td>25 years from December, 2021</td></tr> <tr> <td>j)</td><td>Northern Railways – UP (DVC-RTPS-50MW)</td><td>03.06.2022 to 01.12.2024</td></tr> <tr> <td>k)</td><td>Northern Railways – UP (DVC-RTPS-100 MW)</td><td>07.12.2022 to 06.06.2025</td></tr> <tr> <td>l)</td><td>Western Railways – (DVC-RTPS-30 MW)</td><td>08.06.2022 to 30.11.2024</td></tr> <tr> <td>m)</td><td>North Western Railways – (DVC-RTPS-40 MW)</td><td>08.06.2022 to 07.12.2024</td></tr> <tr> <td>n)</td><td>North Central Railways – (DVC-RTPS-30 MW)</td><td>08.06.2022 to 07.12.2024</td></tr> </table> <p>(ii) Sale of Renewable Power generation from 26 MW windmill plant situated at Jaisalmer Rajasthan,</p> <p>a) North-west Railway: PPA Up to 15.10.2040.</p>		Railways Zone	Period	a)	West Central Railway (JPL-120MW)	24.11.2022 to 30.09.2025	b)	Central Railway (DIL-210MW)	01.04.2022 to 30.03.2025	c)	Western Railway (JPL90MW)	21.12.2022 to 30.09.2025	d)	South-Eastern Railway (JPL-70MW)	01.10.2022 to 30.09.2025	e)	North-Central Railway (JPL-60MW)	24.11.2022 to 30.09.2025.	f)	Central Railway (Nalco – 50.40MW Wind)	25 years PPA from June, 2019	g)	Power from Indian energy exchange (IEX) to Zonal railways on various open access State.	-	h)	BRBCL- (819 MW)	25 years from November, 2021	i)	MOUDA I & II (1MW+1.32MW)	25 years from December, 2021	j)	Northern Railways – UP (DVC-RTPS-50MW)	03.06.2022 to 01.12.2024	k)	Northern Railways – UP (DVC-RTPS-100 MW)	07.12.2022 to 06.06.2025	l)	Western Railways – (DVC-RTPS-30 MW)	08.06.2022 to 30.11.2024	m)	North Western Railways – (DVC-RTPS-40 MW)	08.06.2022 to 07.12.2024	n)	North Central Railways – (DVC-RTPS-30 MW)	08.06.2022 to 07.12.2024
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d)	Salient terms of the contracts or arrangements or transaction including the value, if any	<p>BITES LTD. – Experts of holding Company render technical services to the company. Holding Company charges for their experts on the same basis as being charged to other clients. Fees will depend upon the quantum of expert's services utilized by the company.</p> <p>Transaction Value for fees for services obtained ₹ 930.79 Lakh (excluding applicable taxes).</p> <p>Man-month expenses of KMP– ₹ 202.67 Lakh (excluding applicable taxes).</p> <p>Ministry of Railways –</p> <p>Services for Economic Power Procurement at professional charges of 07 paisa per unit</p> <p>Professional charges of 07 paisa per Kwh (unit) of energy purchased for Zonal Railways through Bi-lateral arrangements, Allocation through MoP and Open Competitive Bidding route against services for effective commencement and operationalization of economic power procurement by holding company experts.</p> <p>Total Value of transaction Value :- ₹ 9298.01 Lakh</p> <p>Sale of Renewal Power Generation from 26 MW Windmill plant situated at Jaisalmer, Rajasthan</p> <p>Energy produced from captive windmill plant is being billed based on levelized tariff derived on the basis of PPA entered into with respective zonal railway.</p> <p>Total value of transaction Value: - ₹ 1983.19 Lakh</p>
e)	Date of approval by the Board	12.05.2023
f)	Amount paid as advances, if any	Nil



(Rahul Mithal)
Chairman
DIN: 07610499

Date : 25.07.2023
Place : Delhi

Corporate Social Responsibilities (CSR) Projects for FY 2022-23

1. It was decided by the Board of REMC, to adopt RITES CSR & Sustainability Policy for implementation of CSR projects in REMC till formation of its own CSR & Sustainability Policy.

2. Brief outline of the company's CSR & Sustainability Policy is mentioned below:

Corporate Social Responsibility and Sustainability policy is our commitment to operate in economically, socially and environmentally sustainable manner that is transparent and ethical. It encourages engagement with the stake holders in determining their needs and expectations. The stake holders include employees, shareholders, investors, customers, clients, business associates, civil society groups, Central/State/local government, communities, environment and society at large.

REMC shall strive to integrate social and environmental concerns in its business processes and work towards providing the best possible solutions for sustainable developmental needs of the society by:

- (i) Spreading awareness amongst employees about the company's CSR & Sustainability policy, programmes & initiatives, and the need for and importance of adopting ethical business practices and implementation of CSR & Sustainability agenda of the company.
- (ii) Promoting the cause of Sustainable Development and giving due attention to social and environmental aspects and their impacts in all its activities including the feasibility studies, investigations, detailed designs & DPRs for various developmental projects in transportation & infrastructure sector.
- (iii) Encouraging use of renewable energy resources such as solar, wind, biomass & others and reduce its carbon, water, and waste footprints.
- (iv) Engaging stakeholders in undertaking CSR & Sustainability projects in and around the areas of company's offices/projects and other backward regions/areas with focus on creating the necessary infrastructure which will promote education, health, sanitation and provide connectivity/mobility, skills and preserve natural habitat, water resources, flora and fauna, greenery, environment, heritage and culture.
- (v) Regular reporting of CSR & Sustainability performance of the company.
- (vi) Creating and enhancing the brand value of the company by adoption of highest standards of Corporate Governance and best management practices and application of its business expertise for the good of the community and society at large. This policy flows from the Corporate Mission of the company.

CSR Policy relates to the activities to be undertaken as specified in Schedule VII of the Companies Act, 2013.

Government guidelines or circulars, issued time to time, shall also be required to be adhered to in addition to the existing policy.

3. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Arun Kumar Singh (From 21-10-2022)	Chairman	4	2
2.	Shri Manish Gupta (From 21-10-2022)	Director	4	2
3.	Shri Bibhu Prasad Nayak	Director	4	4
4.	Shri Gopi Suresh Kumar Varadarajan (Up to 31-07-2022)	Director	4	2
5.	Smt. Sheela Koul (Up to 24-07-2022)	Independent Director	4	2

4. The CSR policy can be accessed through the link https://rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21_pdf-2021-Dec-15-17-10-36.pdf
5. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

In order to determine the degree of success and effectiveness of the company's CSR & Sustainability initiatives, an impact assessment shall be carried out after the project is completed and expiry of necessary minimum gestation period (period for impact to be felt). A survey shall be conducted to assess the impact of CSR & Sustainability project in terms of social, economic and environmental benefits accrued to the intended beneficiaries. However, no such survey is required to be conducted for projects costing up to ₹ 2 Crore (₹ Two Crore).

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Lakh)	Amount required to be set-off for the financial year, if any (₹ in Lakh)
1.	2018-19	Nil	Nil
2.	2019-20	Nil	Nil
3.	2020-21	Nil	Nil
4.	2021-22	Nil	Nil
5.	2022-23	Nil	Nil
Total			

7. Average net profit of the company as per section 135(5): ₹ 5037.86 Lakh
8. (a) Two percent of average net profit of the company as per section 135(5): ₹ 100.76 Lakh
(b) Surplus arising out of the CSR projects or programmes or activities of the previous FY. **Nil**
(c) Amount required to be set off for the financial year, if any: **Nil**
(d) Total CSR obligation for the financial year 2022-23 (8a+8b- 8c): ₹ 100.76 Lakh
9. (a) CSR amount spent or unspent for the financial year 2022-23

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	Date of transfer	Amount	Date of transfer
101.04	Nil	Nil	NA	NA	NA

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

Sl. No	Name of the Project.	Local area (Yes/ No).	Location of the project.		Project duration	Amount allocated for the project (₹ in Lakh)	Amount spent in the current financial Year (₹ in Lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
			State	District						Name	CSR Registration number.
Ni											

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

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project.		Amount spent for the project ((₹ in Lakh)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
A.	Eradicating hunger, poverty and malnutrition, promoting health care including preventive 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;” is one of the thrust areas.								
i.	Financial Support for Paediatric Cardiac Surgeries in Sathya Sai Sanjeevani hospital for Child heart care Chhattisgarh, Haryana, Maharashtra	Schedule-VII Item-(i)	No	Chhattisgarh, Haryana, Maharashtra	-	26.00	No	Shri Sathya Sai Health & Education Trust	CSR00001048
ii.	Financial support for strengthening Patient care service at- Ramakrishna mission free tuberculosis clinic & Medical Centre	Schedule-VII Item-(i)	Yes	Delhi	New Delhi	15.00	No	Ramakrishna mission	CSR00006101
iii.	Financial support for Health & Nutrition programmes i.e., menstrual hygiene management workshop among Girls & woman of Jaisalmer Rajasthan	Schedule-VII Item-(i)	No	Rajasthan	Jaisalmer	10.00	No	Bharati Vikas Sansthan	CSR00033832
iv.	Financial Support for Paediatric Cardiac Surgeries in Sathya Sai Sanjeevani hospital for Child heart care Chhattisgarh, Haryana, Maharashtra	Schedule-VII Item-(i)	No	Chhattisgarh, Haryana, Maharashtra	-	13.00	No	Shri Sathya Sai Health & Education Trust	CSR00001048
v.	Financial assistance to early intervention centre for children with special needs (physical disability) in Delhi/ NCR	Schedule-VII Item-(i)	Yes	Delhi/NCR	Delhi/NCR	5.08	No	Sarthak Education Trust	CSR00001093
vi.	Procurement of digital X-ray machine	Schedule-VII Item-(i)	Yes	Faridabad,	Haryana	14.00	No	Anand Dham Charitable Trust	CSR00014569
B.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;								
i.	Financial support to promote the education for underprivileged children of urban slums and skill development training to women of that section in urban slums of Dehradun, Uttarakhand	Schedule-VII Item-(ii)	No	Uttarakhand	Dehradun	10.00	No	Navkiran Education & welfare Society	CSR00033009

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project.		Amount spent for the project (₹ in Lakh)	Mode of implementation on - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
ii.	Financial Support for manufacturing of Canvas bags with "say no to plastic" campaign.	Schedule-VII Item-(i)	No	Udaipur	Rajasthan	3.00	No	Vishvas Sansthan	CSR00033996
C.	Contribution to the Prime Minister's National Relief Fund 3[or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;								
i.	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)	Schedule-VII Item- (viii)	No	PAN India	-	0.15	Yes	Direct	-
	Total					96.23			

(d) Amount spent in Administrative Overheads: ₹ **4.81 Lakh**

(e) Amount spent on Impact Assessment, if applicable. - **Nil**

(f) Total amount spent for the Financial Year 2022-23 (9b+9c+9d+9e): - ₹ **101.04 Lakh**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ In Lakh)
1.	Two percent of average net profit of the company as per section 135(5)	100.76
2.	Total amount spent for the Financial Year	101.04
3.	Excess amount spent for the financial year [(ii)-(i)]	0.28
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakh)	Amount spent in the Next Financial Year (₹ in Lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (₹ in Lakh)
				Name of the Fund	Amount (₹ in Lakh)	Date of transfer	
1.	2019-20	Nil	Nil	Not Applicable			Nil
2.	2020-21	Nil	Nil				Nil
3.	2021-22	10.04	10.04				Nil
	Total	NIL	NIL				NIL

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

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

Me

Date : 25.07.2023

Place : Delhi

ANNEXURE V

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2023
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
 The Members,
 REMC Limited
 Regd Office:
 8th Floor, 7 Bhikaji Cama Place,
 South West Delhi, Delhi - 110066

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by REMC Limited (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 provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2023** complied with the statutory provisions listed hereunder and also that the Company has 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 REMC Limited for the financial year ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under *are not applicable*.
- (iii) The Securities Contracts (Regulations) Act, 1999 and the rules made thereunder *are not applicable as the shares of Company are not listed with any of the Stock Exchanges*
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder *are not applicable as the shares of Company are not registered with any of the depository mentioned under the said Act*.
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') *are not applicable as the shares of Company are not listed with any of the Stock Exchanges*.
- (vi) Other applicable Laws, rules and Guidelines as mentioned here-in-below:
 - a. DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.
 - b. Right to Information Act, 2005, checklist and other documents for
 - c. Micro, Small & Medium Enterprises Development (MSMED) Act, 2006
 - d. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 - e. Electricity Act, 2003
 - f. Environment Laws as applicable
 - g. Labour Laws as applicable

We have also examined compliance with the applicable clauses of the 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, etc. however, after the cessation of Ms. Sheela Koul, Woman Director, on 24.07.2022, appointment of women Director is under process as per provision of section 149 (1) of the Companies Act 2013.

There was no Executive Director on the Board of the Company. The changes in the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board and Committee Meetings as per the statutory provisions, and agenda and detailed notes on agenda which were sent at shorter notice were taken up after obtaining the requisite permission as required under the Secretarial Standard -1 of ICSI. Further 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 Meetings and Committee Meetings, as informed by the management, are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report 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.

For Akhil Rohatgi & Co.
Company Secretaries
Reg. no. P1995DE072900



Deepak Kumar
Partner

M. No.: F10189

CP No:11372

UDIN: F010189E000670178

Date: 24/07/2023

Place: New Delhi

To,
The Members,
REMC Limited
Regd Off: 8th Floor, 7 Bhikaji Cama Place, South West Delhi, Delhi -110066

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 test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we follow 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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events etc.
5. The compliance of the provisions of Corporate and other applicable law, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on 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 Akhil Rohatgi & Co.
Company Secretaries
Reg. no. P1995DE072900

Deepak Kumar
Partner

M. No.: F10189
CP No:11372

UDIN: F010189E000670178

Date: 24.07.2023
Place: New Delhi

Independent Auditors' Report

To the Members of REMC Limited

Report on the Audit of the Standalone IND-AS Financial Statements

Opinion

We have audited the accompanying Standalone IND-AS Financial Statements of **REMC Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended on that date and Notes to the Standalone IND-AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone IND-AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (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 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone IND-AS Financial Statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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 opinion on the Standalone IND-AS Financial Statements.

Key Audit Matters

Key audit matters are those matters that in our professional judgement, 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 not determined any key audit matters to communicate in our report.

Information other than the financial statements and auditors' report thereon.

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibility of Management and those Charged with Governance for the Standalone IND-AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone IND-AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND-AS) specified under Section 133 of the Act read with relevant rules issued there under. 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.

In preparing the Standalone IND-AS 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.

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

Auditors' Responsibilities for the Audit of the Standalone IND-AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone IND-AS 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 Standalone IND-AS Financial Statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the standalone Ind-AS Financial Statements, including the disclosures, and whether the standalone IND-AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

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

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

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 audit 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure- 'I'**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of section 143(5) of the Companies Act, 2013, we give in the **Annexure- 'II'** a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d) In our opinion, the aforesaid standalone IND-AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - e) In view of exemption given vide notification no G.S.R. 463 (E) dated 5th June 2015, issued by Ministry of Corporate Affairs, provisions of section 164 (2) of the Act regarding disqualification of Directors, are not applicable to the Company.
 - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure "III"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements; and
 - g) With respect to the other matters to be included in

the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company does not have any pending litigation as at 31st March, 2023.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii) There was no amount, which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv) The Management has represented that, to the best of its knowledge and belief, other than those disclosed in notes to accounts: -
 - a) The management of the company has represented to us 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 Note 2.11.3 and 2.26 (a) to the standalone financial statements.
- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
- (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- h) In our opinion and to the best of our information and according to the explanations given to us, provisions of Section 197 of the Act are not applicable to the company with respect to the managerial remuneration paid/provided during the year ended March 31, 2023.

For ASHM & Associates

Chartered Accountants

Firm Registration No.005790C



(Deepak Kumar)

Partner

Place : New Delhi

Date : 12-05-2023

Membership No.094949

UDIN: -23094949BGSZA06622

ANNEXURE – 'I' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on other legal and regulatory requirements" section of our report to the members of REMC Limited of even date)

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

- i) In respect of the Company's Property, Plant and Equipment (PPE), right of use and Intangible Assets:
- a) i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- ii) The Company has maintained proper records showing full particulars of intangible assets.
- b) The Company has a program of physical verification of property, plant and equipment and right-of-use assets so to cover all the assets once every

year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment and right-of-use assets were due for verification during the year and 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) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed/transfer deed/conveyance deed provided to us, we report that, the title in respect of all immovable properties (other than properties where the company is the lessee and lease agreement are duly executed in favour of the lessee), disclosed in

the financial statements included under Property, Plant and Equipment are held in the name of the company as at the balance sheet date.

- d) The Company has not revalued any of its property, plant and equipment (including right- of-use assets) and intangible assets during the year.
- e) No proceedings have been initiated during the year or are pending against the Company as at March 31,2023 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) a) The nature of business of the Company does not require it to have any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- b) The Company has not been sanctioned working capital limits in excess of ₹ 5 Crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii) The Company has not made investments in companies, firms, Limited Liability Partnerships and has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured. As such reporting under sub clause (a) to (f) of clause 3(iii) of the order is not applicable to the Company.
- iv) The Company has not granted any loans, guarantee or provide security to Directors or any other person in whom Director is interested covered under provisions of Sections 185 and 186 of the Companies Act, 2013. Therefore, the paragraph 3(iv) of the Order is not applicable to the Company.
- v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of paragraph 3 of the Order is not applicable to the Company.
- vii) In respect of statutory dues: -
 - a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Income Tax, Sales Tax, Service Tax, duty of Excise, and other

material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Income Tax, and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- b) According to information and explanations given to us, there are no disputed dues of Income Tax, Service Tax, Value added Tax, Goods and Service tax (GST) and other statutory dues which have not been deposited as on 31, March 2023.
- viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). As such, reporting under clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix) a) According to the records of the company examined by us and as per the information and explanations given to us, the company has not defaulted in repayment of term loan and payment of interest thereon.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) There were one outstanding term loans at the beginning of the financial year which was taken in the year 2015-2016, the entire outstanding Term Loan of Rs. 2464.75 lakhs have been repaid in the current financial year. The Company has not taken any term loan during the year.
- d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used during the year for long-term purpose by the Company.
- e) On an overall examination of the 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 subsidiaries.
- f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x) (b) of the Order is not applicable.
- xi) a) According to the information and explanation given to us, no fraud by the Company or any fraud on the Company by its officers/employees has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaint received by the company during the year.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 wherever applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
- xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable Company.
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company transfers the unspent CSR amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Companies Act, 2013.

For ASHM & Associates
Chartered Accountants
Firm Registration No.005790C



(Deepak Kumar)
Partner

Place: New Delhi
Date: 12-05-2023

Membership No.094949
UDIN: -23094949BGSZAO6622

ANNEXURE – ‘II’ TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under the heading ‘Report on other legal and regulatory requirements’ of our report of even date on the standalone financial statements of REMC limited)

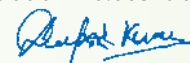
Report under Section 143(5) of the Companies Act, 2013 of Financial Statement of REMC Ltd. For the Year ended March 31, 2023.

S.No	Directions	Auditor’s Comments
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.	Yes, the Company is using Tally prime (Edit log features) software to process all its accounting transactions. There is no accounting transaction which is processed outside Tally Prime software.
2	Whether there is any restructuring of an existing loan or cases of waiver/write-off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).	There are no cases of restructuring of existing loan, waiver/write-off of debts, loans/ interest etc. during the year.
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation,	As per information and explanations given to us the Company has not received any funds from Central/state Government or its agencies.

For ASHM & Associates

Chartered Accountants

Firm Registration No.005790C



(Deepak Kumar)

Partner

Membership No.094949

UDIN: -23094949BGSZAO6622

Place: New Delhi
Date: 12-05-2023

ANNEXURE – ‘III’ TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in Paragraph 3 (f) under the heading ‘Report on other legal and regulatory requirements’ of our report of even date on the standalone financial statements of REMC limited)

Report on the Internal Financial Controls 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 **REMC Limited** (“the Company”) as of March 31, 2023, in conjunction with our audit of the Standalone IND-AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the

internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the

accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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 deemed to be 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to standalone financial statement

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records

that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statement

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

According to the information and explanation given to us, in our opinion, the Company has, in all material aspects, an adequate internal financial control system over financial reporting and such internal financial controls were operating effectively as at March 31, 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 ASHM & Associates

Chartered Accountants
Firm Registration No.005790C



(Deepak Kumar)

Partner

Place: New Delhi

Date: 12-05-2023

Membership No.094949

UDIN: -23094949BGSZAO6622


Balance Sheet as at 31st March, 2023

		(₹ in Lakhs)	
Particulars	Note No.	As At 31.03.2023	As At 31.03.2022
Assets			
Non Current Assets			
Property, Plant And Equipment	2.01	15,985.75	16,657.16
Capital Work In Progress	2.01.1	575.16	9.36
Right of Use Assets	2.02	73.85	78.06
Intangible Assets	2.03	-	-
Financial Assets			
Other Financial Assets	2.04	1.51	-
Other Non Current Assets	2.05	430.11	311.93
		17,066.38	17,056.51
Current Assets			
Financial Assets			
Trade Receivables	2.06	3,764.65	5,752.64
Cash and Cash Equivalents	2.07.1	2,908.42	492.18
Other Bank Balances	2.07.2	1,993.59	2,614.87
Other Financial Assets	2.08	1,274.60	910.04
Other Current Assets	2.09	17.21	16.55
		9,958.47	9,786.28
Total Assets		27,024.85	26,842.79
Equity And Liabilities			
Equity			
Equity Share Capital	2.10	10,500.00	10,500.00
Other Equity	2.11	13,037.25	11,123.57
		23,537.25	21,623.57
Liabilities			
Non Current Liabilities			
Financial Liabilities			
Borrowing	2.12	-	1,698.29
Deferred Tax Liabilities(Net)	2.13	3,037.89	2,028.15
		3,037.89	3,726.44
Current Liabilities			
Financial Liabilities			
Borrowing	2.12	-	766.46
Trade Payables			
-Total Outstanding Dues of Micro Enterprise and Small Enterprises	2.14	8.95	4.62
-Total Outstanding Dues Other than Micro Enterprise and Small Enterprises	2.14	315.16	355.00
Other Financial Liabilities	2.15	46.05	32.97
Provisions	2.15.1	-	10.04
Other Current Liabilities	2.16	79.55	102.95
Current Tax Liabilities (Net)	2.17	-	220.74
		449.71	1,492.78
Total Equity and Liabilities		27,024.85	26,842.79
Significant Accounting Policies and Notes to Accounts Form an Integral Part of Standalone Financial Statement		1 & 2	

For and on behalf of the Board of Directors


RAHUL MITHAL
Chairman
DIN: 07610499


BIBHU PRASAD NAYAK
Director
DIN: 08197975


AJAY KUMAR SINGHAL
Chief Executive Officer


ANJEEV KUMAR JAIN
Chief Financial Officer
M.No.: FCMA 17407


RANJAN KUMAR TIWARY
Company Secretary
M.No.: ACS 28116

As per our report of even date attached

For ASHM & Associates
Chartered Accountants
FRN: 005790C


(DEEPAK KUMAR)

Partner
M.No : 094949
UDIN:- 23094949BGSZAO6622

Place : New Delhi
Date : 12/05/2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023


			(₹ in Lakhs)
Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
Revenue			
Revenue From Operations	2.18	11,414.59	9,310.14
Other Income	2.19	291.40	203.22
Total Income		11,705.99	9,513.36
Expenditure			
Fee For Service Obtained	2.20	1,051.69	911.85
Salary Reimbursement	2.29	202.67	151.79
Finance Costs	2.21	42.50	211.57
Generation Expenses	2.22	892.21	788.51
Depreciation & Amortisation Expenses	2.23	730.36	712.70
Other Expenses	2.24	406.68	305.64
Total Expenditure		3,326.11	3,082.06
Profit Before Tax		8,379.88	6,431.30
Tax Expenses			
- Current Tax	2.25	(1466.49)	(1124.64)
- Deferred Tax (Net)		(1009.74)	(774.58)
Profit After Tax		5,903.65	4,532.08
Other Comprehensive Income		-	-
Total Other Comprehensive Income (Net of Tax)		-	-
Total Comprehensive Income For The Year		5,903.65	4,532.08
Earning Per Share (Equity Share of ₹ 10/- Each) - Basic & Diluted (₹)	2.30	5.62	4.32
Weighted Average Number of Equity Shares Used in Computing Earning Per Share		10,50,00,000	10,50,00,000

For and on behalf of the Board of Directors


 RAHUL MITHAL
 Chairman
 DIN: 07610499


 BIBHU PRASAD NAYAK
 Director
 DIN: 08197975


 AJAY KUMAR SINGHAL
 Chief Executive Officer


 ANJEEV KUMAR JAIN
 Chief Financial Officer
 M.No.: FCMA 17407


 RANJAN KUMAR TIWARY
 Company Secretary
 M.No.: ACS 28116

As per our report of even date attached

 For ASHM & Associates
 Chartered Accountants
 FRN: 005790C


 (DEEPAK KUMAR)

 Partner
 M.No : 094949

UDIN:- 23094949BGSZAO6622

 Place : New Delhi
 Date : 12/05/2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. Equity Share Capital - (Refer Note No 2.10)

		(₹ in Lakhs)
Balance as at 01.04.2022	Changes in Equity Share Capital during the Year	Balance as at 31.03.2023
10,500.00	-	10500.00
Balance as at 01.04.2021	Changes in Equity Share Capital during the Year	Balance as at 31.03.2022
10,500.00	-	10500.00

B. Other Equity- (Refer Note No 2.11)-31.03.2023

Particulars	Reserve and Surplus		Other Comprehensive Income	(₹ in Lakhs)
	General Reserve	Retained Earnings		Total
Balance As at 01.04.2022	5078.12	6,045.48	-	11,123.60
Changes in Accounting Policy or Prior Period Errors	-	-	-	-
Restatement Of Dividend And Tax Thereon	-	-	-	-
Restated Balance At The Beginning of the Reporting Year	5,078.12	6,045.48	-	11,123.60
Profit For The Year	-	5,903.65	-	5,903.65
Remeasurement of the Net Defined Benefit Liability/Asset, Net of Tax Effect	-	-	-	-
Capitalisation of General Reserve (Issue Of Bonus Shares)	-	-	-	-
Interim Dividend for F.Y. 2022-23	-	(2625.00)	-	(2625.00)
Final Dividend for F.Y. 2021-22	-	(1365.00)	-	(1365.00)
Bonus Issue	-	-	-	-
Transfer to General Reserve From Retained Earnings	-	-	-	-
Balance At 31.03.2023	5,078.12	7,959.13	-	13,037.25
Final Dividend Per Share For FY 2021-22 (₹)	1.30	No. of Share Used in Computing Dividend Per Share		10,50,00,000

Particulars	Reserve and Surplus		Other Comprehensive Income	(₹ in Lakhs)
	General Reserve	Retained Earnings		Total
Balance as at 01.04.2021	5078.12	2,413.40	-	7,491.52
Changes in Accounting Policy or Prior Period Errors	-	-	-	-
Restatement of Dividend and Tax Thereon	-	-	-	-
Restated Balance at the Beginning of the Reporting Year	5,078.12	2,413.40	-	7,491.52
Profit For the Year	-	4,532.08	-	4,532.08
Remeasurement of the Net Defined Benefit Liability/Asset, Net of Tax Effect	-	-	-	-
Capitalisation of General Reserve (Issue Of Bonus Shares)	-	-	-	-
Interim Dividend	-	-	-	-
Final Dividend For F.Y (2020-21)	-	(900.00)	-	(900.00)
Bonus Issue	-	-	-	-
Transfer to General Reserve From Retained Earnings	-	-	-	-
Balance At 31.03.2022	5,078.12	6,045.48	-	11,123.60
Final Dividend Per Share For FY 2020-21 (₹)	0.86	No. of Share Used in Computing Dividend Per Share		10,50,00,000

For and on behalf of the Board of Directors


RAHUL MITHAL
 Chairman
 DIN: 07610499


BIBHU PRASAD NAYAK
 Director
 DIN: 08197975


AJAY KUMAR SINGHAL
 Chief Executive Officer


ANJEEV KUMAR JAIN
 Chief Financial Officer
 M.No.: FCMA 17407


RANJAN KUMAR TIWARY
 Company Secretary
 M.No.: ACS 28116

As per our report of even date attached

For ASHM & Associates
 Chartered Accountants
 FRN: 005790C


(DEEPAK KUMAR)
 Partner

M.No : 094949

UDIN:- 23094949BGSZAO6622

Place : New Delhi

Date : 12/05/2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	(₹ in Lakhs)	
	Year Ended 31.03.2023	Year Ended 31.03.2022
<u>Cash Flow From Operating Activities</u>		
Net Profit Before Tax	8,379.88	6,431.30
Adjustments For:		
- Depreciation and Amortization	730.36	712.70
- Loss/(Profit) on Sale of Assets (Net)	-	1.13
- Interest From FDRs/Others	(140.98)	(111.52)
- Finance Cost	42.50	211.57
- Provision and Impairment Expenses (Net)	49.70	5.51
Operating Profit Before Changes In Assets And Liabilities	9,061.46	7,250.69
Change in Assets and Liabilities:		
<u>Adjustments For (Increase)/Decrease in Operating Assets:</u>		
- Trade Receivables	1,938.29	(4,598.50)
- Other Financial Assets and other Assets	(386.55)	124.02
<u>Adjustments For Increase/(Decrease) in Operating Liabilities:</u>		
- Trade Payables	(35.51)	(247.36)
- Statutory Dues	(23.40)	34.97
- Other Financial Liabilities, other Liabilities and Provisions	10.64	11.80
Cash Generated From Operations	10,564.93	2,575.62
- Income Tax Paid (Net of Refund)	(1,818.02)	(903.88)
Net Cash From Operating Activities	8,746.91	1,671.73
<u>Cash Flows From Investing Activities</u>		
- Purchase/Construction of Fixed Assets	(600.97)	(236.57)
- Proceeds From Sale of Property, Plant and Equipment	-	-
- Bank Balances other than Cash & Cash Equivalent	619.85	(1,000.74)
- Interest Income	163.44	108.32
Net Cash From Investing Activities	182.32	(1,128.98)
<u>Cash Flow From Financing Activities</u>		
- Repayment of Term Loan	(2,464.75)	(765.98)
- Finance Cost other than on Borrowings	(18.43)	-
- Finance Cost on Borrowing	(39.81)	(216.42)
- Dividend Paid (Including Interim Dividend)	(3,990.00)	(900.00)
Net Cash From Financing Activities	(6,512.99)	(1,882.40)
Net Increase/(Decrease) in Cash and Cash Equivalents	2,416.24	(1,339.64)
Cash and Cash Equivalents at the Beginning of the Year	492.18	1,831.82
Cash and Cash Equivalents at the End of the Year	2,908.42	492.18

Reconciliation of Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
Cash and Cash Equivalents:-	2.07.1	2,908.42	492.18
Cash and Cash Equivalents at the end of the Year		2,908.42	492.18

Supplementary Information:

Components of Cash and Cash Equivalents (Refer Note 2.07.1)	2,908.42	492.18
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Note:

1. Cash and Cash Equivalents Consist of Cash and Bank Balances including FDRs having maturity within 3 months from the date of acquisition.
2. The Above Statement of Cash Flows have been prepared under Indirect Method as set out in Ind AS 7 Statement of Cash Flows Notified U/s 133 of The Companies Act,2013) ("Act") Read with Rule 4 of The Companies Act (Indian Accounting Standards) Rules 2015 and the Relevant Provisions of the Act.
3. Figures in bracket indicate Cash Outflow.
4. Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from Financing Activities:

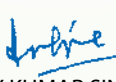
(₹ in Lakhs)

Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
Long Term Borrowing at the Beginning of the Year	2.12	2,464.75	3,230.73
- Cash Flows (Repayment)		(2,464.75)	(765.98)
- Non Cash Changes		-	-
Closing Long Term Borrowing		-	2,464.75
Interest Payable on Borrowing at the Beginning of the Year	2.15	15.74	20.59
- Cash Outflows (Interest)		(39.81)	(216.42)
- Non Cash Changes	2.21	24.07	211.57
Interest Payable on Borrowing at the end of the Year	2.15	-	15.74

For and on behalf of the Board of Directors


RAHUL MITHAL
Chairman
DIN: 07610499


BIBHU PRASAD NAYAK
Director
DIN: 08197975


AJAY KUMAR SINGHAL
Chief Executive Officer


ANJEEV KUMAR JAIN
Chief Financial Officer
M.No.: FCMA 17407


RANJAN KUMAR TIWARY
Company Secretary
M.No.: ACS 28116

As per our report of even date attached

For ASHM & Associates
Chartered Accountants
FRN: 005790C


(DEEPAK KUMAR)

Partner

M.No : 094949

UDIN:- 23094949BGSZAO6622

Place : New Delhi

Date : 12/05/2023

Company Overview, Significant Accounting Policies and Notes to Accounts form an integral part of the Standalone Financial Statements

Company Overview

The Company is incorporated and domiciled in India. The address of its registered office is Plot No.7, 8th Floor, PNB Building, Bhikaji Cama Place, New Delhi-110066 (India) having its corporate office at RITES Bhawan, Plot No. 1, Sector -29, Gurgaon, Haryana-122001 (India). RITES Ltd (Holding Company) holds 51% of the shares of the company along with their nominees and balance 49% shares are held by the Ministry of Railway and their nominees.

Providing consultancy in green energy having focus on wind and solar projects, generating, and selling renewable energy for railway consumption by installing windmills and solar plants. Procuring power for Indian railway, facilitating open access, bilateral purchases and purchases of exchange traded power, coordination with regulatory authorities to obtain relief on the deemed licensee status of railways. Identification and implementation of energy efficient technologies for non-traction avenues of Indian Railways, arranging finances for such projects.

The reporting and functional currency of the company is Indian Rupees (INR). Figures in financial statements are presented in ₹ Lakhs, by rounding off up to two decimals except for per share data and as otherwise stated. Previous period figures have been regrouped/re-casted/rearranged, wherever necessary.

The standalone financial statements are approved by the company's Board of Directors on 12.05.2023.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 General

(a) Statement of Compliance

The financial statements of the Company are being prepared in accordance with Indian Accounting Standards (Ind-AS) notified under section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

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 the accounting policy hitherto in use.

(b) Basis of preparation

The financial statements have been prepared on accrual basis at historical cost, except for the following assets and liabilities which have been measured at fair value/ amortized cost:

- Derivative financial instruments,
- Which are specifically indicated in the concerned accounting policy.

(c) Use of estimates and judgments

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities and contingent assets as at the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known/materialize.

1.2 Revenue recognition

1.2.1 Revenue from contracts with customer

Operating revenue is from various streams viz. consultancy fee and Power Generation.

For recognizing revenue from aforesaid streams in the financial statements, general parameters are stated below which are applicable to all streams of revenue while specific parameters are stated in the accounting policy of the respective stream of revenue.

General Parameters

To determine whether to recognise revenue, the Company follows a five-step process:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied.

The Company often enters into transactions involving a range of the Company's products and services. In all cases, the total transaction price for a contract is based on performance obligation. The transaction price for a contract excludes amounts received as deposit from client for execution of the project and amount collected on behalf of third party (for example, some GST)

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the Balance Sheet. Similarly, if the Company satisfies a performance obligation before the consideration is due, the Company recognises a contract asset in its Balance Sheet.

When there is uncertainty as to realisability, recognition of revenue is postponed until such uncertainty is removed.

1.2.1.1 Consultancy Fee

Revenue from consultancy (advisory services for power procurement) is recognised as per the terms and conditions of the agreement with the beneficiary.

Revenue from providing services is recognized in the accounting period in which services are rendered. Revenue is recognized based on performance obligation satisfied either over time or at a point in time.

In case, performance obligation satisfied over time revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on physical progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spent, service performed or any other method that management considered appropriate.

In other cases where performance obligation is not satisfied over time, revenue is recognized at a point in time.

In case of contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, contract liability is recognised.

Mobilization fee is considered as customer advance until recognised as revenue based on the stage of completion of activities/transactions as per the terms of contract/work order.

Reimbursable and supplies are accounted for on an accrual basis.

In Construction Management/Supervision Contracts, revenue is recognised as a percentage of the value of work done/built-up cost of each contract as determined by the Management, pending customer's approval, if any.

1.2.1.2 Windmill Projects (Power Generation)

Revenue from sale of power through wind-mill projects is recognised based on certificate from concerned State Electricity Authority for energy fed in kwh (units) in authority's system and as per terms and conditions of the contract with the beneficiary.

1.2.1.3 Lease Services

Refer Policy no-1.20: - Leases–Company as lessor.

1.2.2 Other Income

1.2.2.1 Interest income

Interest income is recognized using effective interest method.

1.2.2.2 Others

Other income is accounted for on accrual basis except claims (including insurance claims)/supplementary claims / counter claims/interest on delayed payments / awards in favour of the Company/ sale of tenders/ premium on sale of licenses etc. which are accounted for on final settlement / realization.

1.3 Property, Plant and Equipment (PPE)

Property, plant, and equipment are stated at cost i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs, in case of a qualifying asset, up to the date of acquisition/ installation, net of accumulated depreciation and impairment losses, if any.

- (a) Incidental expenditure during construction period including interest charges incurred up to the date of completion, net of interest recovered on mobilisation advance, are capitalized.
- (b) Spare valuing more than ₹10 lakh which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the spares or principal item of the relevant assets, whichever is lower.
- (c) Expenditure incurred subsequently relating to property, plant & equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.
- (d) The initial estimate of the cost of dismantling, removing the item and restoring the site on which PPE is located, the obligation for which is incurred when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during the period, is capitalized as a component of PPE.

1.3.1 Depreciation

- (i) Depreciation on property, plant and equipment are provided on straight line method over their estimated useful life determined by the management based on technical assessment. Depreciation method, useful lives and residual value are reviewed at the end of each financial year. The useful lives of assets are as prescribed in part C of schedule II of the Companies Act, 2013 except assets indicated in sub paragraphs from (d) to (g) below. In respect of additions to/deductions from the assets during the year, depreciation is charged on a pro-rata basis.

(ii) The estimated useful lives of the various assets, are as under: -

Assets	Useful Life (Years)	Depreciation/ Amortization Rate (%)
Furniture	10	10.00
Fixture	5	20.00
Office Equipment	5	20.00
Coolers & Air Conditioners	7	14.29
Air Conditioning Plant	15	6.67
Computer Hardware	3	33.33
Survey and Equipment	10	10.00
Vehicles	8	12.50
Buildings on Freehold land	60	1.67
Windmill plant	25	4.00
Intangible Assets	4	25.00

(iii) Any addition or extension, which becomes an integral part of the existing asset, and which results in increased economic benefits, is capitalized, and depreciated over the remaining useful life of that asset.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement when the asset is derecognized.

(iv) Lease hold land is amortized over the lease term, or the useful life of asset built/installed on such land, whichever is shorter.

(v) In respect of building on lease hold land, depreciation is charged over the period of lease of land, or the useful life of building as given para (b) above, on freehold land, whichever is lower.

(vi) As per the company's technical assessment, Fixtures, Coolers & Air Conditioners have lower useful lives than prescribed in part C of schedule II of the Companies Act, 2013. Therefore, depreciation is charged at a higher rate than prescribed under the Companies Act, 2013.

Windmill Plants have a higher useful life of 25 years than prescribed in part C of schedule II of the Companies Act, 2013 of 22 years. Therefore, depreciation is charged at a lower rate than prescribed under the Companies Act, 2013.

(vii) Individual low-cost assets of value less than ₹ 5,000/- are fully depreciated in the year of acquisition.

(viii) A nominal value of ₹1/- is assigned to the fully depreciated assets.

1.3.2 Capital Work in Progress

Assets which are not ready for the intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

1.3.3 Capital Advances

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

1.4 Intangible Assets

Intangible assets acquired/ developed are measured on recognition at cost less accumulated amortization, and impairment losses, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised.

- (a) Software of value less than ₹100,000/- is fully amortized in the year of acquisition.
- (b) A nominal value of ₹1/- is assigned to the fully amortised assets.

1.4.1 Amortization

Softwares with estimated useful lives of 4 years are amortized on a straight- line basis over the period.

1.5 Income Taxes

1.5.1 Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date.

Management periodically evaluates positions taken in the tax assessments with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Additional taxes, interest and/or penalties levied/ imposed by the tax authorities / Appellate authorities on finality are recognized in the Statement of Profit and Loss.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

1.5.2 Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.6 Rates & Taxes

Overseas taxes on foreign assignments, service tax, value added tax, alike taxes, professional tax, property tax, entry tax, labour cess, octroi etc. paid/accrued in India or abroad for which credit are not available to the company are charged to the Statement of Profit & Loss.

1.7 Prepaid Expense and Prior Period Adjustment

1.7.1 Prepaid Expenses

Prepaid expenses up to ₹5,00,000/- in each case are treated as expenditure/income of the year and accounted for to the natural head of accounts.

1.7.2 Prior Period Adjustments

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.

1.8 Cash And Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term deposits with an original maturity of three months or less from the date of acquisitions which are readily convertible into known amounts of cash and be subject to an insignificant risk of change in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

1.9 Statement Of Cash Flows

Statement of Cash Flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, financing and investing activities of the Company are segregated.

1.10 Earnings Per Share

In determining basic earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares outstanding during the period.

In determining diluted earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares considered for deriving basic earning per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at the later date. Dilutive potential equity share are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus share issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.11 Impairment Of Assets

1.11.1 Financial Assets

(Other than at Fair Value)

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company consider the following-

- All contractual terms of the financial assets (including extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables: In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets: In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

1.11.2 Non-Financial Assets

(Tangible and Intangible Assets)

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use). Impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit & Loss to the extent of previously recognized or balanced impairment loss.

1.12 Borrowing Cost

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets which necessarily takes substantial period of time to get ready for their intended use. All other borrowing costs are recognized as expenses in the Statement of Profit & Loss.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.13 Write Off

1.13.1 Financial Assets

Such assets including trade/lease receivables are written off when, in the opinion of the management, unreliability has become certain.

1.13.2 Non-Financial Assets

Such assets including property, plant, equipment (PPE), intangible assets, investment property and inventory are written off when, in the opinion of the management, such asset has become obsolete, damaged beyond repair, stolen and uneconomical to use.

1.14 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- Provisions involving substantial degree of estimation in measurement are recognized when there is a present legal or constructive obligation as a result of past events, and it is probable that there will be an outflow of resources.
- Contingent Liabilities are not recognized but are disclosed in the notes in any of the following cases: -
 - a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
 - a reliable estimate of the present obligation cannot be made; or
 - a possible obligation unless the probability of outflow of resource is remote.

- (c) Contingent Liability is net of estimated provisions considering possible outflow on settlement.
- (d) Contingent Assets are not recognized but are disclosed where an inflow of economic benefits is probable.
- (e) Contingent Assets, Contingent Liabilities and Provisions needed against Contingent Liabilities are reviewed at each balance sheet date.

1.15 Non-Current Assets Held for Sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sales expected within one year from the date of classification. Non-current assets classified as held for sale is recognized at lower of its carrying amount and fair value less cost to sell.

1.16 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

1.17 Financial Instruments

1.17.1 Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and financial liabilities are recognized at fair value on initial recognition except for trade receivables/ trade payables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit and loss are added or deducted to/from the fair value on initial recognition.

1.17.2 Subsequent measurement

- (a) Financial assets are subsequently measured at amortised cost if these are held within a business model whose objective is to hold the assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding using the effective interest rate (EIR) method. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.
- (b) Financial assets at fair value through profit or loss
Financial assets are measured at fair value through profit or loss unless it is classified at amortised cost.
- (c) Financial liabilities
Financial liabilities at fair value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Profit or Loss.
All other financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

1.17.3 De-recognition of financial instruments

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability or a part of financial liability is de-recognised from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. 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 recognised in the statement of profit or loss.

1.18 EQUITY INSTRUMENT

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all its liabilities. Expense relating with increase/decrease in equity instrument and increase in authorised share capital are charged to statement of profit & loss in the year in which incurred

1.19 Leases: -Company as a Lessee

The Company's leased assets primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over lease term.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability.

The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant, and equipment. Right-of-Use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.20 Leases: - Company as a Lessor

Leases for which the Company is a lessor is classified as a Finance or Operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis/systematic basis over the lease term. However, reimbursable under the contract are accounted for on an accrual basis. Initial direct costs are added to the carrying amount of the leased assets and recognized as an expense over the lease term.

2.0 Notes To Accounts

2.01 Property Plant & Equipment

Following are the Changes in the Carrying Value of Property, Plant & Equipment For the Year Ended 31.03.2023

Description	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2022	Additions During The Period	Adjustment During The Period	Deletions During The Period	Total As at 31.03.2023	As at 01.04.2022	For The Period	Adj During The Period	Deletions During The Period	Total As at 31.03.2023
Building	5,467.00	33.57	(30.06)	-	5,470.52	198.68	90.88	(0.12)	-	289.43
Plant and Equipment										
Wind Mill Plant At Jaisalmer (26 Mw)	15,222.46	-	-	-	15,222.46	3,932.89	608.90	-	-	4,541.79
Air Conditioning	2.20	8.70	(0.22)	-	10.68	0.08	1.0	(0.01)	-	1.08
Furniture & Fixtures	71.71	11.28	6.09	-	89.09	2.92	13.53	0.24	-	16.68
Office Equipment	20.72	11.48	2.68	-	34.88	1.19	5.71	0.11	-	7.01
Others										
Computer and Equipment	19.87	11.20	(0.02)	-	31.05	11.02	5.89	0.03	-	16.93
Sub Total	20,803.97	76.23	(21.52)	-	20,858.68	4,146.78	725.91	0.24	-	4,872.93
Grand Total	20,803.97	76.23	(21.52)	-	20,858.68	4,146.78	725.91	0.24	-	15,985.75

- 1) In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement. Addition during the period includes capitalisation on account of renovation of building at Mumbai, furniture & fixtures, air-conditioner and office equipment etc. The capitalisation is based on the assessment of the management and provisional bills submitted by PMC/ contractor subject to adjustment in the year of final settlement of the contractor/vendor bill.
- 2) Adjustment during the period includes necessary adjustment arising out of finalisation/ settlement of final bill submitted by contractor on account of renovation of building at Bhikaji cama place.

Following are the Changes in the Carrying Value of Property, Plant & Equipment For the Year Ended 31.03.2022

Description	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2021	Additions During The Period	Adjustment During The Period	Deletions During The Period	Total As at 31.03.2022	As at 01.04.2021	For The Period	Adj During The Period	Deletions During The Period	Total As at 31.03.2022
Building	5,270.87	196.13	-	-	5,467.00	110.01	88.68	-	-	198.68
Plant And Equipment										
Wind Mill Plant At Jaisalmer (26 Mw)	15,222.46	-	-	-	15,222.44	3,323.99	608.90	-	-	3,932.89
Air Conditioning	-	2.20	-	-	2.20	-	0.08	-	-	0.08
Furniture & Fixtures	-	71.71	-	-	71.71	-	2.92	-	-	2.92
Office Equipment	3.67	20.54	(3.48)	-	20.72	0.79	0.98	(0.58)	-	1.19
Others										
Computer and Equipment	17.77	6.51	3.48	(7.90)	19.87	10.28	6.93	0.58	(6.77)	11.02
Sub Total	20,514.77	297.09	-	(7.90)	20,803.95	3,445.07	708.49	-	(6.77)	4,146.79
Grand Total	20,514.77	297.09	-	(7.90)	20,803.95	3,445.07	708.49	-	(6.77)	16,657.16

In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement. Addition during the period includes capitalisation on account of renovation of building at Bhikaji cama place, furniture & fixtures, air-conditioner, and office equipment etc. The capitalisation is based on the assessment of the management and provisional bills submitted by PMC/ contractor subject to adjustment in the year of final settlement of the contractor/vendor bill.

2.01.1 Capital Work In Progress

(₹ in Lakhs)

Description	Gross Block					Depreciation/Amortisation					Net Block
	CWIP	Additions During The Period	Adjustment During The Period	Deletions During The Period	Total	CWIP	For The Period	Adj During The Period	Deletions During The Period	Total	
As at 31.03.2023	9.36	613.85	(48.05)	-	575.16	-	-	-	-	-	575.16
As at 31.03.2022	1.15	295.67	(287.46)	-	9.36	-	-	-	-	-	9.36

2.02 Right of Use Assets

Following are the Changes in the Carrying Value of Right of Use Assets For the Year Ended 31.03.2023

(₹ in Lakhs)

Description	Gross Block					Depreciation/Amortisation					Net Block
	AS AT 01.04.2022	Additions During The Period	Adjustment During The Period	Deletions During The Period	As at 31.03.2023	As at 01.04.2022	For The Period	Adj During The Period	Deletions During The Period	As at 31.03.2023	As at 31.03.2023
Leasedhold											
Land (Wind Mill Plant At Jaisalmer)	90.69	-	-	-	90.69	12.63	4.21	-	-	16.84	73.85
Total	90.69	-	-	-	90.69	12.63	4.21	-	-	16.84	73.85

Right of Use Assets

Following are the Changes in the Carrying Value of Right of Use Assets For the Year Ended 31.03.2022

(₹ in Lakhs)

Description	Gross Block					Depreciation/Amortisation					Net Block
	As at 01.04.2021	Additions During The Period	Adjustment During The Period	Deletions During The Period	As at 31.03.2022	As at 01.04.2021	For The Period	Adj During The Period	Deletions During The Period	As at 31.03.2022	As at 31.03.2022
Leasedhold											
Land (Wind Mill Plant At Jaisalmer)	90.69	-	-	-	90.69	8.42	4.21	-	-	12.63	78.06
Total	90.69	-	-	-	90.69	8.42	4.21	-	-	12.63	78.06

2.03 Intangible Assets

Following are the Changes in the Carrying Value of Intangible Assets For the Year Ended 31.3.2023 & 31.03.2022

(₹ in Lakhs)

Description	Gross Block					Depreciation/Amortisation					Net Block
	Opening	Additions during the year	Adjustment during the year	Deletions during the year	Closing	Opening	For the period	Adj during the period	Deletions during the period	Closing	
Software (Acquired)											
As At 31.03.2023	1.55	-	-	-	1.55	1.55	-	-	-	1.55	-
As At 31.03.2022	1.55	-	-	-	1.55	1.55	-	-	-	1.55	-

2.04 Other Non Current Financial Assets

(₹ in Lakhs)

Particulars	Note No	As at 31.03.2023	As at 31.03.2022
Bank Deposits Having Maturity Over 12 Months From Reporting Date	2.07.3	1.43	-
Interest Accrued - On Bank Deposits		0.08	-
Total		1.51	-

2.05 Other Non Current Assets

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Capital Advance		
Capital Advance-Related Party	20.26	31.66
Advances Other Than Capital Advance		
Security Deposit Considered Goods- Unsecured	121.56	121.56
Advances to Suppliers	-	-
Prepaid Expenses-Non Current	3.62	4.82
Advance Income Tax (Net Of Provision)	284.67	153.89
Total	430.11	311.93

2.06 Current Trade Receivables

Particulars	As at 31.03.2023	As at 31.03.2022
Trade Receivable Considered Good -Secured	-	-
Trade Receivable Considered Good -Unsecured (Related Party)	3,764.65	5,752.64
Trade Receivable Which Have Significant Increase In Credit Risk		
Trade Receivable -Credit Impaired (Related Party)	246.81	251.11
Less:	4,011.46	6,003.75
Allowance For Expected Credit Losses	(246.81)	(251.11)
Total	3,764.65	5,752.64

2.06.1 Trade receivables ageing schedule for the FY 2022-23

(₹ in Lakh)

Particulars	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade receivables – considered good	-	1,810.05	789.46	848.86	316.28	-	3,764.65
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	246.81	246.81
Undisputed Trade Receivables – credit impaired							
Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk							
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
		1,810.05	789.46	848.86	316.28	246.81	4,011.46
Unbilled Revenue Assets							1,022.98
Total							5,034.44

Trade receivables ageing schedule for the FY 2021-22

(₹ in Lakh)

Particulars	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade receivables – considered good	-	2634.8	2501.44	556.95	59.45	-	5752.64
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	185.11	185.11
Undisputed Trade Receivable –Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	66.00	66.00
Total	-	2634.8	2501.44	556.95	59.45	251.11	6003.75
Unbilled Revenue Assets							779.27
Total							6783.02

2.07 Cash And Bank Balances

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
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2.07.1 Cash & Cash Equivalents

Bank Balances In :

Current Accounts	103.50	25.47
Deposits #	2,804.92	466.72
Total	2,908.42	492.18

2.07.2 Other Bank Balances

Deposits ##	1,993.59	2,614.87
Total	1,993.59	2,614.87

2.07.3 Bank Balances More than 12 Months Maturity (Note 2.04)

Deposits ###	1.43	-
Total	1.43	-
Total Cash & Bank Balances	4,903.44	3,107.05

Includes flexi deposit and deposits having maturity within 3 months from the date of acquisition.

a) Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date.

b) Includes restricted cash and bank balances of ₹ 33.40 Lakh (previous year ₹ 33.37 Lakh) margin on account of bank balance held as money deposits against guarantees issued by banks

Having maturity over 12 months reporting date.

2.08 Other Current Financial Assets

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
Interest Accrued on:			
Bank Deposits Having Maturity:			
Within 3 Months From the Date of Acquisition			-
Over 3 Months From the Date of Acquisition and Upto 12 Months From Reporting Date		7.81	30.35
Recoverable From Related Parties		240.78	100.43
Recoverable From Non Related Parties		3.03	-
Unbilled Revenue	2.35	1,022.98	779.27
Total		1,274.60	910.04

2.09 Other Current Assets

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Prepaid Expenses	16.01	16.29
Staff Advance	1.20	0.26
Total	17.21	16.55

2.10 Equity Share Capital

(₹ in Lakhs)

PARTICULARS	As at 31.03.2023	As at 31.03.2022
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2.10.1 Authorised

1,00,00,00,000 (Previous Year 1,00,00,00,000) Equity Shares of ₹ 10/- Each	1,00,000.00	1,00,000.00
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2.10.2 Issued, Subscribed And Fully Paid-Up

10,50,00,000 (Previous Year 10,50,00,000) Equity Shares of ₹ 10/- Each	10,500.00	10,500.00
	10,500.00	10,500.00

	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
2.10.3 Reconciliation Of Number Of Equity Shares				
Opening Balance	10,50,00,000	10,500.00	10,50,00,000	10,500.00
Add/(Less) During the Year	-	-	-	-
Closing Balance	10,50,00,000	10,500.00	10,50,00,000	10,500.00

2.10.4 Rights, Preferences And Restrictions Attached To Equity Shares

The company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held in case poll is demanded by the members in accordance with the provisions of the companies act, 2013. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

2.10.5 Equity Shares held by Holding Company & its Nominees

	As at 31.03.2023	As at 31.03.2022
	No. of Shares	No. of Shares
Rites Ltd.	5,35,50,000	5,35,50,000

2.10.6 Equity Shares held by Each Shareholder More Than 5% of Shares

	No. of Shares(% Shareholding)	No. of Shares(% Shareholding)
Rites Ltd	5,35,49,970 (50.99%)	5,35,49,970 (50.99%)
Indian Railways	5,14,49,980 (48.99%)	5,14,49,980 (48.99%)

2.10.7 Fully Paid up Aggregate Number Of Equity Shares Allotted By Way Of Bonus Shares during the year of Five Years Immediately Preceding Balance Sheet Date:

The company had issued 350,00,000 equity shares of ₹ 10/- each as fully paid bonus shares in the financial year 2020-21 in the ratio of one equity share of ₹ 10/- each for every two equity shares held.

2.10.8 Shareholding Of Promoters:-**Shares held by promoters at the end of the year**

S.No. Promoter Name	END OF THE YEAR		BEGINNING OF THE YEAR		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
1 RITES LTD.	5,35,49,970	51.00	5,35,49,970	51.00	-
2 Ministry of Railways	5,14,49,980	49.00	5,14,49,980	49.00	-
3 Shri Rahul Mithal	10	0.00	10	0.00	-
4 Shri Gopi Suresh Kumar Varadarajan	-	-	10	0.00	(100)
5 Shri Arun Kumar Singh	10	0.00	-	-	100
6 Shri B.P. Nayak	10	0.00	10	0.00	-
7 Shri B.S. Bodh	10	0.00	10	0.00	-
8 Shri Ajeet Kumar Srivastava	10	0.00	10	0.00	-
Total	10,50,00,000		10,50,00,000		

2.11 Other Equity (₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
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2.11.1 Reserve & Surplus

General Reserve*	5,078.12	5,078.12
Retained Earning	7,959.13	6,045.48

2.11.2 Other Comprehensive Income

Other Comprehensive Income	-	-
Total	13,037.25	11,123.60

*The general reserve represents amount kept by the company out of its profit for future purposes. It is not earmarked for any specific purpose.

2.11.3 Retained Earning

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Opening Balance	6,045.48	2,413.40
Add: Profit for the Year as per Statement of Profit & Loss	5,903.65	4,532.08
Less: Final Dividend Paid	(1365.00)	(900.00)
Less: Interim Dividend Paid for the Year 2022-23	(2625.00)	-
Closing Balance	7,959.13	6,045.48

2.12 Borrowings

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
Secured Term Loan From Indian Bank *		-	2,464.75
Less: Current Maturity of Upto One Year From Reporting Date (Showing as Current Borrowing)		-	766.46
Total		-	1,698.29

*The entire term loan has been repaid during the month of May 2022 and Security charge has been satisfied in full on 24.05.2022.

2.13 Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
Expected Credit Loss Of Financial Assets		(71.87)	(73.12)
Difference of Depreciation As Per Income Tax Act And Companies Act		3,501.03	3,571.83
Mat Credit Entitlement		(391.27)	(1470.55)
Total		3037.89	2028.15

2.14 Current Trade Payables

(₹ in Lakhs)

Particulars	NOTE NO.	As at 31.03.2023	As at 31.03.2022
Creditors For Supplies And Services			
Micro & Small Enterprises	2.37	8.95	4.62
Other Than Micro & Small Enterprises (Related Party)		133.02	89.33
Other Than Micro & Small Enterprises (Others)		182.14	265.67
Total		324.11	359.62

2.14.1 Trade Payable Ageing Schedule for the FY 2022-23

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	6.83	-	-	-	6.83
(ii) Others	-	315.16	-	-	-	315.16
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iii) Disputed Dues-Others	-	-	-	-	-	-
Total	-	321.99	-	-	-	321.99
Unbilled Payable						2.12
Total						324.11

Trade Payable Ageing Schedule for the FY 2021-22

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	4.62	-	-	-	4.62
(ii) Others	-	349.68	2.82	-	-	352.50
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iii) Disputed Dues-Others	-	-	-	-	-	-
Total	-	354.30	2.82	-	-	357.12
Unbilled Payable						2.50
Total						359.62

2.15 Other Current Financial Liabilities (₹ in Lakhs)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
Interest Accrued and Due on Borrowings		-	15.74
Emd/Security Deposit		37.91	17.23
Other Payable of Other than MSME		8.14	-
Total		46.05	32.97

2.15.1 Current Provisions (₹ in Lakhs)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
Unspent CSR Liabilities		-	10.04
Total		-	10.04

2.16 Other Current Liabilities (₹ in Lakhs)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
Statutory Liabilities		79.55	102.95
Total		79.55	102.95

2.17 Current Tax Liabilities (Net) (₹ in Lakhs)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
Current Tax Payable for the Current Year		-	1,124.64
Less: Taxes Paid including Tax Deducted at Source		-	(903.90)
Total		-	220.74

2.18 Revenue From Operations (₹ in Lakhs)

Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
Sale of Services			
Consultancy Fee (Gross)		10,173.07	7,833.42
Less: Goods & Service Tax (Gst)		1,646.99	1,284.84
Consultancy Fee (Net)		8,526.08	6,548.58
Consultancy Fee (Unbilled Revenue)	2.36	905.32	623.84
Power Generation			
Sale of Electrical Energy - Electricity		1,865.53	1,982.29
Sale of Electrical Energy - Electricity (Unbilled Reveune)	2.36	117.66	155.43
Total		11,414.59	9,310.14

2.19 Other Income (₹ in Lakhs)

Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
Interest Earned on:			
- Deposits With Bank		140.98	111.52
Miscellaneous Income*		150.42	91.70
Total		291.40	203.22

* Sale of tender document, scrap sales, Penalties/Compensation received etc.

2.20 Fee for service obtained (₹ in Lakhs)

Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
Man-month expense		925.98	720.90
Consultancy Charges- Control Room		18.58	122.24
Other Consultancy Charges		107.13	68.71
Total		1,051.69	911.85

2.21 Finance Cost (₹ in Lakhs)

Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
On Term Loan		24.07	211.57
Interest Others*		18.43	-
Total		42.50	211.57

* Include interest on Income Tax of ₹ 17.80 (P.Y ₹ Nil Lakhs)

2.22 Generation Expenses (₹ in Lakhs)

Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
Transmission, Wheeling & Sldc Charges		570.51	482.24
Operation & Maintenance		321.70	306.27
Total		892.21	788.51

2.23 Depreciation & Amortisation Expenses (₹ in Lakhs)

Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
On Property Plant & Equipments	2.01	726.15	708.49
On Right of Use	2.02	4.21	4.21
On Intangible Assets	2.03	-	-
Total		730.36	712.70

2.24 Other Expenses (₹ in Lakhs)			
Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
Legal & Professional Expenses		83.21	35.27
Office Expenses		38.82	34.08
Travelling Expenses		19.27	11.93
Auditors' Remuneration	2.24.1	3.43	3.70
Advertising Expenses		-	48.55
Power & Utilities		12.09	-
Consultancy Charges		0.30	-
Printing & Stationery		4.75	2.64
Insurance		21.49	21.98
Rates & Taxes		34.62	17.69
Postage & Telecommunication		1.90	-
Internal Audit Fee		0.48	0.70
Bank Charges		0.23	0.41
Corporate Social Responsibility		101.04	90.65
Car Hire Charges		19.99	15.29
Impairment of Doubtful Debts		49.70	5.51
Director's Sitting Fee		0.80	2.10
Miscellaneous Expenses (Sponsorship, Meeting Expense, Etc.)		14.56	15.14
Total		406.68	305.64
2.24.1 Auditors' Remuneration (₹ in Lakhs)			
Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
Statutory Audit Fee		1.48	1.40
Tax Audit Fee		0.87	0.87
Quarterly Audit		0.75	0.72
Gst Audit		-	-
Other Services i.e., Certification Etc.		-	0.20
Total		3.10	3.19
Auditors' Out Of Pocket Expenses		0.33	0.51
2.25 Income Tax Expense (₹ in Lakhs)			
Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
Current Tax Expense			
Current Year	2.27	1,466.49	1,124.64
Total Current Tax Expense (A)		1,466.49	1,124.64
Deferred Tax Expenses			
Deferred Tax		(69.54)	(50.24)
Mat Credit Entitlement/Availed		1,079.28	824.82
Total Deferred Tax Expense (B)		1,009.74	774.58
Income Tax Expense (A)+(B)		2,476.23	1,899.22

DISCLOSURES AS PER INDIAN ACCOUNTING STANDARDS (IND-AS):

2.26 Indian Accounting Standard (Ind AS-1): Disclosures on Presentation of Financial Statements are as follows:

a) Subsequent Event-Dividend

The Company has proposed a sum of ₹ 3150 Lakhs (About ₹ 3) per share to 1050 Lakhs equity shares) as final dividend for FY 2022-23 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 3150 Lakhs.

2.27 Indian Accounting Standard (Ind AS 12), Disclosures on Income Taxes are as follows:

The Company has not opted to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as promulgated by the GOI vide the Taxation Laws (Amendment) Ordinance, 2019 due to available balances of unabsorbed MAT credit and losses on due to un-absorbed depreciation. The turnover of the Company during FY 2018-19 was less than 400 Cr, accordingly, continues to pay tax at the rate of 25% plus surcharge & HEC.

a) Income tax expense in the statement of profit and loss comprises:

Particulars	(₹ in Lakhs)	
	Year Ended 31.03.2023	Year Ended 31.03.2022
Income Tax Expenses		
- Current Taxes	1466.49	1124.64
- Deferred Tax (Net of Mat Credit)	1009.74	774.58
Net Income Tax Expenses	2476.23	1899.22

Entire Deferred Tax for the current year ended March 31st, 2023, and Previous Year ended March 31, 2022, relates to origination and reversals of temporary differences.

b) Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate is summarized below:

Particulars	(₹ in Lakhs)	
	Year Ended 31.03.2023	Year Ended 31.03.2022
Profit Before Income Taxes on Normal Business	8379.88	6431.30
Enacted Tax Rates in India on Normal Income	29.12%	29.12 %
Enacted Tax Rates in India on Normal Income (under MAT provision)	17.47%	17.47%
Computed Expected Tax Expense	2440.22	1872.79
Tax Effect due to change in Tax Rate	-	-
Effect of Non-Deductible Expenditures (NDE)	35.60	26.75
Tax effect due to non-taxable income	-	-
Tax effect due to earlier period taxes	0.41	-
Tax Reversal and Others	-	(0.32)
Current Tax Expense	2476.23	1899.22

c) The following table provides the details of income tax assets and liabilities as of March 31, 2023, and March 31, 2022:

Particulars	(₹ in Lakhs)	
	As at	
	31.03.2023	31.03.2022
Income Tax Assets	284.67	153.89
Current income tax liabilities	(3037.89)	(2248.89)
Net Current Income Tax Assets/(Liability) at the end	(2753.22)	(2095.00)

- d) The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2023, and previous year ended March 31, 2022, are as follows:

Particulars	(₹ in Lakhs)	
	As at	
	31.03.2023	31.03.2022
Net current income tax asset/(liability) at the beginning	(2095.00)	(1099.67)
Income Tax paid- (Net of Refund)	1818.01	903.89
Interest receivable on IT refund	-	-
Current income tax expense	(2476.23)	(1899.22)
Net Current Income Tax Asset/(Liability) at the end	(2753.22)	(2095.00)

- e) The tax effects of significant temporary differences that resulted in deferred income tax asset and liabilities are as follows:

Particulars	(₹ in Lakhs)	
	As at	
	31.03.2023	31.03.2022
Deferred Income Tax Assets:		
Provision for expected credit risk	71.87	73.12
Total Deferred Income Tax Assets - I	71.87	73.12
Mat Credit Entitlement	391.27	1470.56
Total Assets Including Mat Credit	463.14	1543.68
Deferred Income Tax Liabilities:		
Property Plant & Equipment, Furniture & Fixtures, (Depreciation difference)	3501.03	3571.83
Interest accrued on income tax refund but not received	-	-
Total Deferred Income Tax Liabilities - II	3501.03	3571.83
Deferred Income Tax Assets after set- off	-	-
Deferred Income Tax Liabilities after set -off	3037.89	2028.15

Deferred tax assets and deferred tax liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making the assessment.

Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of deferred income tax assets considered realizable could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

The gross movement in the deferred income tax account for the current year March 31, 2023, and previous year ended March 31, 2022, are as follows: -

Particulars	(₹ in Lakhs)	
	Year ended	
	31.03.2023	31.03.2022
Net deferred income tax asset/(liability) at the beginning	(2028.15)	(1253.56)
Credit/(Change) relating to temporary differences	(1009.74)	(774.59)
Net Deferred Income Tax Asset/(Liability) at the end	(3037.89)	(2028.15)

- f) The composition of deferred liabilities relating to temporary differences during the Year ended March 31, 2023, is primarily on account of property plant and equipment.

2.28 Indian Accounting Standards (Ind AS) 23, Disclosures on Borrowing Cost are as follows:

The outstanding Term Loan has been repaid in May 2022. The company had borrowed the term loan of ₹ 12058.55 Lakhs from Indian Bank for setting up 26 MW Windmill plants at Jaisalmer, Rajasthan in financial year 2015-16. The entire amount of loan was borrowed during the financial year 2015-16.

During the current year company has incurred interest cost of ₹ 24.07 Lakh (Previous Year ₹ 211.57 Lakhs)

2.29 Indian Accounting Standard (Ind AS) 24, Related Party Disclosures are as follows: -

RELATED PARTY: -

(a) Holding Company

Name	Country	Holding as on	
		31.03.2023	31.03.2022
M/s RITES Ltd	India	51%	51%

(b) Ministry of Railways

Name	Country	Holding as on	
		31.03.2023	31.03.2022
Indian Railways	India	49%	49%

(c) Key Managerial Personnel- RITES LIMITED (Holding Company)

Chairman & Managing Director and Chief Executive Officer

Shri Rahul Mithal

Whole Time Directors

Shri Gopi Suresh Kumar Varadarajan - Director Projects (Up to 31-07-2022)

Shri Anil Vij - Director Technical (Up to 28-02-2023)

Shri Deepak Tripathi- Director Technical (From 27-03-2023)

Shri Bibhu Prasad Nayak - Director Finance and Chief Financial Officer

Shri Arun Kumar Singh- Director Projects (From 26-09-2022)

Government Nominee Directors

Shri Raj Kumar Mangla

Shri Sandeep Jain

Non-Executive (Independent) Directors

Smt. Godawari Mishra

Shri Laxman T. Tapasi

Shri (Dr) Dineshananda Goswami

Shri Likha Togu

Company Secretary

Shri Joshit Ranjan Sikidar

(d) Key Managerial Personnel of the company

Chairman

Shri Rahul Mithal

Directors

Shri Gopi Suresh Kumar Varadarajan (Up to 31-07-2022)

Shri Ajeet Kumar Srivastava

Shri Manish Gupta

Shri Bibhu Prasad Nayak (Up to 31.07.2023)

Shri Arun Kumar Singh (From 06-10-2022)

Non-Executive (Independent) Directors

Smt. Sheela Kaul (up to 24-07-2022)

Chief Executive Officer

Shri Ajay Kumar Singhal

Chief Financial Officer

Shri Anjeev Kumar Jain

Company Secretary

Shri Ranjan Kumar Tiwary

(e) Transactions and Balance with Related Parties

Outstanding balances from the related parties are un-secured, which are due towards ordinary course of business and are being realized within a reasonable time.

i) Holding company

Transactions with Holding Company

(₹in Lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Fee for services obtained (Management Contract) Man-Month	930.79	725.22
Salary Re-imbursement of CEO, CFO and Company Secretary	202.67	151.79
Reimbursable Expense	7.13	308.94
NCC CWIP-Inspection Fee	7.53	-
Dividend Paid	2034.90	459.00
Capital Advance	27.48	226.93

Balances with Holding Company

(₹in Lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Trade Payable	131.87	85.90
Other-Trade Payable	8.14	-
Reimbursable	1.14	3.44
Equity Share Capital	5355.00	5355.00
Capital Advance	20.26	31.66

ii) Ministry of Railways

Transactions with Ministry of Railways

(₹in Lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Revenue		
- Consultancy	9298.01	7139.17
- Power Generation	1983.19	2137.72
Recoverable	140.35	25.39
Dividend Paid	1955.10	441.00

Balances with Ministry of Railways

(₹ in Lakhs)		
Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Trade Receivable		
- Consultancy	3807.42	5630.20
- Power Generation	204.04	307.37
Recoverable	240.78	100.43
Equity Share Capital	5145.00	5145.00

iii) Transactions with Key Management Personnel:

The CEO, CFO & Company Secretary are the employees of the holding company i.e., RITES Ltd and they have been deputed in the subsidiary company. The salary & other benefits viz. PF, pensions etc. of CEO, CFO & Company Secretary are being paid directly by RITES Ltd. (holding company) after deduction of statutory dues e.g., TDS under Income Tax Act, PF under Employee Provident Fund Act etc. for rendering service to subsidiary company, fees are charged at man-month rate basis.

(₹ in Lakhs)		
Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Salary Re-imbursement of CEO, CFO and Company Secretary	202.67	151.79
Sitting fee to Non-Executive Independent Director	0.80	2.10

iv) Government related entities

The Company is a subsidiary of Central Public Sector Undertaking (CPSU) controlled by the Central Government by holding the majority of shares (refer note no 2.11.6). Pursuant to paragraph 25 & 26 of Indian Accounting Standard 24, entities over which the same Government has control or joint control of, significant influence, then reporting entity and other entities shall be regarded as related party.

The Company has made various transactions with the Ministry of Railways and with entities being controlled or jointly controlled or having significant influences of Ministry of Railways. The transactions with them are disclosed under Note No.2.29 (e) (ii).

2.30 Indian Accounting Standard (Ind AS) 33, Disclosures on Earning per Share (EPS) are as follows:

Particulars		Year Ended 31.03.2023	Year Ended 31.03.2022
A	Net Profit for the year (₹ in Lakhs)	5903.65	4532.08
B	Amount available for Equity Shareholder (₹ in Lakhs)	5903.65	4532.08
C	Weighted average number of Equity Shares (No's)	10,50,00,000	10,50,00,000
D	Earnings Per Share (Basic & Diluted) (B)/(C)	5.62	4.32
E	Face value per equity share	₹10/-	₹10/-

2.31 Indian Accounting Standard (Ind AS) 36, Disclosures on Impairment of Assets are as follows:

The company has carried out the assessment on impairment of assets in terms of Indian Accounting standard (Ind AS) 36, Impairment of Assets and management does not perceive any impairment in the value of the carrying amount of PPE.

2.32 Indian Accounting Standard (Ind AS) 37, Disclosures on Provisions, Contingent Liabilities and Contingent Assets are as follows:

Contingent liabilities and Commitments to the extent not provided for include:

(i) Contingent Liabilities:

- (a) Claim against the company not acknowledged as debt- ₹Nil (Previous Year Nil)
- (b) Other money for which company may be contingently liable: - On account of wheeling & Transmission charges for 26 MW windmill plant of company at Jaisalmer, an amount of ₹ 161.55 Lakhs (Previous Year ₹ 161.55 Lakhs) for which Company may be contingently liable to Rajasthan state utilities.

(ii) Commitment.

Estimated amount of contract remaining to be executed on capital account and not provided for as at 31.03.2023 is ₹ 427.25 lakh (Previous Year ₹ Nil)

(iii) Contingent Assets:

The company has installed its 26 MW Windmill Plant at Jaisalmer, Rajasthan for utilization of energy generated from Windmill Plant by WCR for a period of 25 years in accordance with Power Purchase Agreement (PPA) signed between West Central Railways (WCR) and Company. The Windmill Plant was commissioned on 16.10.2015 and since then energy generated from Windmill Plant was being continuously utilized by Indian Railways through WCR up to 09.01.2017 at three Traction Sub Stations (TSS) in Rajasthan State connected as a consumer of Rajasthan DISCOM i.e., Jaipur Vidyut Vitran Nigam limited (JVVNL).

With effect from 10.01.2017, open access status was permitted to Indian Railways as deemed distribution licensee in the state of Rajasthan. Accordingly, Railways started taking power at Six TSSs in Rajasthan as a deemed distribution licensee through open access route and accordingly accountal/methodology for utilization of energy generated by Windmill Plant had to be changed from consumer mode to Deemed Distribution licensee Mode. Utilization of wind energy by WCR under Deemed Distribution Mode had been started with effect from 27.04.2017 and during transition period i.e., from 10.01.2017 to 26.04.2017 energy generated by Windmill Plant was fed into Rajasthan State Grid and for this period accountal for Wind energy had not been considered by JVVNL. Accordingly, the TSSs initially taking power from 26 MW Wind Power Plant were disconnected as a Consumer of JVVNL and connected with RRVNPL as licensee and WCR is contesting that payment to REMCL for the month of January'17 to April'17 was withheld as wind energy for the above period has not been set off from the conventional energy drawn from other generating company.

In this regard, a petition was filed in Rajasthan Electricity Regulatory Commission (RERC) for realization of the wind energy charges during this period (i.e., 10.01.2017 to 26.04.2017) as this power was fed into the Rajasthan State Grid. As per RERC order dt.05.11.2018, "The commission is of the considered view that the petitioner (REMCL) is not entitled for Adjustment of energy wheeled from its CPP after termination of WBA". Accordingly, the petition was disposed off. Aggrieved by the above RERC order dated 05.11.2018, Company filed an appeal before APTEL on 20.12.2018. The last hearing was held on 28.03.2023. Next hearing date is awaited.

In present circumstances, there is uncertainty regarding realization of revenue therefore, revenue amounting to ₹ 680.64 Lakhs for the period 10.01.2017 to 26.04.2017 has been postponed and not recognized.

2.33 Indian Accounting Standards (Ind AS) 108, Disclosures on operating segments are as follows:

Operating segments are defined as components of an enterprise for which discrete financial information is available which is being evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and assessing performance. The company's chief operating decision maker is the Chief Executive Officer and Chairman.

- a) Company has identified two operational reportable segments based on operations being carried out which are as under: -
 - Power Generation
 - Consultancy

- b) The company entire operation is within geographical region of India.
- c) The accounting principles used in the preparation of the financial statements are consistently applied to record revenue & expenditure in individual segments, as set out in the note of significant accounting policies.
- d) Revenue & direct expenses in relation to segments are allocated based on items that are individually identifiable to that segment while the remaining costs are categorized as unallocated expense as the underlying services are used inter-changeably.
- e) Operational Segment

(₹in Lakhs)

Description	Year Ended 31.03.2023			Year Ended 31.03.2022		
	Power Generation	Consultancy Services	Total	Power Generation	Consultancy Services	Total
Revenue	1983.19	9431.40	11414.59	2137.72	7172.42	9310.14
Identifiable operating expenses	1569.49	948.38	2517.87	1654.72	854.23	2508.95
Segmental profit/(Loss) from operations	413.70	8483.02	8896.72	483.00	6318.19	6801.19
Add: Interest Income*			140.98			111.52
Add: Other Income **			150.42			91.70
Less: Un-allocable Finance Cost			18.43			-
Less: Un-allocable other Expenses			789.80			573.10
Net Profit Before Tax			8379.88			6431.30
Less: Income Tax (including Deferred Tax)			(2476.23)			(1899.22)
Net Profit After Tax			5903.65			4532.08
Additional Information:						
Depreciation & amortization	613.11	-	613.11	613.11	-	613.11
Depreciation- Un-allocable			117.25			99.59
Non-cash expenses other than depreciation & amortization	-	-	49.70	-	-	5.51
Reversal of Impairment losses	-	-	65.15	-	-	Nil
SEGMENT ASSETS & LIABILITIES						
PPE	10680.67	-	10680.67	11289.57	Nil	11289.57
Right of Use Assets	73.85	-	73.85	78.06	Nil	78.06
Intangible Assets	Nil	Nil	Nil	Nil	Nil	Nil
Other Assets	280.78	5460.36	5741.14	429.64	6340.55	6770.19
Total Segmental Assets	11035.30	5460.36	16495.67	11797.27	6340.55	18137.82
Add: Un-allocable Assets- PPE***			5305.07			5367.59
Add: Un-allocable Assets other than PPE***			5224.11			3337.38
Total Assets			27024.85			26842.79
Non-Current Liabilities	-	-	-	1698.29	-	1698.29
Current Liabilities	127.95	173.57	301.53	932.51	166.07	1098.58
Total Segmental Liabilities	127.95	173.57	301.53	2630.80	166.07	2796.87
Add: Un-allocable Liabilities***			3186.07			2422.36
Total Liabilities			3487.60			5219.23

* Interest income includes interest on bank deposits and income tax refund etc.

** Other income includes sale of tender documents, scrap sales and Penalties/compensation received etc.

*** Un-allocable assets and liabilities including current and non-current are common in nature for all and cannot be allocated to a specific segment.

Note: No Impairment and its reversal have been recognized in other Comprehensive Income (OCI) during the Year ended 31.03.2023 and Year ended 31.03.2022.

- f) Out of total Operating Revenue of ₹11,414.59 (Previous Year ₹ 9310.14 Lakh), Revenue of ₹ 11281.20 Lakhs (Previous Year ₹ 9276.89 Lakh) is derived from a single customer (i.e., Indian Railways)

2.34 Disclosures on Indian Accounting Standard (Ind AS) 107, Financial Instruments are as follows:

a) Financial Instruments by category:

The carrying value and fair value of financial instruments by categories wise as on 31st March 2023 are as under:

(₹ in Lakhs)

Particulars	Total carrying value	Amortized Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance	4903.44	4903.44	-	-	-	-
Trade Receivables	3764.65	3764.65	-	-	-	-
Other Financial Assets	1274.60	1274.60	-	-	-	-
Total	9942.69	9942.69	-	-	-	-
Financial Liabilities:						
Trade Payables	324.11	324.11	-	-	-	-
Other Financial Liabilities	46.05	46.05	-	-	-	-
Total	370.16	370.16	-	-	-	-

The carrying value and fair value of financial instruments by categories wise as on 31st March 2022 are as under:

(₹ in Lakhs)

Particulars	Total carrying value	Amortized Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance	3107.05	3107.05	-	-	-	-
Trade Receivables	5752.64	5752.64	-	-	-	-
Other Financial Assets	910.04	910.04	-	-	-	-
Total	9769.73	9769.73	-	-	-	-
Financial Liabilities:						
Trade Payables	359.62	359.62	-	-	-	-
Borrowings	2464.75	2464.75	-	-	-	-
Other Financial Liabilities	32.97	32.97	-	-	-	-
Total	2857.34	2857.34	-	-	-	-

b) Fair value hierarchy and valuation technique

To provide an indication about the reliability of method used in determining fair value, the company has classified its financial instruments into three levels prescribed under the Indian Accounting Standard (Ind AS- 113) on fair value measure.

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Fair value of financial instruments that are not traded in an active market is determined using valuation techniques and observable Inputs for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (observable inputs).

Fair value of financial assets & liabilities measure at Amortized cost as on March 31, 2023, are as follows:

(₹ in Lakhs)

Particulars	Carrying Value as on 31.03.2023	Fair Value as on 31.03.2023	Level
Financial Assets			
Trade Receivables*	3764.65	3764.65	III
Other Financial Assets*	1274.60	1274.60	III
Financial Liabilities:			
Trade Payables*	324.11	324.11	III
Other Financial Liabilities*	46.05	46.05	III

*The carrying amounts of trade receivables, trade payables, other current financial assets, and financial liabilities are considered to be same as their fair value due to their short-term nature.

Fair value of financial assets & liabilities measure at Amortized cost as on March 31, 2022, are as follows:

(₹ in Lakhs)

Particulars	Carrying Value as on 31.03.2022	Fair Value as on 31.03.2022	Level
Financial Assets			
Trade Receivables*	5752.64	5752.64	III
Other Financial Assets*	910.04	910.04	III
Financial Liabilities:			
Trade Payables*	359.62	359.62	III
Borrowings**	2464.75	2464.75	III
Other Financial Liabilities*	32.97	32.97	III

* The carrying amounts of trade receivables, trade payables, short-term loans, other current financial assets, and financial liabilities are considered to be same as their fair value due to their short-term nature.

** Due to the use of the current borrowing rate to calculate discounted cash flow, the carrying value of loan is considered same as fair value.

c) Financial Risk Management

Financial Risk Factors

The financial risk factors are as under:

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as Currency Risk and Interest rate risk. The Company operates within PAN India and all its transactions are in Indian rupees, therefore company does not have exposure to currency risk.

Since the company has repaid all its term loan in May 2022. The company does not perceive any interest rate risk. Similarly, the company placed its surplus fund in Bank FDRs with fixed rate, as such the company does not have exposure to interest risk on its financial assets.

(ii) Credit Risk

Credit Risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Primarily exposure to the credit risk at the end of current Year and previous Years is from trade receivables amounting to ₹ 3764.65 Lakhs (Previous Year ₹ 5752.64 Lakh) and unbilled revenue amounting to ₹ 1022.98 Lakhs (Previous Year ₹ 779.27 Lakhs) which are typically unsecured. Credit risk is being managed by the company through continuously monitoring the outstanding dues from the customers. Further, the company has impaired as a prudent measure, the traded receivables towards expected credit loss as per company accounting policy to the extent of ₹ 60.85 Lakh (PY ₹ 5.51 Lakh). All receivables of the company are from Indian Railways & its controlled entities and hence credit risk is bare minimum.

Movement of Impairment of Financial Assets

(₹ in Lakhs)

Sl. No.	Particulars	Balance at the beginning of the year	Provision during the year	Reversal during the year	Balance at the end of the year
1	Trade & Other Receivable	251.11	60.85	65.15	246.81

No significant credit risk on cash and Bank Balances of ₹ 4903.44 Lakhs (Previous Year ₹ 3107.05 Lakhs) is expected as company parks surplus funds with Schedule Banks having good credit adequacy ratio and least NPA as determined by RBI and guidelines of the company. The company has parked funds in fixed/Flexi Deposits of ₹ 4799.94 Lakhs (Previous Year ₹ 3081.59 Lakhs) with Schedule banks with negligible credit risks.

(iii) Liquidity Risk

The company's principal sources of liquidity are cash and bank balances and the cash flow that is generated from operations. The company has outstanding borrowings from Indian Bank amounting to ₹ Nil (Previous Year ₹ 2464.75 Lakhs). The entire outstanding borrowing has been repaid during the month of May 2022.

The installment falling due for re-payment within one year from the reporting date is amounting to ₹ Nil (Previous Year ₹ 766.46 Lakhs). The company has a working capital of ₹ 9508.77 Lakhs (Previous Year ₹ 8293.50 Lakhs) include cash and bank balances of ₹ 4903.44 Lakhs (Previous Year ₹ 3107.05 Lakhs). The company believes that the working capital and other liquid assets are sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived by the Company.

Maturities of Financial Liabilities

The table below analyses non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

(₹ in Lakhs)

As at 31.03.2023	Total Balance as on 31.03.2023	Within 1 Year	1 to 2 Years	2 to 5 years	More than 5 Years
Trade Payables	324.11	324.11	-	-	-
Other financial liabilities	46.05	46.05	-	-	-

(₹ in Lakhs)

As at 31.03.2022	Total Balance as on 31.03.2022	Within 1 Year	1 to 2 Years	2 to 5 years	More than 5 Years
Borrowings*	2464.75	766.46	766.46	931.83	-
Trade Payables	359.62	359.62	-	-	-
Other financial liabilities	32.97	32.97	-	-	-

* Based on monthly fixed repayment of ₹63.87 Lakhs.

2.35 Indian Accounting Standard (Ind AS) 115, Disclosures on Revenue from contract with customers are as follows:

- The Company presents revenue net of indirect taxes in its statement of profit & loss.
- Significant management judgments on Revenue Recognition:
Recognised amounts of contract revenues and related receivables reflect management's best estimate of each contract's outcome and stage of completion which is determined based on physical progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spent, service performed or any other method that management considered appropriate. Considering the business practises and category of clients, clauses relating to surcharge for late payment are not being considered by the management.
- Company has contracts with customers for different services which are given below: -
 - Sale of Power Generation
 - Consultancy Service
- Company has recognized revenue either on the basis of over time or point in time depending upon satisfaction of performance obligation on transferring control of goods or services to customers. Revenue has been recognized by the company over time basis if any one of the following conditions is met:
 - Customer simultaneously receives and consumes the benefits.
 - Company's performance creates or enhances an asset that the customer controls as the assets is created or enhanced.
 - Company's performance does not create with alternative use and company has enforceable right to payment for performance completed to date.

In case, none of the above condition is met, revenue recognized by the company on the basis of point in time.

e) Disaggregation Revenue information:

The below presents Disaggregated Revenues from contract with customer for the year ended 31st March 2023 from various streams of revenue. The company believe that this Disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factor.

(₹in Lakhs)

Revenue from Contracts with customers	Consultancy Services		Power Generations		Total Revenue
	Domestic	Abroad	Domestic	Abroad	
FY 2022-23	9431.40	Nil	1983.19	Nil	11414.59
FY 2021-22	7172.42	Nil	2137.72	Nil	9310.14

f) Company is rendering many project management consultancy services for and on behalf of clients where fee is due to company for professional services.

g) In most cases, payments from customers are linked with performance obligations. Wherever on the reporting date work has been performed and payment is not due as per the contract, in such cases contract assets have been created. However, where payment has been received including advance, but performance has not been completed, in such cases contract liabilities have been created. Advances received by the company for execution of work are in the nature of security i.e., a source of protection and are not for financing the project.

h) Trade receivable and contract balances

The company classifies the right to consideration in exchange of deliverables as either receivable or unbilled revenue.

Invoicing to the client is based on milestone as defined in the contract. This would result in timing of revenue recognition being different from the timing of billing to the customer. Unbilled revenue is classified as financial asset as contractual right to the consideration is depended on completion of contractual milestone.

Trade receivable and unbilled revenues are presented net of impairment in the Balance sheet. During the year, ₹65.15 (PY ₹ Nil) earlier recognized as impairment loss has been reversed.

During the year ended March 31, 2023, ₹ 779.27 Lakhs and March 31, 2022, ₹ 756.44 Lakhs of unbilled revenue as of April 1st, 2022, and April 1st, 2021, has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Balances of Receivables/Contract Assets/Contract Liabilities are as under:

(₹in Lakhs)

Particulars	As on 31.03.2023	As on 31.03.2022
Receivables	4011.46	6003.75
Contract Assets- Unbilled Revenue	1022.98	779.27
Contract Liabilities	Nil	Nil

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 & loss.

j) Cost incurred in fulfilling contracts is charged to statement of profit & loss if it is not recoverable otherwise the same is part of unbilled revenue and unbilled assets.

2.36 Indian Accounting Standard (Ind AS) 116, Disclosure on Leases are as follow: -

a) The Company has adopted Ind AS 116- "Leases" effective from 1st April 2019, applied to all lease contracts existed on April 1, 2019, using modified retrospective method, using cumulative effect method and hence previous period information has not been restated.

b) Company as Lessee:

The Company has taken land on sub-lease for setting up its 26 MW windmill plant during the FY 2015-16 for a period of 29 years. INOX Wind Ltd is the developer of an entire windmill plant having a total capacity of 554 MW and out of which 26 MW i.e., 13 Wind Towers each of 2MW capacity developed on 13 hectares land belongs to REMCL. The entire wind plant was developed under the Rajasthan Wind Policy under which the allotment of land to the Wind Power Developers was done as per the provisions of Rajasthan Land Revenue (Allotment of Land for setting up of Power plant based on Renewable Energy Sources) Rules, 2007 as amended from time to time. The entire payment for such land was made at the time of initiation of the sub-lease agreement and no further payment is required to be made.

On transition, the adoption of this standard has resulted in recognition of 'Right-of-use' assets of ₹ 90.69 Lakhs but corresponding no lease liability aroused since the entire lease payment was made at the time of initiation of lease.

On application of Ind AS-116, the nature of expenses has changed from depreciation on PPE in previous periods to depreciation cost for the right-to-use asset.

The effect of Implementation of Ind AS-116 is insignificant on the profit before tax, profit for the period and earnings per share.

- (i) The following are the changes in the carrying value of right of use assets for the year ended March 31, 2023, and March 31, 2022.

Particulars	(₹ in Lakhs)	
	Category of ROU Assets	
	Sub Lease Land	
	As on 31.03.2023	As on 31.03.2022
Balance as at the beginning of the year	78.06	82.27
Reclassified on account of adoption of Ind AS 116	-	-
Additions	-	-
Deletion	-	-
Depreciation	4.21	4.21
Balance as at the end of the year	73.85	78.06

- (ii) In respect of ROU, an amount of ₹ 4.21 Lakhs has been charged by way of depreciation in the statement of profit and loss account.
- (iii) There are no provisions relating to contingent rent.
- (iv) The company has no commitments towards Leases yet to be commenced as on 31.03.2023 and 31.03.2022.

c) Company as a lessor

As on date, the Company has not entered into any lease agreement as lessor.

2.37 The Company does not envisage any contraction in demand which could result in significant downsizing of its business operations.

2.38 Other Disclosures:

a) Capital Management

The Company's objective for capital management is to maximize shareholders value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual

operating plans and long-term and other strategic investment plans. The funding requirements are primarily being met through operating cash flows generated.

b) Assets and Liabilities are classified between current and non-current considering 12 months period as operating cycle.

c) Information on CSR expenditure

i) Gross amount required to be spent during the year 2022-23 is ₹ 101.04 Lakhs (Previous Year ₹ 90.65 Lakhs)

ii) Expenditure incurred including advances on CSR during the year on

(₹ in Lakhs)

Particulars		Amount Paid		Amount Yet to be paid		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
(i)	Construction/acquisition of any assets	Nil	Nil	Nil	Nil	Nil	Nil
(ii)	On purposes other than (i) above*	101.04**	80.61	Nil	10.04	101.04	90.65
	Total	101.04	80.61	Nil	10.04	101.04	90.65

*Includes the following expenditure on account of administrative overhead and capacity building.

(a) Man-Month Expense - ₹ 4.81 Lakhs (PY ₹4.32 Lakhs)

(b) Other Expense - ₹ Nil (PY ₹ Nil)

** The Company has booked a CSR expenditure of ₹ 0.50 Lakh based on the bills and utilization certificates submitted by the vendor and therefore included in the current liability of the company. The same has been paid to the vendor on 8th May 2023.

iii) Short fall other than ongoing projects of CSR-Nil (Previous Year-Nil)

iv) Reasons for Short fall other than ongoing projects of CSR - Not Applicable

v) Nature of CSR Activities: During the year Company has spent CSR expenditure on activities like procurement of digital X-ray machine, Canvas bag (say NO to plastic), financial support of cardiac surgery, education to under privilege children, patient care service through Ramakrishna Mission Medical Centre, menstrual hygiene management, financial assistance for providing drinking water, infrastructure facilities in school and contribution to PM care.

vi) Details of Unspent CSR amount of ongoing project in compliance with the provision of section 135(6) of the Act.

(₹ in Lakh)

Particulars	As on 31.03.2023	As on 31.03.2022
Opening provision of unspent CSR amount of ongoing project	10.04	-
Additions	-	10.04
Deletion	10.04	-
Depreciation	-	-
Balance as at the end of the year	-	10.04

- d) Details of dues to micro, small and medium enterprises as defined under the Micro and Small Enterprise Development Act, 2006* are given based on information available with the management.

(₹ In Lakhs)

S. No.	Particulars	As at 31.03.2023	As at 31.03.2022
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year. - Principal amount due to micro and small enterprises - Interest due on above	8.95	4.62
b)	The amount of interest paid by the buyer in terms of Section 16 of the Micro and Small Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprises Development Act, 2006	-	-
d)	The amount of interest due and remaining unpaid at the end of each accounting year	-	-
e)	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 Micro and Small Enterprise Development Act, 2006.	-	-

* The company provides consultancy services accordingly procurement made are mainly for stationery and other administration work through RITES Ltd (Holding Company).

The holding company (RITES Ltd.) has initiated the process of identification of suppliers registered under The Micro, Small and Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collected only to the extent of information received.

- e) Balances shown under trade receivable, advances and trade payables are subject to confirmation / reconciliation/ adjustment, if any. The company has been sending letters/ e-mail for confirmation to parties. However, the Company does not expect any material dispute with respect to the recoverability/payment of the same.

- f) CWIP Ageing Schedule for the **FY 2022-23**

(₹ in Lakh)

Particulars	Amount in Capital Work-in-progress for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	575.16	-	-	-	575.16
Projects temporarily suspended	-	-	-	-	-
Total	575.16	-	-	-	575.16

CWIP Ageing Schedule for the **FY 2021-22**

(₹ in Lakh)

Particulars	Amount in Capital Work-in-progress for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	9.36	-	-	-	9.36
Projects temporarily suspended	-	-	-	-	-
Total	9.36	-	-	-	9.36

- g) Capital Work in Progress Completion Schedule as on 31.03.2023 in case completion is overdue or has exceeded its cost.

(₹ in Lakh)

Particulars	Capital Work-in-progress to be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress					
NCC	575.16	-	-	-	575.16
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil
Total	575.16	-	-	-	575.16

Capital Work in Progress Completion Schedule as on 31.03.2022 in case completion is overdue or has exceeded its cost.

(₹ in Lakh)

Particulars	Capital Work-in-progress to be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress					
Mumbai Flats	9.36	-	-	-	9.36
Bhikaji Cama Place	Nil	Nil	Nil	Nil	Nil
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil
Total	9.36	-	-	-	9.36

- a) Detail of Immovable property not held in the name of REMCL: **Not Applicable.**

- b) Disclosure of Ratios:

Ratios	Numerator	Denominator	As at 31.03.2023	As at 31.03.2022	Variance (%)	Reason for variance
Current Ratio	Current Assets	Current Liabilities	22.14	6.56	238%	Timely and better realization strengthening the cash position of the company
Debt-Equity Ratio	Debt	Total Equity	-	0.11	-100%	No debts, Paid in the Current FY
Debt Service Coverage Ratio	Earnings Available for debt services; (PAT+ Depreciation+ interest+ loss on sale of fixed assets)	Interest + principal Repayment	2.76	5.58	-51%	All Outstanding borrowing paid in the Current Financial Year
Return on Equity Ratio (%)	PAT	AVERAGE SHAREHOLDER Fund (Total Equity as on 31.03.2021+ Total Equity as on 31.03.2022)/2	26.14	22.88	14%	Increase in profit after tax.
Inventory turnover ratio	NA	NA	-	-	-	-
Trade Receivables turnover ratio	Net credit sales (Excluding Unbilled Revenue and GST)	Average Account Receivable (Net of Credit Impaired)	2.18	2.47	-12%	Better realization against previous year

Ratios	Numerator	Denominator	As at 31.03.2023	As at 31.03.2022	Variance (%)	Reason for variance
Trade payables turnover ratio	Net credit purchase (Fees for service obtained+ salary Re-imbursement+ generation expenses+ Other Expenses-CSR exp-Provision for DD	Average Trade Payable	7.03	4.26	65%	Increase in credit purchase.
Net capital turnover ratio	Net Sales (Total Income)	Working Capital (Current Assets-Current Liabilities)	1.23	1.15	8%	-
Net profit ratio (%)	PAT	Net Sales (Total Income)	50.43	47.64	6%	-
Return on Capital employed	EBIT	Capital Employed (Tangible Net worth+ Total Debt+ Deferred Tax	31.69	25.44	25%	Increase in Turnover improved this ratio.

2.39 Recent pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements- This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect the amendments to have any significant impact in its financial statement.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors- This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect the amendments to have any significant impact in its financial statement.


Ind AS 12 - Income Taxes- This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect the amendments to have any significant impact in its financial statement.

For and on behalf of the Board of Directors


RAHUL MITHAL
Chairman
DIN: 07610499


BIBHU PRASAD NAYAK
Director
DIN: 08197975


AJAY KUMAR SINGHAL
Chief Executive Officer


ANJEEV KUMAR JAIN
Chief Financial Officer
M.No.: FCMA 17407


RANJAN KUMAR TIWARY
Company Secretary
M.No.: ACS 28116

As per our report of even date attached

For ASHM & Associates
Chartered Accountants
FRN: 005790C


(DEEPAK KUMAR)

Partner
M.No : 094949
UDIN:- 23094949BG5ZAO6622

Place : New Delhi
Date : 12/05/2023

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

The preparation of financial statements of **REMC 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 Audit Report dated 12.05.2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **REMC 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 143(6) (b) of the Act.

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

**Dr. Nilotpal Goswami
Director General of Audit
Railway Commercial, New Delhi**

**Place: New Delhi
Dated: 27.07.2023**



CORPORATE INFORMATION

REGISTERED OFFICE

Plot No. 7, PNB Building, 8th Floor, Bhikaji Cama Place, Delhi-110066 (India)

Ph: +91 11 69203000

CORPORATE OFFICE

RITES Bhawan, Plot No. 1, Sector 29, Gurugram-122001 (India)

Email: remcl@rites.com | **Web:** www.remcltd.com

CIN: U93000DL2013GOI256661

AUDITORS

Statutory Auditor

ASHM & Associates
Chartered Accountants

Internal Auditor

AMAA & Associates
Chartered Accountants

Secretarial Auditor

Akhil Rohatgi & Co.
Company Secretaries

BANKERS

Indian Bank
Axis Bank
Punjab National Bank

REMC Limited

(A JOINT VENTURE OF INDIAN RAILWAYS AND RITES LIMITED)

Registered Office: Plot No. 7, PNB Building, 8th Floor, Bhikaji Cama Place, Delhi-110066 (India)

Phone: +91 11 69203000

Corporate Office: RITES Bhawan, Plot No. 1, Sector 29, Gurugram -122001 (India)

Email: remcl@rites.com | **Web:** www.remcltd.com

CIN: U93000DL2013GOI256661