

REMCL LTD

(A JOINT VENTURE OF INDIAN
RAILWAYS AND RITES LIMITED)

ANNUAL REPORT 2020 - 2021



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.

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BOARD OF DIRECTORS



Shri Rajeev Mehrotra
Chairman



**Shri Gopi Sureshkumar
Varadarajan**
Director



Shri Ajeet Kumar Srivastava
Director



Shri Manish Gupta
Director
(From 07.08.2020)



Shri Pradeep Kumawat
Independent Director



Smt. Sheela Koul
Independent Director



Shri Parmod Kumar Narang
Director

KEY MANAGERIAL PERSONNEL



Shri Ajay Kumar Singhal
Chief Executive Officer
(From 18.09.2020)



Shri Alok Nath Mathur
Chief Executive Officer
(Upto 27.07.2020)



Shri Rupesh Kumar
Chief Executive Officer
(From 28.07.2020 to 17.09.2020)



Shri Sunil Kumar Singh
Chief Financial Officer



Shri Ranjan Kumar Tiwary
Company Secretary

CHAIRMAN'S MESSAGE

“**Augmenting Renewable Energy Projects to cater Railways Renewable Energy Portfolio** continues to be the key priority of your company”



Dear Shareholders,

It gives me immense pleasure in presenting the Annual Report of your Company for the Financial Year 2020-21 in the 8th Annual General Meeting. I extend a very warm welcome to all the shareholders.

The audited accounts of the Company for the financial year 2020-21 along with the Directors' Report, Statutory Auditor's Report and comments of Comptroller & Auditor General of India thereon, have already been circulated to you and with your permission, I take them as read.

During the year, company has achieved turnover of ₹ 68.74 crore as compared to previous year turnover of ₹ 80.96 crore. The profit before tax is ₹ 34.44 crore as compared to ₹ 49.74 crore of the previous year.

Results & Progress

During the year, your company was successful in facilitating about 1457 MW of Power Procurement under open access for Indian Railways at the start of FY 2020-21 in 13 states/entities (including DVC control Area & UP ISTS). However, due to less train operations amid COVID-19 pandemic, the traction power requirement was consequently reduced to about 1270 MW during FY 2020-21.

One of the regulatory requirements for Railways as a deemed licensee is the compliance of Renewable Purchase Obligations (RPO). Your Company has assisted Railways

in purchasing Renewable Energy Certificates from Energy Exchange. In current financial year, Railways have purchased 2,88,822 Renewable Energy Certificates.

Indian Railways has also initiated procurement of energy through collective transaction by bidding of power through trader on energy exchange. Tri-Partite agreements have been executed between Nodal Railway, Trader Member and REMC LTD. REMC LTD is regularly advising Railways on bidding guidelines. In current financial year, Railways have purchased about 345 MUs of Power through Exchange.

In a significant move to add renewable energy generation, your company has secured its largest mandate from Indian Railways to manage the entire process for installation of 3 GW solar plants to be set up on vacant Railway land in 3 phases, thereby working towards the Railways' obligation to use 20% of electricity from renewable sources. Bids were invited for two phases aggregating to 2600 MW on developer mode basis whereas bids for one of 400 MW invited under investment mode.

Covid Pandemic Impact

The year 2020-21 has been a year of challenges caused by disruption in operations due to Covid 19 pandemic. The pandemic caused unprecedented uncertainty on the

economy and disrupted flow of business and economic activities in general, but to the extent possible, your Company has tried to negate the impact through remote working.

The year has witnessed reduced consumption of traction power by Railways due to reduction in its train operations. The Company's revenue is mainly dependent upon traction power requirement of Indian Railways, which has a direct relation with the train operations. Consequent to covid-19, the impact was also felt on the Company's revenue which has been reduced on account of lower consumption of traction power due to reduction in train operations compared to previous year.

Prioritizing employees' well-being, your Company had carefully planned the normalization of business operations and services. I am sure that our business model and your trust will navigate through difficulties caused by pandemic.

Corporate Governance

Your company consistently endeavours to adopt and maintain the highest standards of ethics in all spheres of business activities. Your company accords highest importance to transparency, accountability and equality in all facets of its operations. Your company is implementing the percepts of Corporate Governance in letter and spirit.

Corporate Social Responsibility

Your company understands its responsibility towards society and adopted a "Corporate Social responsibility and Sustainability policy" of the holding company, to show its commitment towards operating in economically, socially and environmentally sustainable manner. As a responsible corporate citizen, your Company has spent ₹ 93.36 Lakh on various CSR activities during the FY 2020-21.

Dividend & Bonus

To maintain consistency in payment of dividend, your Directors have recommended dividend of ₹ 9.00 crore for the financial year 2020-21 to the shareholders of the company. Your Company is consistent in payment of dividend.

Your company has also issued bonus shares in the ratio of 1(one) number of new equity share of nominal value of ₹ 10/- each for every 2 (two) number of existing equity share of nominal value of ₹ 10/- each during the year 2020-21.

Capital Structure

During the year, your company has increased its paid up share capital from ₹ 70 crore to ₹ 105 crore through issue of Bonus Shares of ₹ 35 crore and also increased its authorized share capital from ₹ 150 crore to ₹ 1000 crore.

Acknowledgement

I am grateful for the guidance provided by Member (Traction) and co-operation extended by the officers of Indian Railways in conceptualizing and implementing various initiatives taken up by REMC LTD.

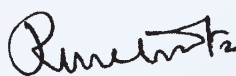
I, on behalf of the Board, would like to place on record sincere thanks for the valuable services rendered by Statutory Auditors, M/s Pawan Puri & Associates, Chartered Accountants.

I express my sincere thanks to our esteemed shareholders, my colleagues on the Board of Directors, officers from Ministry of Railways, Zonal Railways, Divisional Head Quarters, Bankers of the company & REMC LTD team for their valuable support, advice and co-operation.

I acknowledge that organizations are built on a strong-management stakeholder's relationship, which is a two way channel. I hope the coming years will further strengthen our relationship with all stakeholders for a sustainable growth and performance of the Company.

Firmly anchored in the traditional wisdom of the past and seizing the opportunities in the present, your company is poised to excel in the years ahead.

With Best Wishes,



(Rajeev Mehrotra)
Chairman

Date: 14.06.2021

DIRECTORS' REPORT

DISTINGUISHED SHAREHOLDERS

The Directors present 8th Annual Report of the company with audited Financial Statements together with Auditor's Report for the year ended 31st March, 2021.

FINANCIAL HIGHLIGHTS:

The financial performance of the Company for the financial year 2020-21 is given below:

(₹ in Crore)

Particulars	2020-21	2019-20
Financial Results:		
Total Income	68.74	80.96
Operating Turnover	67.87	78.56
Operating Expenditure	34.29	31.22
Other Income	0.86	2.40
Profit Before Tax (PBT)	34.44	49.74
Taxes including deferred Tax	10.31	14.73
Profit After Tax (PAT)	24.13	35.01
Dividend including Dividend Distribution Tax	10.50	14.96
Transfer to Retained Earnings (General Reserve)	24.13	20.05
Net Worth	179.91	166.28

BUSINESS PERFORMANCE:

The year 2020-21 has been a year of challenges caused by disruption in operations due to Covid 19 pandemic. The year has witnessed reduced consumption of traction power due to reduction in operations of IR for quite some time. Your company, which has been mandated to handle entire Power Procurement under open access for Indian Railways, was successful in facilitating about 1457 MW of power at the start of FY 2020-21 in 13 states / entities (including DVC Control Area & UP ISTS). However, less train operations amid COVID-19 pandemic, the traction power requirement was consequently reduced to about 1270 MW. Besides the mandate for power procurement, your company has also been mandated by Indian Railways for implementation of 3 GW solar power plants to be set up on vacant land parcels of Indian Railways. The continuous efforts by your company in development of sustainable energy infrastructure for Indian Railways have not only reduced its carbon footprints but also improved its financials substantially. Your company

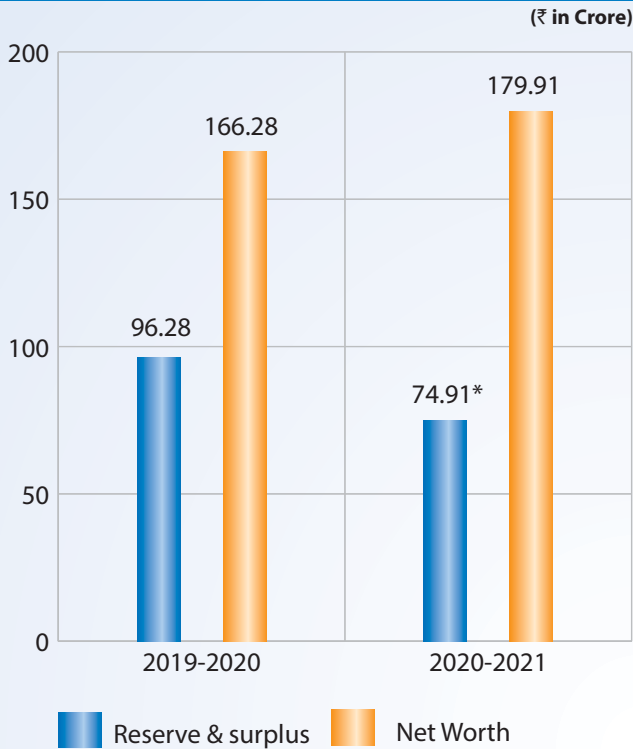
so far has successfully awarded 248 MW of solar roof top projects, 52 MW of ground mounted projects & 93 MW of wind power projects. Your company has also worked out the energy saving potential in 5 major production units of Indian Railways. Successful implementation of above mentioned renewable energy projects will reduce the CO₂ emissions by about 40 Lakh tonne per year.

Your Company is diligently expanding its legal services capacity by contesting cases in various Central & State Government Commissions, on behalf of Indian Railways on various matters such as levy of Cross Subsidy Surcharge (CSS) & Open Access charges, issuance of No Objection Certificate (NOC) by state entities, provision of Back-up power supply, sharing of Stand-by charges, implementation of Deviation Settlement Mechanism (DSM) regulation of CERC on Indian Railways as deemed licensee etc.

Some of the major highlights for the FY 2020-21 are as under:-

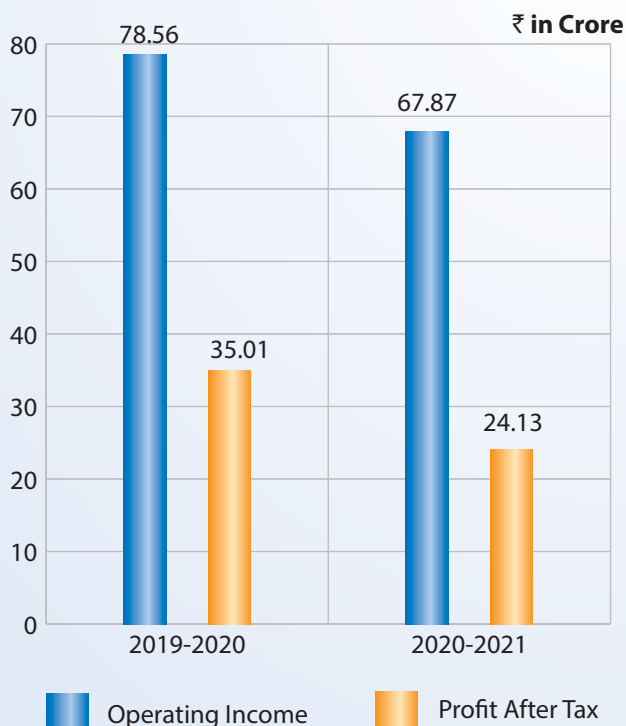
- Power flow of about 1270 MW was successfully commenced in 13 entities (including DVC control Area & UP ISTS) under open access for Indian Railways. During the COVID-19 pandemic, the traction load requirement was reduced due to less train operations. However, your company has done all the efforts to reduce the impact of fixed charges on Indian Railways.
- Procuring power through IEX (energy exchange) has commenced in the state of U.P., Delhi, Haryana, M.P. 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 (345 MUs purchased through energy exchange during year 2020-21).
- Successfully facilitated purchasing of Renewable Energy Certificates (RECs) for Central & South Western Railways towards their regulatory compliance (2,88,822 RECs purchased).
- Your company successfully commissioned the pilot project of 2 MW solar ground mounted plant on vacant Railway land along the railway tracks at Diwana near Panipat. This unique way of harnessing solar energy by implementing solar power plant along the railway tracks has unlocked huge potential to generate Green Power along the track.
- About 3 GW of ground mounted solar projects are currently under procurement process.

ACHIEVEMENTS



*Decrease due to first time issue of Bonus Share in FY 2020-21

PERFORMANCE



OUTLOOK:

Indian Railways has been promoting development of renewable energy infrastructure with a vision to reduce dependence on fossil fuel, there by augmenting decarbonization. In this process, your company is helping Indian Railways in accomplishing its solar mission and thus driving its journey towards becoming the world class integrated power player in the sector.

To achieve sustainable growth company has adopted cost control measures and is now striding towards efficient management of power portfolio of Indian Railways which includes economic power procurement, renewable energy projects (wind & solar), energy efficient projects, transmission projects and legal & regulatory assistance to Indian Railways in rest of the year.

IMPACT OF CORONAVIRUS (COVID-19)

Corona virus (Covid – 19) outbreak is an unprecedented global situation that the entire world is dealing with in terms of its human and economic consequences. The pandemic forced Government of India to impose stringent lockdown in order to reduce the impact of this catastrophe on mankind. For the Company, the focus shifted towards ensuring health and well-being of personnel working for REMC LTD as well as minimizing disruption to services for our customers. To the extent possible, company has tried to negate the impact through remote working. Company took all the recommended precautions and preventive measures to ensure safety and well-being of personnel working for REMC LTD. However, due to corona period lock down, Indian Railways had to withhold several passenger train services in the year 2020-21, which resulted into the reduction of total energy consumption of Indian Railways in various open access States. Its impact can be seen on the company's revenue.

BONUS ISSUE:

Your company has issued bonus shares in the ratio of 1 (one) number of new equity share of nominal value of ₹10/- each for every 2 (two) number of existing equity share of nominal value of ₹ 10/- each during the year 2020-21.

CAPITAL STRUCTURE:

The paid-up share capital of the company is ₹ 105 crore as against its authorized share capital of ₹ 1000 crore. During the year the company has increase it's paid up share capital



50 MW Solar Power Plant at Bhilai, Chhattisgarh

from ₹ 70 crore to ₹ 105 crore through issue of Bonus Share of ₹ 35 crore and increased its authorized share capital from ₹ 150 crore to ₹ 1000 crore.

DIVIDEND:

Your Directors have recommended a final dividend of ₹ 9.00 crore for the financial year 2020-21 (i.e. ₹ 0.857 per share on 10.50 crore equity shares) which is 8.57 % of paid up capital of the company, subject to the approval of Shareholders in Annual General Meeting. During the FY 2019-20, the company has paid a final dividend of ₹ 10.50 crore.

DEPOSITS:

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

RESERVES:

During the year, ₹ 24.13 crore has been transferred to Retained Earnings by appropriation from profits of the

company. Reserve and surplus is ₹ 74.91 crore after capitalization of reserve amounted to ₹ 35 crore by issuing bonus shares as at end of 31st March 2021 against ₹ 96.28 crore as at end of 31st March 2020.

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:

ENERGY CONSERVATION:

Energy efficiency is an emerging field for an efficient and reliable management of one's own energy consumption and thus one's contribution towards risk mitigation of threats posed by global climate changes. Indian Railways being an energy intensive industry is considering to implement energy efficient measures in its infrastructure so that the need for increasing energy demand due

to operational requirements can be curtailed. Energy Efficiency is often viewed as a resource base reduction in carbon emission. REMC LTD had carried out the Energy Efficiency study through TERI in 5 major production units (PUs) of Indian Railways i.e. ICF, RF, CLW, BLW & DCW" and brought out the investment and payback period for Energy Efficient Technologies for Indian Railways.

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 generation mix to ensure long-term competitiveness, mitigation of fuel risks and development of sustainable power infrastructure. Your Company has also initiated various measures to reduce the costs for Indian Railways by providing services in different areas of expertise such as analyzing efficient energy procurement, meeting compliances as per Renewable Purchase Obligation (RPO), expediting & coordinating with Zonal Railways (ZRs), formulating bid documents & related agreements, developing implementation models and awarding work after proper due diligence.

SOLAR POWER PROJECTS:

Indian Railways has targeted to source around 20 GW solar power and 200 MW of wind power by 2030 in zonal railways and production units. REMC LTD is the Nodal agency for planning, tendering / bid processing and implementation of such projects on behalf of Indian Railways, thus fulfilling its ambitious target on timely basis.

A significant move towards the addition of renewable energy generation was witnessed during the year 2020-21 when your company was mandated by Indian Railways for the implementation of 3 GW solar power plants to be set up on vacant land parcels of Indian Railways.

Consequently, the Company has taken up procurement process for 3 GW solar ground mounted projects on vacant Railway land in open access / non-open access states in 3 phases.

Status of implementation of solar power projects of Indian Railways are as under:

i. 248 MW solar roof-top projects:

Your company successfully awarded 248 MW solar roof top projects on behalf of ZRs with and without Central Finance Assistance (CFA) till date.

ii. 50 MW solar ground mounted project:

Your Company has successfully awarded the 50 MW solar ground mounted project to the successful Solar Power Developer (SPD). The plant is expected to generate about 106 MU of solar power annually. Power generated from the plant will be evacuated through nearby CTU/PGCIL substation at Raipur and shall be used for traction purpose in different states for partial fulfilment of RPO of Indian Railways. Connectivity has been granted by CTU and Commissioning work is in progress.



Substation for 2 MW Solar Power Plant (along the track) at Diwana, Haryana

iii. **3 GW of Ground Mounted solar projects:**

REMC LTD has been mandated for implementation of 3 GW of solar power projects over vacant land parcels of Indian Railways. Procurement process for the same is being taken up in three phases:

- (a) **Phase 1-** Solar Plant of 1.6 GW capacity in Railway plots for open access states under Developer mode.
- (b) **Phase 2-** Solar plant of 400 MW capacity in Railway plots for non-open access states under CAPEX mode.
- (c) **Phase 3-** Solar plant of 1 GW capacity in Railway plots along tracks under developer model for open access states.

iv. **400 MW solar ground mounted project:**

Indian Railways is planning to 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, under optimum scheduling method & limited to 207 MW (equivalent to 400 MW solar plant capacity).

This proposed state wise distribution of solar power will help Zonal Railways to meet their Solar Power Obligations (SPOs) as per respective SERCs. The bids for the same have already been invited by RUMS.

v. **2 MW Solar ground mounted project: - First Pilot Solar Project of Indian Railways along Railway track**

Your Company has undertaken the development of first ever 2 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.

WIND POWER PROJECTS:

Your company is going aggressively in renewable energy by implementing wind power projects for Indian Railways. Till date, about 93 MW of wind projects have been awarded and commissioned through REMC LTD for IR. Presently, the implementation of many more wind power projects are being planned in consultation with Railway Board.

Traction Load: - Total 87 MW

- (i) 26 MW Wind Mill Plant on CAPEX mode at Jaisalmer, Rajasthan.



Wind Power Plant at Jaisalmer, Rajasthan

- (ii) 10.5 MW wind power project on PMC mode at Southern Railway (SR), Tamil Nadu.
- (iii) 50.4 MW wind power project for CR in Maharashtra on tariff based competitive bidding.

Non Traction Load:-

6 MW wind mill plant in Maharashtra on tariff based bidding.

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 economical power under open access, thereby reducing the electricity bills of Indian Railways which have resulted into huge cost savings.

Status of Deemed Licensee:

The Company's continuous efforts in previous years have already brought 13 entities (including DVC control area and UP-ISTS) 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 & Telangana through regulatory intervention as stiff resistance is being faced by Indian Railways in issuance of No Objection Certificate (NOC) and recognition of Railway's status as deemed licensee in these states.

Procurement of power under Open Access:

Your company successfully facilitated about 1457 MW in the open access states at the start of FY 2020-21 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). Subsequently, on account of less train operations due to the impact of COVID -19 pandemic, the traction power requirement has been reduced to about 1270 MW.

Compliance to Renewable Purchase Obligation (RPO):

One of the regulatory requirements for Railways as deemed licensee is compliance to Renewable Purchase Obligations. Your company has assisted Railways in purchasing Renewable Energy Certificates from Energy Exchange. In current financial year, Railways have purchased 2,88,822 Renewable Energy Certificates. The purchase of REC through exchange has been kept on hold by APTEL.

Procurement through Energy Exchange:

Indian Railways has also initiated procurement of energy through collective transaction by bidding of power through trader on energy exchange. Tri-Partite agreements have been executed between Nodal Railway, Trader Member and REMC LTD. REMC LTD is regularly advising Railways on bidding guidelines. In current financial year, Railways have purchased about 345 MUs of Energy through Exchange.

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 three units of 250 MW each in



Scheduling & Forecasting of Power

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 utilized to the largest extent.

Coordination with state authority:

Your Company has been providing single window service to ZRs for interaction with state and central utilities in obtaining NOC. 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 Railways:

The requirement of traction power is going to increase significantly with 100 % electrification of rail routes of Indian Railways. This will correspondingly increase requirement of power to be purchased through utilities at a higher tariff which will also increase the requirement of Renewable Purchase Obligation (RPO). For meeting RPO obligation, Indian Railways has explored the possibilities of setting up solar plants on available vacant surplus Railway land parcels or on land along the Railway track for feeding such solar power directly into CTU/STU or the traction system or for non- traction purpose.

Indian Railways has vacant land to the extent of 51000 hectares, with 85 % Land of varying widths alongside the Railway Tracks. It is intended to develop schemes for installing solar power plants on vacant Railway lands and utilize the solar power so generated to feed into CTU/ STU/ Railway Transmission system.

Your company is being continuously working on this front and achieved its first mandate of implementation of 3 GW of Solar based capacity over vacant land parcels of Indian Railways. Procurement process has been taken up for its implementation in three phases

- (a) **Phase 1**- solar plant of 1.6 GW capacity in Railway plots for open access states under Developer mode.
- (b) **Phase 2**- solar plant of 400 MW capacity in Railway plots for non-open access states under CAPEX mode.

- (c) **Phase 3**- solar plant of 1 GW capacity in Railway plots along Railway tracks for open access states under developer model.

New Technology Innovation:

Recently, REMC LTD has stepped into realm of promoting innovation by adopting a new technology of solar energy storage. REMC LTD is in consultation with Railway Board for planning to take up a Pilot Project as an innovative storage solution of solar power for IR for its utilization during non-solar- hours/ peak hours.

REGULATORY MATTERS

Appellate Tribunal for Electricity (APTEL):

REMC LTD through various legal experts is facilitating Indian Railways in defending the legal cases filed before Hon'ble APTEL with Railways as Appellant/Respondent by utilizing available expertise in the ongoing cases related to Deemed Licensee status of Indian Railways, resistance in issuance of NOC in state of West Bengal, Tamil Nadu & Chhattisgarh, imposition of various charges (Cross Subsidy Surcharge, additional surcharge, standby charges etc.) by some states on Indian Railways. Your company through these cases is helping Indian Railways in proliferating open access and to reduce financial burden caused due to imposition of such charges.

REMC LTD has been diligently expanding its legal services capacity in contesting the legal cases filed with Railways as Petitioner on behalf of Indian Railways on various matters such as levy of Cross Subsidy Surcharge (CSS) & Open Access charges, issuance of No Objection Certificate (NOC) by state entities, provision of Back-up power supply, sharing of Stand by charges, implementation of Deviation Settlement Mechanism (DSM) regulation of CERC on Indian Railways as deemed licensee etc.

Central Electricity Regulatory Commission (CERC):

Your company is facilitating crucial inputs in matters regarding termination of Agreement for Power Purchase (APP) with Open Access generator selected by REMC LTD on behalf of Railway through open competitive bidding in various states and imposition of different claims such as compensation & return of Performance Bank Guarantee (PBG) etc. As regard issues with BRBCL, REMC LTD on behalf of Indian Railways is defending the matter regarding,

approving/determining the capital cost and tariff of BRBCL plant, challenging the BRBCL's COD certificates, invoking of Force Majeure clauses for BRBCL power and levying of transmission charges in proportion to the quantum of LTA capacity actually utilized by Railways. 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):

Your company is also assisting Zonal Railways in defending matters related to issuance of No Objection Certificate (NOC) by state entities, forced arrangement of back-up power supply, imposition of CSS, additional surcharge, imbalance charges, Specific conditions for Indian Railways as deemed distribution licensee in the state, applicability of various open access charges as deemed licensee etc.

PROMOTION OF MICRO AND SMALL ENTERPRISES (MSES):

REMC LTD 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 to 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 ₹ 93.36 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. Currently, CSR Committee comprises of Shri Ajeet Kumar Srivastava, Director of the company as Chairman, Dr. Pradeep Kumawat, Smt.

Sheela Koul, Independent Directors of the company and Shri Parmod Kumar Narang, Director of the company as members. During the year, three meetings of the CSR Committee were held on 24/06/2020, 06/11/2020 and 25/03/2021.

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 Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

- (i) **Distribution of Aids & Assistive Devices to Divyangjans:** As part of CSR initiatives of REMC LTD, 'Tricycles Distribution Programmes' were organized in RITES Gurugram, Jaisalmer and Pokhran, where motorized tricycles were distributed to various beneficiaries, demonstrate the company's commitment to the social welfare of the divyangjans and engagement with local communities.
- (ii) **Financial support for health & nutrition programmes in Jammu & Kashmir:** Your company has provided financial support in conducting medical programmes of awareness cum sensitization on "women hygiene, health & nutrition" at Town Plaza and Himayat Centre in Kulgam, J&K through the NGO - The Human Race (Implementing Agency) where sanitary kits containing sanitary napkins, hand sanitizers, hand wash, mask, soap & toothpaste etc have been distributed.
- (iii) **Financial support for health & nutrition programmes in villages of Udaipur:** Distribution of Sanitary Wending and incinerator machines, Malnutrition lactic feeding mothers, masks & sanitizer etc. in villages of district Udaipur, Rajasthan.
- (iv) **Promoting health care:** Your company is also promoting health care including preventive health care, by the Central Government for the promotion of cleanliness & sanitation by procuring textile carry bags & two layers cotton masks through NGO- Vishwas Sansthan, Udaipur (Rajasthan).

SECTOR: Promoting education, including special education and employment enhancing vocation



CSR of REMC LTD

skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.

- (v) **Financial support for promoting education by providing sponsorship for family homes and supporting higher education for various youths in Haryana & Orissa:** REMC LTD has taken up an initiative of promoting education by providing sponsorship for family homes and supporting higher education for various youths in Haryana & Orissa and supporting employment linked Higher Education in Faridabad, Delhi & Bhubaneswar. The project has been implemented through the SOS Children Village of India.

Detailed report on CSR has been placed at Annexure-V.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

There were no foreign exchange earnings and outgo during the FY 2019-20 & 2020-21.

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" forms 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 2.30 to the financial statement which sets out related party



CSR of REMC LTD

disclosures. (The detail of contracts entered into with related parties in prescribed format AOC-2 is placed at Annexure-III).

EXTRACT OF THE ANNUAL RETURN AS PROVIDED UNDER SECTION 92(3) OF THE COMPANIES ACT, 2013 IS PLACED AS ANNEXURE –IV

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.
- The Risk Management committee reconstituted by the Board of Directors in their 33rd meeting held on 31st January, 2020 comprises of Shri Parmod Kumar Narang, Director as Chairman, Shri Ajeet Kumar Srivastava, Director and Dr. Pradeep Kumawat, Independent Director of the company as members.
- During the year one meeting of Risk Management Committee was held on 25/03/2021.

BOARD OF DIRECTORS & NUMBER OF MEETINGS OF THE BOARD

The Board of Directors consists of Seven (7) Directors, 2 Directors nominated by Ministry of Railways, 3 Directors nominated by RITES Limited including chairman and two independent Director appointed by Ministry of Railways. The Board met six (6) times during the year for transacting businesses. The following Directors held office during the Financial Year 2020-21:

Sl. No.	Name	Designation
1.	Shri Rajeev Mehrotra	Chairman
2.	Shri Gopi Sureshkumar Varadarajan	Director
3.	Shri Ajeet Kumar Srivastava	Director
4.	Shri Parmod Kumar Narang	Director
5.	Dr. Pradeep Kumawat	Independent Director
6.	Smt Sheela Koul	Independent Director
7.	Shri Manish Gupta	Director (From 07-08-2020)

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 Gopi Sureshkumar Varadarajan, Director of the company with longest term in the office will retire by rotation and being eligible, offer himself for reappointment.

KEY MANAGERIAL PERSONNEL (KMP) (Section 203 of the Companies Act, 2013)

Shri Alok Nath Mathur	Chief Executive Officer (up to 27.07.2020)
Shri Rupesh Kumar	Chief Executive Officer (From 28.07.2020 to 17.09.2020)
Shri Ajay Kumar Singhal	Chief Executive Officer (From 18.09.2020)
Shri Sunil Kumar Singh	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 2020-21 is 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, 2021 the composition of Audit Committee comprises of Dr. Pradeep Kumawat, Independent Director as chairman, Smt. Sheela Koul, Independent Director and Shri Parmod Kumar Narang, Director of the company as members.

During the year five meetings of the Audit Committee were held on 24/06/2020, 28/07/2020, 07/08/2020, 06/11/2020 and 05/02/2021

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 one meeting of Independent Directors was held on 25/03/2021.

NOMINATION AND REMUNERATION COMMITTEE (SECTION 178 OF THE COMPANIES ACT 2013)

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

As on 31st March, 2021 the Nomination and Remuneration Committee comprises of Smt. Sheela Koul, Independent Director as Chairman, Dr Pradeep Kumawat, Independent Director, Shri Ajeet Kumar Srivastava and Shri Parmod Kumar Narang, Directors of the company as members.

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 judgements 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

Your company is in the process of pursuing a very progressive and dynamic manpower policy for sourcing professionals and experts with rich experience, on deputation from Central/State Government and other PSUs apart from RITES. This expertise may be supplemented by induction of qualified and knowledgeable personnel from open market and also through campus recruitment.

SCHEDULED CASTE, SCHEDULED TRIBES AND OTHER BACKWARD CLASSES

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

ORGANIZING BUSINESS MEETS, SEMINARS & CONFERENCES:

Your company is entrusted to make understand the concept of Power procurement/ Renewable Energy/ Energy Efficiency etc to Zonal Railways. In this regard, various capacity building programmes are being organized time and again to foster the expertise in the field of Power Procurement, Renewable etc. In past years, Company has successfully organized various capacity buildings programmes.

Your 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 exhibitions at ELECRMA, INDIA EXPO MART, IREE.

AWARDS & RECOGNITIONS:

Your company's growth is remarkable and its exemplary performance in various business areas brings many achievement and recognitions. Your company has received various awards at various platforms towards its excellent performance / contribution in Renewable Energy and power sector.

AUDITORS

The Comptroller & Auditor General of India appointed M/s Pawan Puri & Associates, Chartered Accountants as Company's Statutory Auditors, to audit the accounts of the company for the year 2020-21. The Board would like to place on record their sincere thanks for the valuable services rendered by Statutory Auditors.

SECRETARIAL AUDITOR

The Board has appointed M/s Akhil Rohatgi & Co., Company Secretaries to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended March, 31, 2021 has been placed at **Annexure – VI**.

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 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.

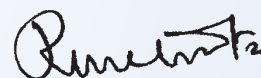
- Issue of shares (including sweat equity shares) to employees of the Company under any Scheme save and except ESOS referred to in this report.
- Neither the Chairman nor the Directors of the Company receive any remuneration or commission from any of its subsidiaries. – Not Applicable
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

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

We record our appreciation and thanks to Ministry of Railways, RITES Ltd and other Ministries for their support to the Company, and also the employees of the respective parent companies for their efforts to take the company forward.

For and on behalf of Board of Directors



(Rajeev Mehrotra)
Chairman

Date: 06.05.2021
Place: Gurugram

REPORT ON CORPORATE GOVERNANCE

1. 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.

2. Incorporation

The Company 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 is ₹ 1000 crore and Paid-up Share Capital is ₹ 105 crore. During the year the company has increase it's paid up share capital from ₹ 70 crore to ₹ 105 crore through issue of Bonus Share of ₹ 35 crore and increased its authorised share capital from ₹ 150 crore to ₹ 1000 crore.

3. Board of Directors

The Board of Directors of the company comprises of seven (7) Directors viz. 3 Nominee Directors of RITES Ltd including Chairman, two Nominee Directors of Ministry of Railways and two Independent Non- Official Directors.

3.1 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 Rajeev Mehrotra	Chairman	1	Nil	Nil
2.	Shri Gopi Sureshkumar Varadarajan.	Director	1	Nil	1
3.	Shri Ajeet Kumar Srivastava	Director	Nil	Nil	Nil

S No.	Directors	Category of Directors (Part Time) / Independent	No. of other Directorship*	No. of Committee Membership**	
				As Chairman	As Member
4.	Shri Manish Gupta	Director	Nil	Nil	Nil
5.	Dr. Pradeep Kumawat	Independent Director	Nil	Nil	Nil
6.	Smt. Sheela Koul	Independent Director	Nil	Nil	Nil
7.	Shri Parmod Kumar Narang	Director	1	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 and Shareholders'/ Grievance Committees.
- *** 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.

3.2 Brief Resume of Director who joined the Board as Whole - time / Part time/ Independent Director during the year 2020-21.

Shri Manish Gupta has joined as Indian Railways nominee on the Board of REMC LTD on 07.08.2020. Shri Manish Gupta is presently working as Executive Director, Electrical Energy Management in Railway Board, Ministry of Railways. He is handling various important assignments including proliferation of Renewable Energy over Indian Railways (IR), Open Access for IR, Traction Distribution and provision of passenger amenities like lifts and escalators over IR. Shri Gupta is an IRSEE (Indian Railway Service of Electrical Engineers) officer and has more than 25 years of experience in the Government of India. Previously, he has held various important positions in Ministry of Finance and Indian Railways. He has also served as Government of India Nominee Director on the Boards of Corporation Bank and Agriculture Insurance Company of India Limited. He holds a Bachelor's degree from College of Engineering And Technology, New Delhi and a Master's degree in Measurement and Instrumentation (Gold Medalist) from IIT, Roorkee. He also holds a MBA degree with specialization in Financial Management.

3.3 Number of Board Meetings

The Board of Directors met 6 times during the year 2020-21 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 24th August, 2020
1.	Shri Rajeev Mehrotra Chairman	6	6	Present
2.	Shri Gopi Sureshkumar Varadarajan.	6	6	Present
3.	Shri Ajeet Kumar Srivastava	6	5	Present
4.	Shri Manish Gupta	3	2	Present
5.	Dr. Pradeep Kumawat	6	6	Present
6.	Shri Parmod Kumar Narang	6	6	Present
7.	Smt. Sheela Koul	6	6	Present

Note: Dates of the meeting and attendance sheet of the Board of Directors meeting during the year 2020-21 is placed at **Annexure-A**

4. Remuneration of Directors

Directors, nominated on the Board of REMC LTD 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 is paid to Non-official Independent Director for attending Board and Committee meetings of the Company.

5. Code of Conduct

All Board members and senior management personnel have affirmed compliance with code of conduct for the year ended 31st March, 2021.

6. Committees of the Board of Directors

6.1 Audit Committee:

The company has constituted Audit committee in line with section 177 of the companies Act, 2013. The Board of Directors in their 30th meeting held on 25/06/2019 re-constituted Audit Committee comprising of Dr. Pradeep Kumawat, Independent Director as Chairman, Shri Gopi Suresh Kumar Varadarajan, Shri Ajeet Kumar Srivastava, Shri Parmod Kumar Narang, Directors of the company as members.

Further, the Board of Directors in their 31st meeting held on 29/07/2019 re-constituted Audit Committee comprising of Dr. Pradeep Kumawat, Independent Director as Chairman, Shri Gopi Sureshkumar Varadarajan, Shri Ajeet Kumar Srivastava, Shri Parmod Kumar Narang Directors and Smt. Sheela Koul, Independent Director of the company as members.

During the year the Board of Directors in their 36th meeting held on 28/07/2020 re-constituted Audit Committee comprising of Dr. Pradeep Kumawat, Independent Director of the company as Chairman, Smt. Sheela Koul, Independent Director and Shri Parmod Kumar Narang, Director of the company as Members.

As on 31st March, 2021 the Audit Committee comprised the following Directors:

Name	Position in the Committee	Designation
Dr. Pradeep Kumawat	Chairman	Independent Director
Smt. Sheela Koul	Member	Independent Director
Shri Parmod Kumar Narang	Member	Director

During the year five (05) meetings of the Audit Committee were held on 24/06/2020, 28/07/2020, 07/08/2020, 06/11/2020 and 05/02/2021

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;

- b) Recommending to the Board regarding the fixation of audit fees;
- c) Approval of payment to statutory auditors for any other services rendered by them;
- d) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to;
 - i) 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;
 - ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgement by management;
 - iv) Significant adjustments made in the financial statements arising out of audit findings;
 - v) Compliance with the legal requirements relating to financial statements;
 - vi) Disclosures of any related party transactions; and
 - vii) Qualifications in the draft audit report.
- e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- f) 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;
- g) Reviewing, with the management, performance of internal auditors and adequacy of the internal control system;
- h) 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.
- i) 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;
- Significant findings during the year, including the status of previous audit recommendations.
 - 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:

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

6.2 Investment Committee

Investment Committee will be constituted as and when need arises.

6.3 Risk Management Committee:

The Company has constituted Risk Management Committee in line with companies Act, 2013. The Board of Directors in their 30th meeting held on 25/06/2019 constituted Risk Management Committee comprising of Shri Parmod Kumar Narang, Director as Chairman, Shri Shalabh Goel Director and Dr. Pradeep Kumawat, Independent Director of the company as Members. Further, the Board of Directors in their 33rd meetings held on 31/01/2020 re-constituted Risk Management Committee comprising of Shri Parmod Kumar Narang, Director as Chairman, Shri Ajeet Kumar Srivastava, Director and Dr. Pradeep Kumawat, Independent Director of the company as members. During the year one meeting of Risk Management Committee was held on 25/03/2021.

As on 31st March, 2021 the Risk Management Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri Parmod Kumar Narang	Chairman	Director
Shri Ajeet Kumar Srivastava	Member	Director
Dr. Pradeep Kumawat	Member	Independent Director

6.4 Nomination and Remuneration Committee

The Board of Directors in their 30th meeting held on 25/06/2019 constituted Nomination and Remuneration Committee comprising of Dr Pradeep Kumawat, Independent Director of the company as Chairman, Shri Shalabh Goel and Shri Parmod Kumar Narang, Directors of the company as members.

The Board of Directors in their 31st meeting held on 29/07/2019 constituted Nomination and Remuneration Committee comprising of Smt Sheela Koul, Independent Director, as Chairman Dr Pradeep Kumawat, Independent Director, Shri Shalabh Goel and Shri Parmod Kumar Narang, Directors of the company as members.

The Board of Directors in their 33rd meeting held on 31/01/2020 constituted Nomination and Remuneration Committee comprising of Smt Sheela Koul, Independent Directors of the company as Chairman, Shri Ajeet Kumar Srivastava and Shri Parmod Kumar Narang, Directors of the company as members.

As on 31st March, 2021 the Nomination and Remuneration Committee comprised the following Directors:

Name	Position in the Committee	Designation
Smt. Sheela Koul	Chairman	Independent Director
Shri Ajeet Kumar Srivastava	Member	Director
Dr. Pradeep Kumawat	Member	Independent Director
Shri Parmod Kumar Narang	Member	Director

6.5 Corporate Social Responsibility and Sustainability (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 include 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 ₹ 93.36 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.

The Board of Directors in their 30th meeting held on 25/06/2019 re-constituted CSR Committee comprising of Shri Shalabh Goel, Director as Chairman, Dr. Pradeep Kumawat, Independent Director and Shri Parmod Kumar Narang, Directors of the company as members. Further, the Board of Directors in their 31st meeting held on 29/07/2019 re-constituted CSR Committee comprising of Shri Shalabh Goel, Director as chairman, Dr. Pradeep Kumawat, Independent Director, Smt Sheela Koul, Independent Director and Shri Parmod Kumar Narang, Director of the company as members.

Further, the Board of Directors in their 33rd meeting held on 31/01/2020 reconstituted CSR Committee comprising of Shri Ajeet Kumar Srivastava, Director as chairman, Dr. Pradeep Kumawat, Independent Director, Smt Sheela Koul, Independent Director and Shri Parmod Kumar Narang, Director of the company as members.

During the year, three meetings of the CSR Committee were held on 24/06/2020, 06/11/2020 and 25/03/2021.

As on 31st March, 2021 the Corporate Social Responsibility Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri Ajeet Kumar Srivastava	Chairman	Director
Dr. Pradeep Kumawat	Member	Independent Director
Smt. Sheela Koul	Member	Independent Director
Shri Parmod Kumar Narang	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 Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

- Distribution of Aids & Assistive Devices to Divyangjans:** As part of CSR initiatives of REMC LTD, 'Tricycles Distribution Programmes' were organized in RITES Gurugram, Jaisalmer and Pokhran, where motorized tricycles were distributed to various beneficiaries, demonstrate the company's commitment to the social welfare of the divyangjans and engagement with local communities.
- Financial support for health & nutrition programmes in Jammu & Kashmir:** Your company has provided financial support in conducting medical programmes of awareness cum sensitization on "women hygiene, health & nutrition" at Town Plaza and Himayat Centre in Kulgam, J&K through the NGO - The Human Race (Implementing Agency) where sanitary kits containing sanitary napkins, hand sanitizers, hand wash, mask, soap & toothpaste etc have been distributed.
- Financial support for health & nutrition programmes in villages of Udaipur:** Distribution of Sanitary Wending and incinerator machines, Malnutrition lactic feeding mothers, masks & sanitizer etc. in villages of district Udaipur, Rajasthan.
- Promoting health care:** Your company is also promoting health care including preventive health

care, by the Central Government for the promotion of cleanliness & sanitation by procuring textile carry bags & two layers cotton masks through NGO- Vishwas Sansthan, Udaipur (Rajasthan).

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

- (v) **Financial support for promoting education by providing sponsorship for family homes and supporting higher education for various youths in Haryana & Orissa:** REMC LTD has taken up an initiative of promoting education by providing sponsorship for family homes and supporting higher education for various youths in Haryana & Orissa and supporting employment linked Higher Education in Faridabad, Delhi & Bhubaneswar. The project has been implemented through the SOS Children Village of India.

7. 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
7th AGM	2019-20	24/08/2020	12:30 HRS {Through video conferencing ('v c')}	rites Bhawan, No.1 Sector-29, Gurugram	06
6 th AGM	2018-19	29/07/2019	12:45 HRS	Shangri – La's Eros, Hotel, New Delhi	Nil
5 th AGM	2017-18	10/09/2018	16:00 HRS	Rail Bhawan, Railway Board, New Delhi	Nil

8. 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 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.

9. Means of Communication

All important information pertaining to the Company has been mentioned in the Annual Report of the Company containing inter-alia Audited Accounts, 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.

10. Compliance

Certificate obtained from a Practicing Company Secretary regarding of 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 2020-21

Sl. No.	Name of Directors	40 th BOD MEETING 25/03/2021	39 th BOD MEETING 05/02/2021	38 th BOD MEETING 06/11/2020	37 th BOD MEETING 07/08/2020	36 th BOD MEETING 28/07/2020	35 th BOD MEETING 24/06/2020	TOTAL 6 (SIX) MEETINGS
1.	Shri Rajeev Mehrotra	✓	✓	✓	✓	✓	✓	All
2.	Shri Gopi Sureshkumar Varadarajan	✓	✓	✓	✓	✓	✓	All
3.	Shri Ajeet Kumar Srivastava	•	✓	✓	✓	✓	✓	5 out of 6
4.	Shri Manish Gupta	✓	•	✓	NA	NA	NA	2out of 3
5.	Dr. Pradeep Kumawat	✓	✓	✓	✓	✓	✓	All
6.	Smt. Sheela Koul	✓	✓	✓	✓	✓	✓	All
7.	Shri Parmod Kumar Narang	✓	✓	✓	✓	✓	✓	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, 2021 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.

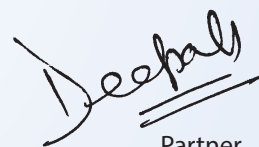
The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination, carried out is in accordance with the Corporate Governance (Models of Best practices) issued by the Institute of Company Secretaries of India, was limited to the procedures and implementation 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



Partner

M No.:F10189

CP No: 11372

UDIN: F010189C000417387

Date: 06.05.2021
Place: New Delhi

MANAGEMENT DISCUSSION AND ANALYSIS

This analysis report briefly describes about the company, business outlook and opportunities, 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 Indian Railways & RITES Ltd with equity participation in the ratio of Indian Railways (49%) & RITES Ltd (51%) 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.

1. OUTLOOK AND OPPORTUNITIES

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, it is required to expand sourcing of Renewable Energy as per the Railways 'mission of transforming Indian Railways into Greener Railways'.

"Railway is naturally a green mode of transport. We want to make it further greener by adopting Renewable Energy as a major source of Energy for Railways". Hon'ble Minister of Railways, said while addressing a conference on Solar Energy opportunities in the Rail Sector.

In line to above, REMC has taken various initiatives to undertake and implement the projects for Indian Railways

related to harnessing of green energy. Company has successfully awarded 248 MW of solar roof top projects, 52 MW of ground mounted projects & 93 MW of wind power projects. Company is also working out the energy saving potential in 5 major production units of Indian Railways. Company has been mandated by Indian Railways for implementation of 3 GW solar plants to be set up on vacant land parcels of Indian Railways.

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 PPAs and Bilateral collective transaction through Energy Exchanges.

Indian Railway is 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 has facilitated IR in migrating from consumer to deemed licensee mode progressively across the country and is relentlessly working on multiple fronts to speed up growth 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. Company has also successfully facilitated purchasing of Renewable Energy Certificates (RECs) towards the compliance as per their regulatory requirements (288,822 REC purchased). Power procurement through IEX (energy exchange) has also commenced in the state of U.P., Delhi, Haryana, M.P. and Rajasthan to meet the peak power demand & back-up power requirement for Indian Railways.

Impact of Corona virus (Covid-19)

Corona virus (Covid – 19) outbreak is an unprecedented global situation that the world is dealing with in terms of its human and economic consequences. The pandemic has forced Government of India to impose stringent lockdown during part of the year in FY 21, in order to reduce the impact of this catastrophe on countrymen. For the Company, the focus shifted towards ensuring health and well-being of all employees as well as minimizing

disruption to services for our customers. To the extent possible, company has tried to negate the impact through remote working. Company took all the recommended precautions and preventive measures to ensure safety and well-being of its employees. However, due to corona period lock down, Indian Railways had to reduce several passenger train services, which resulted into the reduction of traction power requirement of Indian Railways. It has impacted the company's revenue.

1.1 Power Planning In Indian Railways:

Railways has embarked to reduce its operating expenses by adopting various alternatives to draw energy at economical prices. With this innovative approach, REMC LTD 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 transmission system 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 1270 MW in current financial year.

1.2. Harnessing Renewable Energy:

Indian Railways has targeted to reduce its dependence on fossil fuel by harnessing Renewable Energy sources. In order to achieve the target set by Govt. of India (GoI) to achieve 175GW capacity by 2030, Indian Railways has targeted to source around 20 GW solar power and 200 MW of wind 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:

Company is instrumental in implementation of approximately 248 MW of solar roof top power plants in roof-top spaces of Railway buildings, stations, hospitals etc. and 52 MW of Ground mounted solar projects on vacant land lying with different Zonal Railways. Further, REMC LTD has been mandated from Indian Railways for managing installation of 3 GW solar plants to be set up on vacant railway land parcels in the country. The brief details of all the solar projects are as under:-

248 MW solar roof-top projects

Till date, REMC LTD successfully awarded 248 MW solar roof top projects on behalf of Zonal Railways (ZRs) with and without Central Finance Assistance (CFA).

50 MW solar ground mounted project

Company has successfully awarded the Solar Power project to the successful Solar Power Developer (SPD). Power generated from this plant will be evacuated through nearby CTU/PGCIL substation at Raipur and shall be used for traction purpose in different states for partial fulfillment of RPO of IR.

3 GW of Ground Mounted solar projects:

REMC LTD has been mandated for implementation of 3 GW of Solar based capacity over vacant land parcels of Indian Railways for which procurement process is under process

400 MW solar ground mounted project:

Indian Railways is planning to 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, under optimum scheduling method & limited to 207 MW (equivalent to 400 MW solar plant capacity). This proposed state wise distribution of solar power will help Zonal Railways to meet their Solar Power Obligations (SPOs) as per respective SERCs.

2 MW Ground mounted Solar Project: - First Pilot Solar Project of Indian Railways along Railway track.

REMC Ltd. has undertaken the development of first ever 2 MW solar ground mounted projects along the railway tracks as a pilot project for Northern Railways. 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 current year.

Wind Power Project:

Company is going aggressively in renewable energy by implementing wind power projects for Indian Railways. Till date, about 93 MW of wind projects have been awarded and commissioned for IR. Furthermore wind power projects are being planned for implementation in consultation with Railway Board.

2. BUSINESS PERFORMANCE:

During the year, company has made progress in the field of Renewable Energy and Electrical sector. Power flow of about 1270 MW was successfully commenced in various entities under open access for Indian Railways.

To tap the potential of Renewable Energy nationwide, Indian Railways has planned various initiatives through REMC LTD. with this mission & vision of 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 248 MW (approx.) of solar roof top projects, 52 MW ground mounted projects and 93 MW of wind projects so far, which will also reduce the CO₂ emissions..

All these initiatives by company have helped Indian Railways to accrue substantial savings by procuring economical power through open access and implementing solar & wind projects.

2.1 New Development:

Paradigm shift in Railways- Electrification of rail routes

The requirement of traction power is going to increase significantly with 100 % electrification of rail routes of Indian Railways. This will correspondingly increase requirement of power to be purchased through utilities which will also increase the requirement of Renewable Purchase Obligation (RPO). For meeting RPO obligation, Indian Railways has explored the possibilities of setting up solar plants on available vacant surplus Railway land parcels or on land along the Railway track for feeding such solar power directly into CTU/STU or the traction system or for non- traction purpose.

Indian Railways has vacant land to the extent of 51000 hectares, with 85 % Land of varying widths alongside the Railway Tracks. It is intended to develop schemes for installing solar power plants on vacant Railway lands and utilize the solar power so generated to feed into CTU/ STU/ Railway Transmission system.

REMC LTD has been continuously working on this front and achieved its first mandate of implementation of 3 GW of Solar based capacity over vacant land parcels of Indian Railways.

New Technology Innovation: REMC LTD has stepped into realm of innovation by adopting a new technology of solar energy storage. company in consultation with Railway Board has planned to take up a Pilot Project as an innovative storage solution of solar power for utilization during non-solar- hours/ peak hours.

Responsibility towards Energy Conservation:

Energy efficiency is an emerging field as it is one of the most efficient and reliable means of mitigating global climate change. Railways being an energy intensive industry and increase in energy demand due to operational requirements and rising energy cost, importance of Energy efficiency has increased in the recent past. Energy Efficiency is often viewed as a resource base and reduction in carbon emission.

REMC LTD has carried out the Energy Efficiency study through TERI in 5 major production units (PUs) of Indian Railways i.e. ICF, RF, CLW, BLW & DCW" and brought out the investment and payback period for Energy Efficient Technologies to IR.

Future Projects

1. Implementation of Pilot Solar Battery Storage project for IR for utilization of Solar Energy During non-solar hours.

2. Planning to fulfil Railways RPO by purchasing power under Green Term Ahead Market (GTAM) through Power Exchange and procurement of RE RTC power blended with other power source.

Regulatory Matters

- i. The company is assisting Zonal Railways in contesting, preparation and filing of petitions at APTEL, CERC and SERC by hiring eminent legal counsels of power sector.
- ii. The company is defending the deemed licensee status of IR, direction to the state utilities for grant of NOC to IR in the state, non-applicability of Cross Subsidy Surcharge(CSS) and additional surcharges on IR issue of sharing of stand by charges by IR and payment of DSM charges as per CERC regulations before APTEL.
- iii. The matters related to discontinuation of the power by JITPL, termination of APP with M/s JITPL approval of tariff of BRBCL, challenging the COD of BRBCL Units, invocation of force majeure clause for BRBCL power, levying, applicability of DSM charges and sign change penalty charges as per CERC DSM regulation etc. are being contested before CERC.
- iv. Similarly issues related to, Specific conditions for IR as deemed distribution licensee in the state, levy of Cross Subsidy Surcharge(CSS) and additional surcharges, compliance of RPO by IR in the State, grant of NOC to IR in the State regarding grant of connectivity and under open access for intra State T & D system, , levy of DSM sign change penalty charges, applicability of various open access charges as deemed licensee etc. are being contested before State Electricity Regulatory Commission.
- v. In the current financial year due to impact of COVID-19 the hearings before the Commissions have been heard through Video Conferencing and the company has successfully dealt the legal matters of IR before Electricity Regulatory Commissions through online platforms

3. OPERATIONAL PERFORMANCE

Indian Railways with a vision to reduce its dependence on fossil fuel and to cater the need of decarbonisation under the aegis of Indian Railways Solar Mission has been promoting renewable energy in its infrastructure. REMC LTD is supporting IR to achieve its solar mission and also its journey to become world class integrated power player

in the sector. REMC LTD is efficiently managing the power portfolio of Indian Railways which includes traction load, renewable energy (wind and solar), transmission projects, legal & regulatory assistance etc.

Major highlights for the FY 2020-21 are mentioned below:

- Power flow of about 1270 MW was successfully commenced in 13 entities (including DVC control Area & UP ISTS) under open access for Indian Railways.
- REMC LTD Procuring power through IEX (energy exchange) has also commenced in the state of U.P., Delhi, Haryana, M.P. 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
- REMC LTD for the first time has successfully facilitated purchasing of Renewable Energy Certificates (RECs) for Central & South Western Railways towards the compliance as per their regulatory requirements.
- REMC LTD successfully commissioned the pilot project of 2 MW solar ground mounted plant on vacant Railway land along the railway tracks at Diwana near Panipat. This unique way of harnessing solar energy by implementing solar power plant along the railway tracks has unlocked huge potential to generate Green Power along the track.
- About 3 GW of ground mounted solar projects are currently under procurement process.

Key Financial Ratios:

Particulars	2020-21	2019-20
i) Debtor Turnover (No of Days)	54.90	84.00
ii) Interest Coverage Ratio (Times)	12.10	14.12
iii) Current Ratio (Times)	3.20	2.48
iv) Debt Equity Ratio (Times)*	0.18	0.24
v) Operating Profit Margin (%)#	49.47	60.26
vi) Net Profit Margin (%) (PAT / Total Revenue)#	35.11	43.25
vii) Return on Net Worth (PAT/ Avg. Net worth)#	13.94	22.41

* Debt equity ratio has decreased mainly due to reduction in term loan on account of monthly schedule repayment.

Lower due to reduction in revenue due to COVID 19 pandemic.

4. STRENGTH

REMCL LTD 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 railway 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 management. The Company has adopted state of art technologies to facilitate Railways in reducing its operating expenses 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, thus, the economical 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. Company has set up Control Room for forecasting & scheduling of power for Indian Railways for managing the power portfolio & advising Zonal Railways for scheduling & forecasting.

Govt. thrust to shift to Renewable Energy Resources is expanding opportunities in renewable energy sector, therefore possibilities are being explored to harness 'Renewal Energy' i.e. wind & solar.

5. 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. This may impact procurement of power on economic tariff and also revenue growth for the company.
- ii) A synchronized policy of Centre and State will help in harnessing substantial solar power in the Country. However, the following items pertaining to solar

energy are worth considering, which will help in harnessing more solar power by IR.

- a) Allowing Banking of power for Distribution Licensee.
- b) Upfront Capital Costs: Solar power has a unique constraint that almost all costs for 25-year project must be incurred in the beginning. This is a challenge as consumers are more comfortable paying per unit tariff of solar power rather than paying the upfront capital cost. An alternative model that has emerged is the PPA model or the BOOT model, which will further add value for success of such projects.
- c) 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 anticipation 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.
- d) 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 anticipated tariff throughout the project life thus switching to new technology is posing a threat to the existing infrastructure.
- e) 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.
- f) Net Metering Implementation: Net Metering can be a crucial driver for growth of industrial and commercial rooftop solar installations. While a number of

states have announced Net Metering policies and regulations (some states even offering good tariffs for power exported to the grid from rooftops), however implementation of these Net Metering schemes needs to be expedited.

- g) 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 and tariff. Further, "power trading" may also be a permissible activity which will facilitate purchase of power on further competitive tariff.
- h) Issues related with the connectivity of the project to deliver the power at drawl points and expediting signing of PPA between developers and respective Zonal railways

6. INTERNAL CONTROL SYSTEM:

REMC LTD has adequate internal control and audit systems for enhancement of efficiency in operations and to ensure compliance with applicable laws, rules and regulations. Company's internal audit is conducted by experienced professionals and external audit firms. 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.

7. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

Company is pursuing a very progressive and dynamic manpower policy for sourcing professionals and experts with rich experience, on deputation from Central/State Government and other PSUs apart from RITES LTD. Company also plans to supplement expertise by exploring induction of qualified and knowledgeable personnel from other sources including open market.

ANNEXURE - III
FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 As on financial year ended on 31st March, 2021)

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 arms 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.

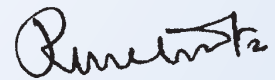
S. No.	Particulars	Details	
a)	Name (s) of the related party & nature of relationship	RITES Limited – Holding Company (51%) and Ministry of Railways (49%) shareholder of the Company	
b)	Nature of contracts/arrangements/ transaction	RITES Limited - (₹ in Lakh)	
		Particulars	Year Ended 31.03.2021
		- Fee for services obtained	837.26
		- Man-Month Expenses of KMP	158.21
		- Reimbursable for Expense& Taxes	4.23
		- Other Expense	-
		- Dividend Paid	535.50
		- Capital Advance	101.55
		- Issue of Bonus Share	1785.00
		Ministry of Railways - (₹ in Lakh)	
		Particulars	Year Ended 31.03.2021
		- Income from Consultancy	5141.56
		- Sale of Power Generation	1645.46
		- Recoverable	20.70
		- Issue of Bonus Share	1715.00

S. No.	Particulars	Details																								
		<p>CEO, CFO & 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 & 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.</p> <table><tr><td>CEO</td><td>Shri A.N. Mathur(From 21/02/2020 to 27/07/2020)</td></tr><tr><td></td><td>Shri Rupesh Kumar (From 28/07/2020 to 17/09/2020)</td></tr><tr><td></td><td>Shri Ajay Kumar Singhal (From 18/09/2020)</td></tr></table> <p>(₹ in Lakh)</p> <table><tr><th>Particulars</th><th>Year Ended 31.03.2021</th></tr><tr><td>- Man- Month Charges</td><td>83.08</td></tr><tr><td>TOTAL</td><td>83.08</td></tr></table> <p>CFO – Shri Sunil Kumar Singh (₹ in Lakh)</p> <table><tr><th>Particulars</th><th>Year Ended 31.03.2021</th></tr><tr><td>- Man- Month Charges</td><td>43.33</td></tr><tr><td>TOTAL</td><td>43.33</td></tr></table> <p>Company Secretary (CS) – Ranjan Kumar Tiwary (₹ in Lakh)</p> <table><tr><th>Particulars</th><th>Year Ended 31.03.2021</th></tr><tr><td>- Man- Month Charges</td><td>31.80</td></tr><tr><td>TOTAL</td><td>31.80</td></tr></table>	CEO	Shri A.N. Mathur(From 21/02/2020 to 27/07/2020)		Shri Rupesh Kumar (From 28/07/2020 to 17/09/2020)		Shri Ajay Kumar Singhal (From 18/09/2020)	Particulars	Year Ended 31.03.2021	- Man- Month Charges	83.08	TOTAL	83.08	Particulars	Year Ended 31.03.2021	- Man- Month Charges	43.33	TOTAL	43.33	Particulars	Year Ended 31.03.2021	- Man- Month Charges	31.80	TOTAL	31.80
CEO	Shri A.N. Mathur(From 21/02/2020 to 27/07/2020)																									
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TOTAL	43.33																									
Particulars	Year Ended 31.03.2021																									
- Man- Month Charges	31.80																									
TOTAL	31.80																									
c)	Duration of the contracts/ arrangements/transaction.	<p>RITES LTD. – Services of experts from holding company may be 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> <p>a) West Central Railway (RGPPL) – 22.01.2016 to 31.03.2022</p> <p>b) Central Railway (RGPPL) – 26.11.2015 to 31.03.2022</p> <p>c) Western Railway (RGPPL) – 09.01.2016 to 31.03.2022</p> <p>d) South Eastern Railway (RGPPL) - 17.01.2016 to 31.03.2022</p> <p>e) South Western Railway (RGPPL) - 25.10.2017 to 31.03.2022</p> <p>f) North Central Railway (RGPPL) - 01.04.2017 to 31.03.2022</p> <p>g) West Central Railway , MP (JITPL) – 12.07.2016 to 31.12.2020</p> <p>h) West Central Railway, Rajasthan (JITPL) – 10.01.2017 to 19.01.2021</p> <p>i) Northern Railway, Delhi, (JITPL) – 31.03.2018 to 28.02.2021</p>																								

		<p>j) Northern Railway, Haryana (JITPL) – 01.10.2017 to 30.06.2021</p> <p>k) BRBCL for 25 years starting from 02nd August, 2017</p> <p>ii. Sale of Renewal Power Generation from 26 MW Wind Mill plant situated at Jaisalmer, Rajasthan.</p> <p>a. West Central Railway – 25 years PPA w.e.f. 16.10.2015</p>
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	<p>RITES LTD. – Experts of holding Company will render technical services to company. Holding Company will charge 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 ₹ 837.26 Lakh (excluding applicable taxes).</p> <p>Man-month expenses of KMP – ₹ 158.21 Lakh (excluding applicable taxes).</p> <p>Ministry of Railways –</p> <p><i>Services for Economic Power Procurement at professional charges of 07 paisa per unit</i></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 – ₹ 5141.56 Lakh</p> <p>Sale of Renewal Power Generation from 26 MW Wind Mill plant situated at Jaisalmer, Rajasthan</p> <p>Energy produced from captive wind mill plant is being billed on the basis of levelised tariff derived on the basis of PPA entered into with respective zonal railway.</p> <p>Total value of transaction Value – ₹ 1645.46 Lakh</p>
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	Nil

Date : 06.05.2021

Place : Gurugram



(Rajeev Mehrotra)

Chairman

ANNEXURE - IV

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31st March, 2021
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U93000DL2013GOI256661
2.	Registration Date	16 th August, 2013
3.	Name of the Company	REMC LIMITED (Formerly known as Railway Energy Management Company Limited)
4.	Category/Sub-category of the Company	Company limited by shares
5.	Address of the Registered office & contact details	Core -1, 12 th Floor, SCOPE Minar, Laxmi Nagar, Delhi-110092, INDIA 011-22024610
6.	Whether listed company Yes/No	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent,	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Economic Power Procurement for Railways	--	75.76
2.	Power Generation	--	24.24

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S No.	Name And Address Of The Company	CIN/GIN	Holding Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	MITES Ltd, SCOPE Minar, Laxmi Nagar	L74899DL1974GOI007227	Holding	51%	2(87) of the Companies Act, 2013
2.	Ministry of Railways, Rail Bhawan, Delhi	--	--	49%	

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
	a) Individual/ HUF									
	b) Central Govt		3,43,00,000		49%		5,14,50,000		49%	
	c) State Govt(s)									
	d) Bodies Corp.		3,57,00,000		51%		5,35,50,000		51%	
	e) Banks / FI									
	f) Any other									
	Sub-total (A)(1):-		7,00,00,000		100%		10,50,00,000		100%	
(2)	Foreign									
	a) NRIs-Individual									
	b) Other individuals									
	c) Bodies Corp.									
	d) Banks / FI									
	f) Any other									
	Sub-total (A)(2):-									
B.	Public Shareholding									
1.	Institutions									
	a) Mutual Funds									
	b) Banks / FI									
	c) Central Govt									
	d) State Govt(s)									
	e) Venture Capital Funds									
	f) Insurance Companies									
	g) FIs									
	h) Foreign Venture Capital Funds									
	i) Others (specify)									
	Sub-total (B)(1):-									
2.	Non-Institutions									
	a) Bodies Corp.									
	i) Indian									
	ii) Overseas									
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto` 1 lakh									

Category of Shareholders			No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
			Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
	c)	Others (specify)									
		Sub-total (B)(2):-									
		Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C.		Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)				7,00,00,000				10,50,00,000			

ii) Shareholding of Promoters-

S No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	ITES Ltd	3,56,99,979	51%		5,35,49,970	51%		
2	Ministry of Railways	3,42,99,986	49%		5,14,49,980	49%		
3.	Shri Gopi Suresh Kumar Varadarajan	7			10			
4.	Shri A.K. Mahtha	7			Share have been transferred to Shri B.P. Nayak, Director Finance, RITES			
5.	Shri B.P. Nayak	0			10			
6.	Shri B. S. Bodh	7			10			
7.	Shri Ajeet Kumar Srivastava	7			10			
8.	Shri Parmod Kumar Narang	7			10			
	Total	7,00,00,000			105000000			

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	7,00,00,000	100	7,00,00,000	100
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	Allotment of 3.5 crore No. of equity shares on 06.11.2020	100	Allotment of 3.5 crore No. of equity shares on 06.11.2020	100
3	At the end of the year	10,50,00,000	100	10,50,00,000	100

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	Nil	Nil	Nil	Nil

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year		Date of transfer of shares	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
	At the beginning of the year							
1.	Shri Gopi Suresh KumarVaradarajan	7		Allotment of 3 No. of equity shares on 06.11.2020			10	
2.	Shri Ajeet Kumar Srivastava	7		Allotment of 3 Nos. of equity shares on 06.11.2020			10	
3.	Shri Parmod Kumar Narang	7		Allotment of 3 Nos. of equity shares on 06.11.2020			10	
	At the end of the year							

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakh)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	4024.96	--	--	4024.96
ii)	Interest due but not paid	--	--	--	--
iii)	Interest accrued but not due	28.86	--	--	28.86
Total (i+ii+iii)		4053.82	--	--	4053.82
Change in Indebtedness during the financial year					
* Addition		--	--	--	--
* Reduction		802.50	--	--	802.50
Net Change		802.50	--	--	802.50
Indebtedness at the end of the financial year					
i)	Principal Amount	3230.73	--	--	3230.73
ii)	Interest due but not paid	--	--	--	--
iii)	Interest accrued but not due	20.59	--	--	20.59
Total (i+ii+iii)		3251.32	--	--	3251.32

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NA**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify...					
5	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount (₹ in Lakh)
1	Independent Directors	Dr. Pradeep Kumawat	Smt. Sheela Koul	
	Fee for attending board committee meetings	2.40	2.25	4.65
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	2.40	2.25	4.65
2	Other Non-Executive Directors	NA	NA	NA
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)			
	Total Managerial Remuneration	-	-	-
	Overall Ceiling as per the Act	-	-	-

C. Remuneration to key Managerial Personnel other than MD/Manager/WTD: CEO, CFO & Company Secretary are the employees 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 & 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.

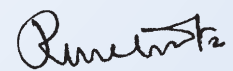
SN	Particulars of Remuneration	Key Managerial Personnel					
		Shri A.N.Mathur, (CEO) (up to 27/07/2020)	Shri Rupesh Kumar, (CEO) (From 28.07.2020 to 17/09/2020)	Shri Ajay Kr. Singhal, (CEO) (From 18/09/2020)	Shri Sunil Kumar Singh, (CFO)	Shri Ranjan Kumar Tiworthy, (CS)	Total (₹ in Lakh)
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-
	Others specify...	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total	-	-	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NA

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NA				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NA				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA				
Punishment					
Compounding					

Date : 06.05.2021

Place : Gurugram



(Rajeev Mehrotra)
Chairman

ANNEXURE-V

CORPORATE SOCIAL RESPONSIBILITY (CSR) PROJECTS FOR FY 2020-21

1. It was decided by the Board of REMC LTD, to adopt RITES CSR & Sustainability Policy for implementation of CSR projects in REMC LTD 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 LTD. 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 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 foot prints.
- iv. Engaging stakeholders in undertaking CSR & Sustainability projects in and around the areas of company's offices/ projects and also 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.

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.

The CSR policy can be accessed through the link https://rites.com/Upload/MediaGallery/PDF/3/CSR-Sustainability-Policy-Issue_4Rev5-18637516663096465718.pdf

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 Ajeet Kumar Srivastava	Chairman	3	2
2.	Dr. Pradeep Kumawat	Member	3	3
3.	Smt. Sheela Koul	Member	3	3
4.	Shri Parmod Kumar Narang	Member	3	3

4. The CSR policy can be accessed through the link https://rites.com/Upload/MediaGallery/PDF/3/CSR-_Sustainability-Policy-Issue_4Rev5-18637516663096465718.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 ₹ 2.0 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
Total		Nil	Nil

7. Average net profit of the company as per section 135(5): ₹ 4665.79 Lakh
8. (a) Two percent of average net profit of the company as per section 135(5): **₹ 93.36 Lakh**
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: **Nil**
 (c) Amount required to be set off for the financial year, if any: **Nil**
 (d) Total CSR obligation for the financial year 2020-21 (8a+8b-8c): **₹ 93.36 Lakh**
9. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (₹ In Lakh)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Date of transfer	Amount	Date of transfer
93.36	Nil	NA	NA	NA	NA

(b) Details of CSR amount spent against 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.		Project duration.	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency		
				State.	District.						Name	CSR Registration number.	
	NA												

Note:-

* The amount expend for the financial year are more than the amount to be expend under section 135, hence no separate account needs to open.

(c) Details of CSR amount spent against other than ongoing projects for the financial year 2020-21.

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.
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								
i)	Distribution of Aids & Assistive Devices to Divyangjans” by Artificial Limbs Manufacturing Corporation of India (ALIMCO).	Schedule -VII Item- (i)	Yes	Haryana	Gurgaon	9.86	No	M/s ALIMCO	CSR00000532
ii)	Financial support for health & nutrition programmes in Jammu & Kashmir.	Schedule -VII Item- (i)	No	J & K	Kulgam	25.33	No	M/s Human Race	-
iii)	Financial support for promoting education by providing sponsorship for family homes and supporting higher education for various youths in Haryana & Orissa.	Schedule -VII Item- (i)	No	PAN India		31.37	No	M/s SoS Childrens Villages of India	CSR00000692
iv)	Financial support for Health & Nutrition programmes i.e., distribution of Sanitary Wending and Incinerator machines, Malnutrition lactic feeding mothers, Masks & Sanitizer etc. in villages of district Udaipur, Rajasthan.	Schedule -VII Item- (i)	No	Rajasthan	Udaipur	15.00	No	M/s Bharat Vikas Parishad	-
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)	Promoting health care by including preventive health care, by the Central Government for the promotion of cleanliness & sanitation by procuring textile carry bags & two layers cotton masks through NGO- Vishwas Sansthan, Udaipur (Rajasthan).	Schedule -VII Item- (ii)	Yes	Haryana	Gurgaon	2.25	No	M/s Vishwas Sansthan	-

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.
C.	Nursing environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga								
i)	Contributing to the Swach Bharat Kosh / Clean Ganga Fund / PM Care Fund for FY 2020-21 set up by the Central Government for the promotion of cleanliness.	Schedule -VII Item- (iv)	No	PAN India		5.10	Yes	Direct	-
	Total					88.91			

(d) Amount spent in administrative overheads: - ₹ 4.45 Lakh

(e) Amount spent on impact assessment, if applicable. - Nil

(f) Total amount spent for the financial year 2020-21 (8b+8c+8d+8e): - ₹ 93.36 Lakh

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ In Lakh)
I.	Two percent of average net profit of the company as per section 135(5)	93.36
II.	Total amount spent for the financial year	93.36
III.	Excess amount spent for the financial year [(ii)-(i)]	Nil
IV.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
V.	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 ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (₹ in Lakh)
				Name of the Fund	Amount (in ₹)	Date of transfer.	
1.	2017-18	Nil		Not Applicable			
2.	2018-19	Nil					
3.	2019-20	Nil					5.40
	Total						5.40

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

Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was Commenced.	Project Duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
NA								

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 **2020-21 (asset-wise details)**. **NA**

- Date of creation or acquisition of the capital asset(s).- **NA**
- Amount of CSR spent for creation or acquisition of capital asset. **NA**
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- **NA**
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - **NA**

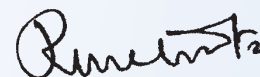
No assets have been created in the company's name under CSR initiative.

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

Not applicable.

Date: 06.05.2021

Place: Gurugram



(Rajeev Mehrotra)
Chairman

ANNEXURE -VI

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2021

[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
Scope Minar, Laxmi Nagar
Delhi-110092

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, 2021 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, 2021 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. 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.

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.

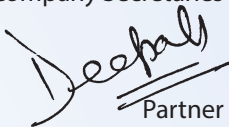
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision has been carried through in the meetings. It was informed by the management that there was no dissenting member on any of the agenda item put up before the Board for discussion.

We further report that name of the company has been changed from RAILWAY ENERGY MANAGEMENT COMPANY LIMITED to REMC LIMITED with effect from 22.09.2020

We further report that on 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



Partner

M No.: F10189

CP No:11372

UDIN: F010189C000417365

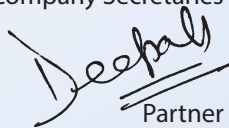
Date: 06/05/2021
Place: New Delhi

To,
The Members,
REMC Limited
Scope Minar, Laxmi Nagar
Delhi-110092

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



Partner

M No.: F10189

CP No:11372

UDIN: F010189C000417365

Date: 06/05/2021
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, 2021, 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, 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 Ind As Financial Statements give the information required by the Companies Act ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit including other 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 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 judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined that there are no 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 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial 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 for 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 skepticism throughout the audit. We also:

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

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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure '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.

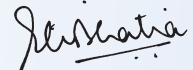
3. As required by Section 143 (3) of the Act, we report that:

- (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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure III"; and

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

- i. The Company does not have any pending litigation as at 31st March, 2021.
 - 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 amounts were required to be transferred to the Investor Education and Protection Fund by the Company.
- (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, 2021.

For Pawan Puri & Associates
 CHARTERED ACCOUNTANTS
 Firm Registration. No. Q05950N



(ETI BHATIA)
PARTNER

Place : New Delhi
Date : 06-05-2021

M. No. 511542
UDIN: 21511542AAAADD9824

ANNEXURE - I TO THE INDEPENDENT AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF REMC LTD.

The Annexure '1' Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2021:

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b) The fixed assets of the Company have been physically verified by the management during the year and no discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and nature of its assets.

- c) The title deeds of sub - lease hold land and Building is in the name of the Company.
- ii. The nature of business of the Company does not require it to have any inventory. Accordingly, reporting under clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- iii. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Hence, reporting under clause (a) to (c) of paragraph 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 section 185 and 186 of the Companies Act 2013. Therefore the paragraph 3(iv) of the order is not applicable to the company.
- v. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable. Therefore the paragraph 3(v) of the order is not applicable to the company.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 for the Company. Thus reporting under clause (vi) of paragraph 3 of the Order is not applicable to the Company.
- vii. a) According to information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Income Tax, Service Tax, Value Added Tax, Goods & Service Tax (GST) and other statutory dues with the appropriate authorities applicable to the Company.
b) According to information and explanations given to us, there are no disputed dues of Income Tax, Service Tax, Value added Tax, Goods & Service Tax (GST) and other statutory dues which have not been deposited.
- viii. 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 dues of term loan availed from Indian bank.
- ix. In our opinion and according to the information and explanation given by the management, Company has not raised any money by way of initial public offer (including debt instruments) and term loan during the year. Accordingly, clause (ix) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- x. According to the information and explanations 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.
- xi. 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 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Company.
- xii. The Company is not a Nidhi Company. Hence, reporting under clause (xii) of paragraph 3 of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanation given to us and based on our examination of the records of the Company, Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause (xiv) of paragraph 3 of the Companies (Auditors report) Order, 2016 is not applicable to the Company.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, clause (xv) of paragraph 3 of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- xvi. According to the information and explanations given to us and in our opinion the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, clause (xvi) of paragraph 3 of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

For Pawan Puri & Associates
 CHARTERED ACCOUNTANTS
 Firm Registration. No. 005950N


(ETI BHATIA)
 PARTNER

Place : New Delhi
Date : 06-05-2021

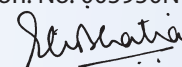
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UDIN: 21511542AAAADD9824

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, 2021

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 ERP-9 software to process all its accounting transactions. There is no accounting transaction which is processed outside Tally ERP-9 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 Pawan Puri & Associates
 CHARTERED ACCOUNTANTS
 Firm Registration. No. 005950N


 (ETI BHATIA)

PARTNER

M. No. 511542

UDIN: 21511542AAAADD9824

Place : New Delhi
 Date : 06-05-2021

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, 2021 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 over Financial Reporting

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

Opinion

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, 2021, 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 Pawan Puri & Associates
CHARTERED ACCOUNTANTS
Firm Registration. No. 005950N


(ETI BHATIA)
PARTNER

Place : New Delhi
Date : 06-05-2021

M. No. 511542
UDIN: 21511542AAAADD9824

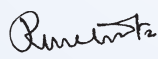
BALANCE SHEET AS AT 31ST MARCH, 2021

		(₹ in Lakhs)	
PARTICULARS	NOTE NO.	AS AT 31.03.2021	AS AT 31.03.2020
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	2.01	17,069.69	17,765.15
CAPITAL WORK IN PROGRESS	2.01.1	1.15	-
RIGHT OF USE ASSETS	2.02	82.27	86.48
INTANGIBLE ASSETS	2.03	-	-
FINANCIAL ASSETS			
OTHER FINANCIAL ASSETS	2.04	-	1.29
OTHER NON CURRENT ASSETS	2.05	510.82	344.41
		17,663.93	18,197.33
CURRENT ASSETS			
FINANCIAL ASSETS			
TRADE RECEIVABLES	2.06	1,159.65	2,083.15
CASH AND CASH EQUIVALENTS- OWNED FUND	2.07.1	1,831.82	210.65
CASH AND CASH EQUIVALENTS- CLIENT FUND	2.08.1	1.37	1.17
OTHER BANK BALANCES- OWNED FUND	2.07.2	1,614.13	476.52
OTHER BANK BALANCES- CLIENT FUND	2.08.2	359.89	413.64
OTHER FINANCIAL ASSETS	2.09	858.63	654.39
CURRENT TAX ASSETS (NET)	2.10	-	359.11
OTHER CURRENT ASSETS	2.11	58.64	14.74
		5,884.13	4,213.37
TOTAL ASSETS		23,548.06	22,410.70
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	2.12	10,500.00	7,000.00
OTHER EQUITY	2.13	7,491.49	9,628.12
		17,991.49	16,628.12
LIABILITIES			
NON CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
BORROWING	2.14	2,464.27	3,258.50
DEFERRED TAX LIABILITIES(NET)	2.15	1,253.56	824.74
		3,717.83	4,083.24
CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
TRADE PAYABLES			
-TOTAL OUTSTANDING DUES OF MICRO ENTERPRISE AND SMALL ENTERPRISES		-	-
-TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISE AND SMALL ENTERPRISES	2.16	520.02	278.81
OTHER FINANCIAL LIABILITIES	2.17	1,250.74	1,329.34
OTHER CURRENT LIABILITIES	2.18	67.98	91.19
		1,838.74	1,699.34
TOTAL EQUITY AND LIABILITIES		23,548.06	22,410.70
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF STANDALONE FINANCIAL STATEMENTS		1 & 2	

For and on behalf of the Board



SUNIL KUMAR SINGH
Chief Financial Officer
M.No.: ACA 500175



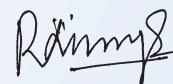
RAJEEV MEHROTRA
Chairman
DIN: 01583143



AJAY KUMAR SINGHAL
Chief Executive Officer



PARMOD KUMAR NARANG
Director
DIN: 07668869



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

As per our report of even date attached

For Pawan Puri & Associates
Chartered Accountants
FRN: 005950N




(ETI BHATIA)
Partner
M.No.: 511542

Place : Gurugram
Date : 06-05-2021


STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021


		(₹ in Lakhs)	
PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
REVENUE			
REVENUE FROM OPERATIONS	2.19	6,787.02	7,856.15
OTHER INCOME	2.20	86.59	240.03
TOTAL REVENUE		6,873.61	8,096.18
EXPENDITURE			
FEE FOR SERVICE OBTAINED	2.21	978.57	1,095.69
SALARY REIMBURSEMENT	2.30	158.21	153.21
FINANCE COSTS	2.22	310.64	384.08
GENERATION EXPENSES	2.23	819.57	508.46
DEPRECIATION & AMORTISATION EXPENSES	2.24	705.87	634.39
OTHER EXPENSES	2.25	456.69	346.22
TOTAL EXPENDITURE		3,429.55	3,122.05
PROFIT BEFORE TAX		3,444.06	4,974.13
TAX EXPENSES			
- CURRENT TAX (PREVIOUS YEAR MAT)	2.26	(601.86)	(861.48)
- DEFERRED TAX (NET)		(428.83)	(611.10)
PROFIT AFTER TAX		2,413.37	3,501.55
OTHER COMPREHENSIVE INCOME		-	-
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,413.37	3,501.55
EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) - BASIC & DILUTED	2.31	₹ 2.30	3.33
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		105,000,000	105,000,000

For and on behalf of the Board


SUNIL KUMAR SINGH
Chief Financial Officer
M.No.: ACA 500175


RAJEEV MEHROTRA
Chairman
DIN: 01583143

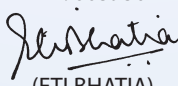

AJAY KUMAR SINGHAL
Chief Executive Officer


PARMOD KUMAR NARANG
Director
DIN: 07668869


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

As per our report of even date attached

For Pawan Puri & Associates
Chartered Accountants
FRN: 005950N


(ETI BHATIA)
Partner
M.No : 511542

Place : Gurugram
Date : 06-05-2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

A. EQUITY SHARE CAPITAL - (REFER NOTE NO 2.12)


(₹ in Lakhs)		
BALANCE AS AT 01.04.2020	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR	BALANCE AS AT 31.03.2021
7,000.00	3500.00	10500.00
BALANCE AS AT 01.04.2019	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR	BALANCE AS AT 31.03.2020
7,000.00	0.00	7000.00

B. OTHER EQUITY- (REFER NOTE NO 2.13)

(₹ in Lakhs)			
PARTICULARS	RESERVE AND SURPLUS GENERAL RESERVE	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME
BALANCE AS AT 01.04.2020	9628.12	-	-
CHANGES IN ACCOUNTING POLICY OR PRIOR PERIOD ERRORS	-	-	-
RESTATEMENT OF DIVIDEND AND TAX THEREON	-	-	-
RESTATED BALANCE AT THE BEGINNING OF THE REPORTING YEAR	9,628.12	-	-
PROFIT FOR THE YEAR	-	2,413.37	-
FINAL DIVIDEND FOR F.Y (2019-20)	(1,050.00)	-	-
BONUS ISSUE	(3,500.00)	-	-
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	-	-	-
BALANCE AT 31.03.2021	5,078.12	2,413.37	-
FINAL DIVIDEND PER SHARE FOR FY 2019-20 (₹)	1.5	NO OF SHARE USED IN COMPUTING DIVIDEND PER SHARE	


(₹ in Lakhs)			
PARTICULARS	RESERVE AND SURPLUS GENERAL RESERVE	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME
BALANCE AT 01.04.2019	7,622.66	-	-
PROFIT FOR THE YEAR	-	3,501.55	-
INTERIM DIVIDEND	-	-	-
FINAL DIVIDEND FOR F.Y (2018-19)	-	(1,241.00)	-
DIVIDEND DISTRIBUTION TAX	-	(255.09)	-
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	2,005.46	(2,005.46)	-
BALANCE AT 31.03.2020	9,628.12	-	-
FINAL DIVIDEND PER SHARE FOR FY 2018-19 (₹)	1.77	NO OF SHARE USED IN COMPUTING DIVIDEND PER SHARE	

For and on behalf of the Board


SUNIL KUMAR SINGH
Chief Financial Officer
M.No.: ACA 500175


RAJEEV MEHROTRA
Chairman
DIN: 01583143


AJAY KUMAR SINGHAL
Chief Executive Officer


PARMOD KUMAR NARANG
Director
DIN: 07668869


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

As per our report of even date attached

For Pawan Puri & Associates
Chartered Accountants
FRN: 005950N


(ETI BHATIA)
Partner
M.No : 511542

Place : Gurugram
Date : 06-05-2021

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

PARTICULARS	(₹ in Lakhs)	
	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	3,444.06	4,974.13
ADJUSTMENTS FOR:		
- DEPRECIATION AND AMORTIZATION	705.87	634.39
- INTEREST FROM FDs/OTHERS	(84.55)	(122.38)
- FINANCE COST	310.64	384.08
- PROVISION AND IMPAIRMENT EXPENSES (NET)	-	(44.64)
OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES	4,376.02	5,825.58
CHANGE IN ASSETS AND LIABILITIES:		
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:		
- TRADE RECEIVABLES	923.50	(458.85)
- OTHER FINANCIAL ASSETS AND OTHER CURRENT ASSETS	(257.65)	(151.63)
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING LIABILITIES:		
- TRADE PAYABLES	241.21	17.78
- STATUTORY DUES	(23.21)	27.70
- OTHER FINANCIAL LIABILITIES, OTHER CURRENT LIABILITIES AND PROVISIONS	(16.78)	34.05
CASH GENERATED FROM OPERATIONS	5,243.09	5,294.63
- INCOME TAX PAID (NET OF REFUND)	(264.14)	(921.10)
NET CASH FROM OPERATING ACTIVITIES	4,978.95	4,373.53
CASH FLOWS FROM INVESTING ACTIVITIES		
- PURCHASE/CONSTRUCTION OF FIXED ASSETS	(107.77)	(4,657.25)
- PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT	0.02	
- DEPOSITS NOT CONSIDERED AS CASH AND CASH EQUIVALENTS	(1,136.40)	1,829.91
- RECOVERABLE FROM RELATED PARTIES	(20.70)	(23.62)
- INTEREST INCOME	70.21	138.42
NET CASH FROM INVESTING ACTIVITIES	(1,194.64)	(2,712.54)
CASH FLOW FROM FINANCING ACTIVITIES		
- REPAYMENT OF TERM LOAN	(794.23)	(734.73)
- FINANCE COST OTHER THAN ON BORROWINGS	(0.71)	(5.02)
- FINANCE COST ON BORROWING	(318.20)	(386.55)
- DIVIDEND PAID	(1,050.00)	(1,241.00)
- DIVIDEND DISTRIBUTION TAX PAID	-	(255.09)
NET CASH FROM FINANCING ACTIVITIES	(2,163.14)	(2,622.39)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,621.17	(961.40)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	210.65	1,172.05
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,831.82	210.65

RECONCILIATION OF CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
CASH AND CASH EQUIVALENTS- OWNED FUND	2.07.1	1,831.82	210.65
ADD : INTEREST ACCRUED ON BANK DEPOSITS HAVING MATURITY WITHIN 3 MONTHS FROM ACQUISITIONS' DATE	2.09	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		1,831.82	210.65

RECONCILIATION OF FINANCIAL LIABILITIES

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
LONG TERM BORROWING AT THE BEGINNING OF THE YEAR	2.14	4,024.96	4,759.69
- CASH OUTFLOWS (REPAYMENT)		(794.23)	(734.73)
- NON CASH CHANGES		-	-
CLOSING LONG TERM BORROWING		3,230.73	4,024.96
INTEREST PAYABLE ON BORROWING AT THE BEGINNING OF THE YEAR	2.17	28.86	36.35
- CASH OUTFLOWS (INTEREST)		(318.20)	(386.55)
- NON CASH CHANGES	2.22	309.93	379.06
INTEREST PAYABLE ON BORROWING AT THE END OF THE YEAR	2.17	20.59	28.86

SUPPLEMENTARY INFORMATION:

COMPONENTS OF CASH AND CASH EQUIVALENTS (REFER NOTE 2.07.1) 1,831.82 210.65

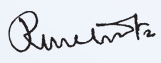
NOTE:

- CASH AND CASH EQUIVALENTS CONSIST OF CASH AND BANK BALANCES INCLUDING FDs HAVING MATURITY WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION.
- THE ABOVE STATEMENT OF CASH FLOWS HAVE BEEN PREPARED UNDER INDIRECT METHOD AS SET OUT IN IND AS 7 STATEMENT OF CAHS 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.
- FIGURES IN BRACKET INDICATE CASH OUTFLOW.
- THE ABOVE STATEMENT OF CASH FLOWS HAS BEEN PREPARED BASED ON REMC OWNED FUNDS ONLY. FUNDS ON BEHALF OF THE CLIENT AND ITS CORRESPONDING LIABILITIES HAVE NOT BEEN CONSIDERED

For and on behalf of the Board



SUNIL KUMAR SINGH
Chief Financial Officer
M.No.: ACA 500175



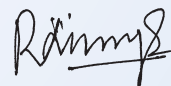
RAJEEV MEHROTRA
Chairman
DIN: 01583143



AJAY KUMAR SINGHAL
Chief Executive Officer



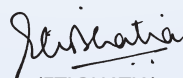
PARMOD KUMAR NARANG
Director
DIN: 07668869



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

As per our report of even date attached

For Pawan Puri & Associates
Chartered Accountants
FRN: 005950N



(ETI BHATIA)
Partner
M.No.: 511542

Place : Gurugram
Date : 06-05-2021

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

Company Overview

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 purchase 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 Company is incorporated and domiciled in India. The address of its registered office is SCOPE Minar, Laxmi Nagar, Delhi-110092 (India) and address of its corporate office is RITES Bhawan, Plot No. 1, Sector -29, Gurgaon, Haryana-122001 (India). The 51% of the shares of the company are held by the RITES Ltd (Holding Company) and their nominees and balance 49% shares are held by the Ministry of Railway and their nominees.

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

The standalone financial statements are approved by the company's Board of Directors on 06.05.2021.

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 together 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.

(d) Going Concern

Due to spread of Covid-19 and its impact on the business of the Company, management expects to have marginal impact on the Company for the next one year. Further, considering the Company's business plans and the availability of sufficient cash reserves as at March 31, 2021, the management does not foresee any uncertainty in continuing its business operations and meeting its liabilities for the foreseeable future and accordingly, these Financial Statements have continued to be prepared on a going concern basis

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, a contract liability is recognised.

Mobilization fee is considered as customer advance until recognized 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 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 Wind Mill Projects (Power Generation)

Revenue from sale of power through wind mill projects is recognized on the basis of 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/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, upto the date of acquisition/ installation, net of accumulated depreciation and impairment losses, if any.

- (a) Incidental expenditure during construction period including interest charges incurred upto 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. Other spares are charged off to the Statement of Profit and Loss in the year of purchase.
- (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

- (a) 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 prorata basis.

- (b) 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 Equipments	10	10.00
Vehicles	8	12.50
Buildings on Freehold land	60	1.67
Windmill plant	25	4.00
Intangible Assets	4	25.00

- (c) 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.

- (d) Lease hold land is amortized over the lease term or the useful life of asset built/installed on such land, whichever is shorter.
- (e) In respect of building on lease hold land, depreciation is charged over the period of lease of land or the useful life stated above on freehold land, whichever is lower.
- (f) As per 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 higher rate than prescribed under the Companies Act, 2013.

Windmill Plants have 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 lower rate than prescribed under the Companies Act, 2013.

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

- (h) 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 amortisation 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 derecognised.

- (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 unless it is impracticable, in which case, the comparative information is adjusted to apply the new accounting policy prospectively from the earliest date practicable.

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 driving basis 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 sale 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

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 amortisation 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
The 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 EIR method. Gains and losses are recognised in 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 of 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 asset primarily consists 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 asset 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 accrual basis. Initial direct cost 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 31.03.2021

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION						NET BLOCK (₹ in Lakhs)	
	AS AT 01/04/2020	ADDITIONS DURING THE YEAR	ADJUSTMENT DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2020	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETION DURING THE YEAR		TOTAL
BUILDING	5,270.87	-	-	-	5,270.87	22.14	87.87	-	-	-	110.01	5,160.86
PLANT AND EQUIPMENT												
WIND MILL PLANT AT JAISALMER (26 MW)**	15,222.46	-	-	-	15,222.46	2,715.09	608.90	-	-	-	3,323.99	11,898.47
OFFICE EQUIPMENT	0.64	3.03	-	-	3.67	0.37	0.42	-	-	-	0.79	2.88
COMPUTER AND EQUIPMENT	15.82	3.19	-	(1.24)	17.77	7.04	4.47	-	-	(1.23)	10.28	7.48
SUB TOTAL	20,509.79	6.22	-	(1.24)	20,514.77	2,744.64	701.66	-	-	(1.23)	3,445.07	17,069.69
GRAND TOTAL	20,509.79	6.22	-	(1.24)	20,514.77	2,744.64	701.66	-	-	(1.23)	3,445.07	17,069.69

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT & EQUIPMENT FOR THE YEAR ENDED 31.03.2020

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION						(₹ in Lakhs)	
	AS AT 01/04/2019	ADDITIONS DURING THE YEAR	ADJUSTMENT DURING THE YEAR	DELETION DURING THE YEAR	TOTAL	AS AT 01/04/2019	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETION DURING THE YEAR	TOTAL	AS AT 31.03.2020
BUILDING	622.59	4,648.28	-	-	5,270.87	5.18	16.96	-	-	-	22.14	5,248.73
LEASED HOLD												
LAND (WIND MILL PLANT AT JAISALMER)*	105.25	-	(105.25)	-	-	14.56	-	(14.56)	-	-	-	-
SUB TOTAL	105.25	-	(105.25)	-	-	14.56	-	(14.56)	-	-	-	-
PLANT AND EQUIPMENT												
WIND MILL PLANT AT JAISALMER (26 MW)**	15,222.46	-	-	-	15,222.46	2,106.19	608.90	-	-	-	2,715.09	12,507.37
OFFICE EQUIPMENT	0.64	-	-	-	0.64	0.24	0.13	-	-	-	0.37	0.27
COMPUTER AND EQUIPMENT	6.85	8.97	-	-	15.82	3.23	3.81	-	-	-	7.04	8.78
SUB TOTAL	15,852.54	4,657.25	-	-	20,509.79	2,114.84	629.80	-	-	-	2,744.64	17,765.15
GRAND TOTAL	15,957.79	4,657.25	(105.25)	-	20,509.79	2,129.40	629.80	(14.56)	-	-	2,744.64	17,765.15

**UNDER HYPOTHECATED REFER NOTE NO. 2.14

*UNDER MORTGAGED REFER NOTE NO. 2.14

2.01.1 CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	AS AT 01/04/2020	ADDITI- ONS DURING THEPERIOD	RECLASSIFI- CATION DURING THE YEAR	DELETION DURING THE PERIOD	TOTAL	AS AT 01/04/2020	FOR THE PERIOD	ADJ DURING THE PERIOD	ADJ THROUGH RETAINED EARNING	DELETION DURING THE PERIOD	TOTAL	AS AT 31.03.2021
AS AT 31.03.2021	-	1.15	-	-	1.15	-	-	-	-	-	-	1.15
AS AT 31.03.2020	-	-	-	-	-	-	-	-	-	-	-	-

2.02 RIGHT OF USE ASSETS

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF RIGHT OF USE ASSETS FOR THE YEAR ENDED 31.3.2021

(₹ in Lakhs)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	AS AT 01/04/2020	ADDITI- ONS DURING THEPERIOD	RECLASSIF- ICATION DURING THE YEAR	DELETION DURING THE PERIOD	TOTAL	AS AT 01/04/2020	FOR THE PERIOD	ADJ DURING THE PERIOD	ADJ THROUGH RETAINED EARNING	DELETION DURING THE PERIOD	TOTAL	AS AT 31.03.2021
LEASEDHOLD												
LAND (WIND MILL PLANT AT JAISALMER)*	90.69	-	-	-	90.69	4.21	4.21		-	-	8.42	82.27
TOTAL	90.69	-	-	-	90.69	4.21	4.21	-	-	-	8.42	82.27

*UNDER MORTGAGED REFER NOTE NO. 2.14

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF RIGHT OF USE ASSETS FOR THE YEAR ENDED 31.3.2020

(₹ in Lakhs)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						(IN LAKHS)
	AS AT 01/04/2019	ADDITIONS DURING THEPERIOD	RECLASSIF- ICATION DURING THE YEAR	DELETION DURING THE PERIOD	TOTAL	AS AT 01/04/2019	FOR THE PERIOD	ADJ DURING THE PERIOD	ADJ THROUGH RETAINED EARNING	DELETION DURING THE PERIOD	TOTAL	AS AT 31.03.2020
LEASEDHOLD												
LAND (WIND MILL PLANT AT JAISALMER)*	-	-	90.69	-	90.69	-	4.21		-	-	4.21	86.48
TOTAL	-	-	90.69	-	90.69	-	4.21	-	-	-	4.21	86.48

*UNDER MORTGAGED REFER NOTE NO. 2.14

2.03 INTANGIBLE ASSETS

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF INTANGIBLE ASSETS FOR THE YEAR ENDED 31.3.2021 & 31.03.2020

(₹ in Lakhs)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJUSTMENT DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL
SOFTWARE (ACQUIRED)											
AS AT 31.03.2021	1.55	-	-	-	1.55	1.55	-	-	-	-	1.55
AS AT 31.03.2020	1.55	-	-	-	1.55	1.17	0.38	-	-	-	1.55

NOMINAL VALUE OF ₹1 ASSIGNED TO THE INTANGIBLE ASSETS SHOWN ABOVE

AGGREGATE DEPRECIATION AND AMORTISATION HAS BEEN INCLUDED UNDER DEPRECIATION AND AMORTISATION EXPENSE IN THE STATEMENT OF PROFIT & LOSS

2.04 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

PARTICULARS	Note No	AS AT 31.03.2021	AS AT 31.03.2020
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE	2.07.3	0.00	1.21
INTEREST ACCRUED - ON BANK DEPOSITS		0.00	0.08
TOTAL		0.00	1.29

2.05 OTHER NON CURRENT ASSETS	(₹ in Lakhs)	
PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
CAPITAL ADVANCE-RELATED PARTY	100.40	-
ADVANCES OTHER THAN CAPITAL ADVANCE		
ADVANCE INCOME TAX (NET OF PROVISION)	153.89	132.51
PREPAID EXPENSES	6.03	7.23
ADVANCES TO SUPPLIERS	128.94	83.41
SECURITY DEPOSIT CONSIDERED GOODS- UNSECURED	121.56	121.26
TOTAL	510.82	344.41
2.06 CURRENT TRADE RECEIVABLES	(₹ in Lakhs)	
PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
UNSECURED		
TRADE RECEIVABLE CONSIDERED GOOD -SECURED	-	-
TRADE RECEIVABLE CONSIDERED GOOD -UNSECURED (RELATED PARTY)	1,159.65	2,083.15
TRADE RECEIVABLE WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK	-	-
TRADE RECEIVABLE -CREDIT IMPAIRED (RELATED PARTY)	245.60	245.60
	1,405.25	2,328.75
LESS: ALLOWANCE FOR EXPECTED CREDIT LOSSES	(245.60)	(245.60)
TOTAL	1,159.65	2,083.15
2.07 CASH AND BANK BALANCES- OWNED FUND	(₹ in Lakhs)	
PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
2.07.1 CASH & CASH EQUIVALENTS		
BANK BALANCES IN :		
CURRENT ACCOUNTS	6.08	5.43
DEPOSITS #	1,825.74	205.22
TOTAL	1,831.82	210.65
2.07.2 OTHER BANK BALANCES		
DEPOSITS ##	1,614.13	476.52
TOTAL	1,614.13	476.52
2.07.3 BANK BALANCES MORE THAN 12 MONTHS MATURITY (NOTE 2.04)		
DEPOSITS ###	-	1.21
TOTAL	-	1.21
TOTAL CASH & BANK BALANCES- OWNED FUND	3,445.95	688.38

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 ₹ 30.40 Lakh (previous year ₹ Nil) margin on account of bank balance held as money deposits against guarantees issued by banks

Having maturity over 12 months from the reporting date.

2.08	CASH AND BANK BALANCES- CLIENT FUND			(₹ in Lakhs)
	PARTICULARS		AS AT 31.03.2021	AS AT 31.03.2020
	2.08.1 CASH & CASH EQUIVALENTS			
	BANK BALANCES IN :			
	CURRENT ACCOUNTS		1.37	1.17
	DEPOSITS #		-	-
	TOTAL		1.37	1.17
	2.08.2 OTHER BANK BALANCES			
	DEPOSITS ##		359.89	413.64
	TOTAL		359.89	413.64
	TOTAL CASH & BANK BALANCES- CLIENT FUND*		361.26	414.81
	# Includes flexi deposit and deposits having maturity within 3 months from the date of acquisition.			
	## Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date.			
	* Corresponding client liability amount appears in Note no. 2.17			
2.09	OTHER CURRENT FINANCIAL ASSETS			(₹ in Lakhs)
	PARTICULARS	NOTE NO.	AS AT 31.03.2021	AS AT 31.03.2020
	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		27.15	12.73
	RECOVERABLE FROM RELATED PARTIES		75.04	54.34
	UNBILLED REVENUE	2.36	756.44	587.32
	TOTAL		858.63	654.39
2.10	CURRENT TAX ASSETS (NET)			(₹ in Lakhs)
	PARTICULARS		AS AT 31.03.2021	AS AT 31.03.2020
	INCOME TAX RECEIVABLES*		-	359.11
	TOTAL		-	359.11
	* Includes Interest on Income tax refund of ₹ Nil (PY 38.48 Lakh)			
2.11	OTHER CURRENT ASSETS			(₹ in Lakhs)
	PARTICULARS		AS AT 31.03.2021	AS AT 31.03.2020
	PREPAID EXPENSES		16.40	12.89
	STAFF IMPREST		0.76	1.85
	ADVANCES TO SUPPLIER		41.48	-
	TOTAL		58.64	14.74

2.12 EQUITY SHARE CAPITAL (₹ in Lakhs)

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
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2.12.1 AUTHORISED

1000,000,000 (PREVIOUS YEAR 1 50,000,000) EQUITY SHARES OF ₹ 10/- EACH	100000.00	15000.00
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2.12.2 ISSUED, SUBSCRIBED AND FULLY PAID-UP

105000000 (PREVIOUS YEAR 70,000,000) EQUITY SHARES OF ₹ 10/- EACH	10500.00	7000.00
	10500.00	7000.00

	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
2.12.3 RECONCILIATION OF NUMBER OF EQUITY SHARES				
OPENING BALANCE	70,000,000	7000.00	70,000,000	7000.00
ADD/(LESS) DURING THE YEAR	35,000,000	3500.00	-	-
CLOSING BALANCE	105,000,000	10500.00	70,000,000	7000.00

2.12.4 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.

2.12.5 EQUITY SHARES HELD BY HOLDING COMPANY & ITS NOMINEES

	AS AT 31.03.2021 No. of Shares	AS AT 31.03.2020 No. of Shares
BITES LTD.	53,550,000	35,700,000

2.12.6 EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES

	No. of Shares	No. of Shares
BITES LTD	53,549,970 (50.99%)	35,699,979 (50.99%)
INDIAN RAILWAYS	51,449,980 (48.99%)	34,299,986 (48.99%)

2.12.7 Disclosure for aggregate number and class of shares allotted as fully paid up equity shares by way of Bonus Shares.

COMPANY ISSUED 350LAKHS EQUITY SHARE OF ₹10 EACH BY WAY OF BONUS SHARES DURING FY 20-21 FOR FIRST TIME.

2.13 OTHER EQUITY (₹ in Lakhs)

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
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2.13.1 RESERVE & SURPLUS

GENERAL RESERVE*	5,078.12	9,628.12
RETAINED EARNING	2,413.37	-

2.13.2 OTHER COMPREHENSIVE INCOME

	-	-
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TOTAL	7,491.49	9,628.12
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*THE GENERAL RESERVE REPRESENTS AMOUNT KEPT BY THE COMPANY OUT OF ITS PROFIT FOR FUTURE PURPOSES. IT IS NOT EARMARKED FOR ANY SPECIFIC PURPOSE.

2.14 BORROWINGS

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2021	AS AT 31.03.2020
SECURED TERM LOAN FROM INDIAN BANK *		3,230.73	4,024.96
LESS: CURRENT MATURITY OF UPTO ONE YEAR FROM REPORTING DATE	2.17	766.46	766.46
TOTAL		2,464.27	3,258.50

* The details of security for the secured term loan borrowed from Indian Bank are as follows:-

- Hypothecation of all the movable assets pertaining to project including but not limited to plant and machinery, machinery spares, tools and accessories
- Hypothecation charge on the Borrower's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill present and future, related to project.
- A first charge on the company's bank accounts related to project including but not limited to the Escrow Account (Escrow) opened with our Bank, where all cash inflows of the company related to the project shall be deposited and all proceeds shall be utilised in a manner and priority to be decided by the Lenders.
- Mortgage charges on the rights on the sub-leased land in Jaisalmer, Rajasthan for the purpose of the Project - to be executed by way of an equitable mortgage.

* Terms of repayment of term loan are as under

- Repayment of loan to be made in 144 monthly installments started from April 2016. In addition to monthly schedule principal payment, company has also made lumpsum payment towards loan from time to time. Due to lumpsum payments, the entire loan will be repaid before the schedule of Term Loan.
- Repayment of interest on term loan to be made monthly till closure of term loan.
- Term Loan can be prepaid as per the availability of cash generation without any pre-payment charges.

2.15 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2021	AS AT 31.03.2020
EXPECTED CREDIT LOSS OF FINANCIAL ASSETS		(71.52)	(71.52)
INTEREST ACCRUED ON INCOME TAX REFUND BUT NOT RECEIVED		-	11.20
DIFFERENCE OF DEPRECIATION AS PER INCOME TAX ACT AND COMPANIES ACT		3620.46	3641.82
MAT CREDIT ENTITLEMENT		(2295.38)	(2756.76)
TOTAL		1253.56	824.74

2.16 CURRENT TRADE PAYABLES

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2021	AS AT 31.03.2020
CREDITORS FOR SUPPLIES AND SERVICES			
MICRO & SMALL ENTERPRISES		-	-
OTHER THAN MICRO & SMALL ENTERPRISES (RELATED PARTY)		275.34	163.29
OTHER THAN MICRO & SMALL ENTERPRISES (OTHERS)		244.68	115.52
TOTAL		520.02	278.81

2.17 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2021	AS AT 31.03.2020
INTEREST ACCRUED AND DUE ON BORROWINGS		20.59	28.86
CURRENT MATURITY OF LONG TERM DEBT	2.14	766.46	766.46
PAYABLE TO RELATED PARTY		0.16	4.22
CLIENT DEPOSIT		52.98	106.52
PAYABLE FOR OTHER EXPENSES (INCLUDING MSME VENDORS)	2.38	86.80	99.70
EMD/SECURITY DEPOSIT		15.47	15.29
SECURITY DEPOSIT-CLIENT		308.28	308.29
TOTAL		1,250.74	1,329.34

2.18	OTHER CURRENT LIABILITIES			(₹ in Lakhs)
	PARTICULARS	NOTE NO.	AS AT 31.03.2021	AS AT 31.03.2020
	STATUTORY LIABILITIES		67.98	91.19
	TOTAL		67.98	91.19
2.19	REVENUE FROM OPERATIONS			(₹ in Lakhs)
	PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
	SALE OF SERVICES			
	CONSULTANCY FEE (GROSS)	5,474.36	7,378.49	
	LESS: GOODS & SERVICE TAX (GST)	922.21	(1,213.38)	
	CONSULTANCY FEE (NET)		4,552.15	6,165.11
	CONSULTANCY FEE (UNBILLED REVENUE)	2.36	589.41	571.10
	POWER GENERATION			
	SALE OF ELECTRICAL ENERGY - ELECTRICITY	2.33	1,478.43	1,103.72
	SALE OF ELECTRICAL ENERGY - ELECTRICITY (UNBILLED REVEUNE)	2.36	167.03	16.22
	TOTAL		6,787.02	7,856.15
2.20	OTHER INCOME			(₹ in Lakhs)
	PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
	INTEREST EARNED ON:			
	- DEPOSITS WITH BANK		84.55	122.38
	- INCOME TAX REFUND		-	38.48
	MISCELLANEOUS INCOME*		2.04	79.17
	TOTAL		86.59	240.03
	* Sale of tender document, reversals of provisions, scrap sales etc.			
2.21	FEE FOR SERVICE OBTAINED			(₹ in Lakhs)
	PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
	MAN-MONTH EXPENSE		832.81	868.04
	CONSULTANCY CHARGES- CONTROL ROOM		95.31	159.05
	OTHER CONSULTANCY CHARGES		50.45	68.60
	TOTAL-(A)		978.57	1,095.69
2.22	FINANCE COST			(₹ in Lakhs)
	PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
	ON TERM LOAN		309.93	379.06
	INTEREST OTHERS*		0.71	5.02
	TOTAL-(A)		310.64	384.08
	* include interest on Income Tax of ₹ 0.64 Lakhs (P.Y ₹ 1.12 Lakhs)			
2.23	GENERATION EXPENSES			(₹ in Lakhs)
	PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
	TRANSMISSION, WHEELING & SLDC CHARGES	2.33	528.67	507.85
	OPERATION & MAINTENANCE		290.90	0.61
	TOTAL		819.57	508.46

2.24	DEPRECIATION & AMORTISATION EXPENSES			(₹ in Lakhs)
	PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
	ON PROPERTY PLANT & EQUIPMENTS	2.01	701.66	629.80
	ON RIGHT OF USE	2.02	4.21	4.21
	ON INTANGIBLES ASSETS	2.03	-	0.38
	TOTAL		705.87	634.39
2.25	OTHER EXPENSES			(₹ in Lakhs)
	PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
	LEGAL & PROFESSIONAL EXPENSES		61.64	113.77
	OFFICE EXPENSES		30.81	5.65
	TRAVELLING EXPENSES		2.41	22.24
	AUDITORS' REMUNERATION	2.25.1	4.64	4.22
	AUDITORS' OUT OF POCKET EXPENSES	2.25.1	0.83	1.00
	ADVERTISING EXPENSES		28.93	21.29
	PRINTING & STATIONARY		4.29	4.72
	INSURANCE		18.93	10.57
	RATES & TAXES		19.53	18.55
	INTERNAL AUDIT FEE		0.64	0.58
	BANK CHARGES		0.38	0.11
	CSR EXPENDITURE		93.36	80.10
	CAR HIRE CHARGES		14.25	33.96
	ROC FILLING FEES (AUTHORISED SHARE CAPITAL)		161.19	-
	DIRECTOR'S SITTING FEE		4.65	1.85
	MISCELLANEOUS EXPENSES (COST OF VEHICLE HIRING, SPONSORSHIP, MEETING EXPENSE, ETC.)		10.21	27.61
	TOTAL		456.69	346.22
2.25.1	AUDITORS' REMUNERATION			(₹ in Lakhs)
	PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
	STATUTORY AUDIT FEE		1.43	1.30
	TAX AUDIT FEE		0.79	0.72
	QUARTERLY AUDIT		0.64	0.60
	GST AUDIT*		1.58	1.35
	OTHER SERVICES i.e. CERTIFICATION ETC.		0.20	0.25
	TOTAL		4.64	4.22
	AUDITORS' OUT OF POCKET EXPENSES		0.83	1.00
	* include ₹ 67,500/- (PY ₹ 60000/-) incurred for earlier year.			
2.26	TAX EXPENSE			(₹ in Lakhs)
	PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
	CURRENT TAX-INCOME TAX	2.28	601.86	-
	CURRENT TAX-MAT		-	861.48
	SUB TOTAL(A)		601.86	861.48
	DEFERRED TAX CHARGE		(32.55)	692.46
	MAT CREDIT ENTITLEMENT		461.38	(81.36)
	SUB TOTAL(B)		428.83	611.10
	TOTAL (A)+(B)		1,030.69	1,472.58

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

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

Subsequent Event-Dividend

The Company has proposed a sum of ₹ 900.00 Lakhs (about ₹ 0.8572 per share to 1050 Lakhs equity shares) as final dividend for FY 2020-21 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 900 Lakhs.

2.28 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 the 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:

(₹ in Lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Income Tax Expenses		
- Current Taxes (under MAT provision)	601.86	861.48
- Deferred Tax(Net of Mat Credit)	428.83	611.10
Net Income Tax Expenses	1030.69	1472.58

Entire Deferred Tax for the current year ended March 31st, 2021 and Previous Year ended March 31, 2020 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:

(₹ in Lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Profit Before Income Taxes On Normal Business	3444.06	4974.13
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	1002.91	1448.47
Tax Effect due to change in Tax Rate	-	-
Effect of Non-Deductible Expenditures (NDE)	27.72	24.00
Tax effect due to non taxable income	-	-
Tax effect due to re-statement of prior period adjustment	-	-
Tax Reversal and Others	0.06	0.11
Current Tax Expense	1030.69	1472.58

c) The following table provides the details of income tax assets and liabilities as of March 31, 2021, and March 31, 2020:

(₹ in Lakhs)

Particulars	As at	
	31.03.2021	31.03.2020
Income Tax Assets	153.89	491.62
Current income tax liabilities	(1253.56)	(824.74)
Net Current Income Tax Assets/(Liability) at the end	(1099.67)	(333.12)

- d) The gross movement in the current income tax asset/(liability) for the year ended March 31, 2021 and previous year ended March 31, 2020 are as follows:

Particulars	(₹ in Lakhs)	
	As at	
	31.03.2021	31.03.2020
Net current income tax asset/(liability) at the beginning	(333.12)	179.88
Income Tax paid- (Net of Refund)	264.14	921.10
Interest receivable on IT refund	-	38.48
Current income tax expense	(1030.69)	(1472.58)
Net Current Income Tax Asset/(Liability) at the end	(1099.67)	(333.12)

- 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	
	31.03.2021	31.03.2020
Deferred Income Tax Assets:		
Provision for expected credit risk	71.52	71.52
Total Deferred Income Tax Assets - I	71.52	71.52
Mat Credit Entitlement	2295.38	2756.76
Total Assets Including Mat Credit	2366.90	2828.28
Differed Income Tax Liabilities:		
Property Plant & Equipment, Furniture & Fixtures, (Depreciation difference)	3620.46	3641.82
Interest accrued on income tax refund but not received	-	11.20
Total Deferred Income Tax Liabilities - II	3620.46	3653.02
Deferred Income Tax Assets after set off	-	-
Deferred Income Tax Liabilities after set off	1253.56	824.74

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, 2021 and previous year ended March 31, 2020 are as follows: -

Particulars	(₹ in Lakhs)	
	Year ended	
	31.03.2021	31.03.2020
Net deferred income tax asset/(liability) at the beginning	(824.74)	(213.64)
Credit/(Change) relating to temporary differences	(428.82)	(611.10)
Net Deferred Income Tax Asset/(Liability) at the end	(1253.56)	(824.74)

- f) The composition of deferred liabilities relating to temporary differences during the Year ended March 31, 2021 are primarily on account of property plant and equipment.

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

The company has borrowed term loan of ₹ 12058.55 Lakhs from Indian Bank for setting up 26 MW Wind Mill plants at Jaisalmer, Rajasthan. The entire amount of loan was borrowed during the financial year 2015-16.

During the current year company has incurred interest cost of ₹309.93Lakhs (Previous Year ₹ 379.06 Lakhs).

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

RELATED PARTY:-

(a) Holding Company

Name	Country	Holding as on	
		31.03.2021	31.03.2020
M/s RITES Ltd	India	51%	51%

(b) Ministry of Railways

Name	Country	Holding as on	
		31.03.2021	31.03.2020
Indian Railways	India	49%	49%

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

Chairman & Managing Director (Chief Executive Officer)

Shri Rajeev Mehrotra

Whole Time Directors

Shri Gopi SureshkumarVaradarajan - Director Projects

Shri Anil Vij - Director Technical

Shri B.P. Nayak - Director Finance

Government Nominee Directors

Shri Alok Kumar Tewari (Up to 01.09.2020)

Shri Vinay Srivastava

Non-Executive (Independent) Directors

Dr. Pramod Kumar Anand (Up to 19.09.2020)

Shri Rajendra Nath.Goyal (Up to 14.03.2021)

Smt. Geetha kumary (Up to 14.03.2021)

Shri Anil Kumar Goel (Up to 01.04.2020)

Shri Satish Sareen (Up to 01.04.2020)

Chief Financial Officer

Shri Parmod Kumar Narang

Company Secretary

Shri Ashish Srivastava, Company Secretary (up to 31.03.2021)

Shri Joshit Ranjan Sikidar, Company Secretary (w.e.f. 01.04.2021)

(d) Key Managerial Personnel of the company

Chairman

Shri Rajeev Mehrotra

Directors

Shri Gopi Sureshkumar Varadarajan

Shri Ajeet Kumar Srivastava

Shri Parmod Kumar Narang

Shri Manish Gupta (From 07.08.2020)

Non-Executive (Independent) Directors

Shri Pradeep Kumawat
Smt. Sheela Kaul

Chief Executive Officer(CEO)

Shri Alok Nath Mathur(From 21.02.2020 to 27.07.2020)
Shri Rupesh Kumar (From 28.07.2020 to 17.09.2020)
Shri Ajay Kumar Singhal (From 18.09.2020)

Chief Finance Officer (CFO)

Shri Sunil Kumar Singh

Company Secretary

Shri Ranjan Kumar Tiwary

(e) Transactions and Balance with Related Parties

Outstanding balances from the related parties are unsecured which are due towards ordinary course of business and are being realized within reasonable time.

i) Holding company

Transactions with Holding Company

(₹ in Lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Fee for services obtained(Management Contract) Man-Month	837.26	871.69
Salary Reimbursement of CEO, CFO and Company Secretary	158.21	153.21
Other Expense	-	5.00
Reimbursable Expense	4.23	25.88
Dividend Paid	535.50	632.91
Capital Advance	101.55	-
Issue of Bonus Shares	1785.00	-

Balances with Holding Company

(₹ in Lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Trade Payable	275.34	88.31
Unbilled Liability	-	74.98
Reimbursable	0.16	4.22
Equity Share Capital	5355.00	3570.00
Capital Advance	100.40	-

ii) Ministry of Railways

Transactions with Ministry of Railways

(₹ in Lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Revenue		
- Consultancy	5141.56	6628.61
- Power Generation	1645.46	1119.94
Recoverable	20.70	35.37
Issue of Bonus Shares	1715.00	-

Balances with Ministry of Railways

(₹ in Lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Trade Receivable		
- Consultancy	1201.21	1970.38
- Power Generation	204.04	112.77
Recoverable	75.04	54.34
Equity Share Capital	5145.00	3430.00
Client Deposit	361.26	414.80

iii) Transactions with Key Management Personnel:

CEO, CFO & 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 & 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 31.03.2021	Year Ended 31.03.2020
Salary Reimbursement of CEO, CFO and Company Secretary	158.21	153.21
Sitting fee to Non-Executive Independent Director	4.65	1.85

iv) Government related entities

The Company is a subsidiary of Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares (refer note no 2.12.6). 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.2.30 (e) (ii).

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

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
A Net Profit for the year(₹ in Lakhs)	2413.37	3501.55
B Amount available for Equity Shareholder (₹ in Lakhs)	2413.37	3501.55
C Weighted average number of Equity Shares(No's)	105000000	105000000
D Earnings Per Share(Basic & Diluted) (B)/(C)	2.30	3.33
E Face value per equity share	₹10/-	₹10/-

As per requirement of Ind AS 33, the basic and diluted earnings per share for the year ended 2019-20 has been computed based on number of shares post bonus issue i.e. 1050 Lakh equity shares of ₹10/- each.

2.32 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.

2.33 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 acknowledge 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 wind mill 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 contracts remaining to be executed on capital account and not provided for as at 31.03.2021 is ₹205.55 Lakhs (Previous Year NIL)

(iii) Contingent Assets :

The company has installed its 26 MW Wind Mill Plant at Jaisalmer, Rajasthan for utilization of energy generated from Wind Mill 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 Wind Mill Plant was commissioned on 16.10.2015 and since then energy generated from Wind Mill 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 Wind Mill Plant had to be changed from consumer mode to Deemed Distribution licensee Mode. Utilisation 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 Wind Mill 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 RRVPNL 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 petition was disposed off. Aggrieved by the above RERC order dated 05.11.2018, Company filed an appeal before APTEL on 20.12.2018.

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.

2.34 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 31.03.2021			Year Ended 31.03.2020		
	Power Generation	Consultancy Services	Total	Power Generation	Consultancy Services	Total
Revenue	1645.46	5141.56	6787.02	1119.94	6736.21	7856.15
Identifiable operating expenses	1,778.53	906.23	2,684.75	1529.84	1117.75	2647.59
Segmental profit/(Loss) from operations	(133.07)	4,235.33	4102.27	(409.90)	5618.46	5208.56
Add: Interest Income*			84.55			160.86
Add: Other Income **			2.04			79.17
Less: Unallocable Finance Cost			0.71			5.02
Less: Un-allocable other Expenses			744.09			468.81
Net Profit Before Tax			3444.06			4974.13
Less: Income Tax (including Deferred Tax)			1030.69			1472.58
Net Profit After Tax			2413.37			3501.55
Additional Information:						
Depreciation & amortization	613.11	Nil	613.11	613.11	Nil	613.11
Depreciation- Un-allocable			92.76			21.28
Non-cash expenses other than depreciation & amortization	Nil	Nil	Nil	Nil	Nil	Nil
Reversal of Impairment losses	Nil	Nil	Nil	Nil	44.64	44.64
SEGMENT ASSETS & LIABILITIES						
PPE	11898.47	Nil	11898.47	12507.37	Nil	12507.37
Right of Use Assets	82.27	Nil	82.27	86.48	Nil	86.48
Intangible Assets	Nil	Nil	Nil	Nil	Nil	Nil
Other Assets	519.88	1785.66	2305.54	356.29	2584.82	2941.11
Total Segmental Assets	12500.62	1785.66	14286.28	12950.14	2584.82	15534.96
Add: Un allocable Assets- PPE****			5171.22			5257.78
Add: Un allocable Assets other than PPE****			4090.56			1617.96
Total Assets			23548.06			22410.70
Non Current Liabilities	2,464.27	Nil	2,464.27	3258.50	Nil	3258.50
Current Liabilities	965.52	444.41	1409.93	882.90	222.29	1105.19
Total Segmental Liabilities	3,429.79	444.41	3,874.20	4141.40	222.29	4363.69
Add: Un allocable Liabilities***			1,682.37			1418.89
Total Liabilities			5,556.57			5782.58

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

** Other income includes sale of tender document reversal of provisions, scrap sale etc.

*** Unallocable 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 31.03.2021 and Year ended 31.03.2020.

- f) Out of total Operating Revenue of ₹ 6787.02 (Previous Year ₹ 7856.15), Revenue of ₹ 6787.02 Lakhs (Previous Year ₹ 7748.55 Lakhs) is derived from a single customer (i.e., Indian Railways).

2.35 Disclosures on Indian Accounting Standard (Ind AS) 109, 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, 2021 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#	3807.21	3807.21	-	-	-	-
Trade Receivables	1159.65	1159.65	-	-	-	-
Other Financial Assets	858.63	858.63	-	-	-	-
Total	5825.49	5825.49	-	-	-	-
Financial Liabilities:						
Trade Payables	520.02	520.02	-	-	-	-
Borrowings	3230.73	3230.73	-	-	-	-
Other Financial Liabilities#	484.28	484.23	-	-	-	-
Total	4235.03	4235.03	-	-	-	-

The carrying value and fair value of financial instruments by categories wise as on 31st March, 2020 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#	1103.19	1103.19	-	-	-	-
Trade Receivables	2083.15	2083.15	-	-	-	-
Other Financial Assets	654.47	654.47	-	-	-	-
Total	3840.81	3840.81	-	-	-	-
Financial Liabilities:						
Trade Payables	278.81	278.81	-	-	-	-
Borrowings	4024.96	4024.96	-	-	-	-
Other Financial Liabilities#	562.88	562.88	-	-	-	-
Total	4866.65	4866.65	-	-	-	-

Cash & Bank balance also include funds on behalf of client.

other financial liabilities also include liabilities on behalf of client.

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 markets 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, 2021 are as follows:

(₹ in Lakhs)

Particulars	Carrying Value As on 31.03.2021	Fair Value As on 31.03.2021	Level
Financial Assets			
Trade Receivables*	1159.65	1159.65	III
Other Financial Assets*	858.63	858.63	III
Financial Liabilities:			
Trade Payables*	520.02	520.02	III
Borrowings**	3230.73	3230.73	III
Other Financial Liabilities*	484.28	484.28	III

Fair value of financial assets & liabilities measure at Amortized cost as on March 31, 2020 are as follows:

(₹ in Lakhs)

Particulars	Carrying Value As on 31.03.2020	Fair Value As on 31.03.2020	Level
Financial Assets			
Trade Receivables*	2083.15	2083.15	III
Other Financial Assets*	654.47	654.47	III
Financial Liabilities:			
Trade Payables*	278.81	278.81	III
Borrowings**	4024.96	4024.96	III
Other Financial Liabilities*	562.88	562.88	III

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

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

c) Financial Risk Management

Financial Risk Factors

The Company's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from few customers.

(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.

The Company exposure with interest rate risk is very limited since long term borrowing is based on one year Marginal Cost of Lending Rate (MCLR).

(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 ₹ 1159.65 Lakhs (Previous Year ₹ 2083.15 Lakhs) and unbilled revenue amounting to ₹ 756.44 Lakhs (Previous Year ₹ 587.32 Lakhs) which are typically unsecured. Credit risk has always is being managed by the company through continuously monitoring the outstanding dues from the customers. Further, company has impaired as a prudent measure, the traded receivables towards expected credit loss as per company accounting policy to the extent of ₹ Nil (PY ₹ Nil). All receivables of the company are from Indian Railways & its controlled entities and hence credit risk is bare minimum and Company does not foresee any impact on credit risk of the company due to outbreak of COVID-19.

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	245.60	-	-	245.60

No significant credit risk on cash and Bank Balances(including client's fund) of ₹ 3807.21 Lakhs (Previous Year ₹ 1103.19 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. Company has parked owned funds in fixed deposits of ₹ 3439.87 Lakhs (Previous Year ₹ 682.95Lakhs) with Schedule banks with negligible credit risks.

(iii) Liquidity Risk

The company's principal sources of liquidity are cash and bank balances and cash flow that is generated from operations. The company has outstanding borrowings from Indian Bank amounting to ₹ 3230.73 Lakhs (Previous Year ₹ 4024.96 Lakhs). The installment falling due for re-payment within one year from the reporting date is amounting to ₹ 766.46 Lakhs (Previous Year ₹ 766.46 Lakhs). The company has a working capital of ₹ 4045.39 Lakhs (Previous Year ₹ 2514.03 Lakhs) include cash and bank balances (owned fund) of ₹ 3445.95 Lakhs (Previous Year ₹ 688.38 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 analysis of 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 31.03.2021	Total Balance as on 31.03.2021	Within 1 Year	1 to 2 Years	2 to 5 years	More than 5 Years
Borrowings*	3230.73	766.46	766.46	1697.81	-
Trade Payables	520.02	520.02	-	-	-
Other financial liabilities**	484.28	484.28	-	-	-

(₹ in Lakhs)

As at 31.03.2020	Total Balance as on 31.03.2020	Within 1 Year	1 to 2 Years	2 to 5 years	More than 5 Years
Borrowings*	4024.96	766.46	766.46	3065.84	192.67
Trade Payables	278.81	278.81	-	-	-
Other financial liabilities**	562.88	562.88	-	-	-

* Based on monthly fixed repayment of ₹63.87 Lakhs.

** Including client fund of ₹361.26 Lakhs (PY ₹414.81 Lakhs).

(iv) Impact of COVID-19

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, receivables, loans and advances, property plant and equipment, intangibles etc as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information. Having reviewed the underlying data and based on current estimates, the Company does not expect any material impact on the carrying amount of these assets and liabilities. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

2.36 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 condition is met:
 - Customer simultaneously receives and consumes the benefits
 - Company's performance creates or enhances an assets 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 2021 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 2020-21	5141.56	Nil	1645.46	Nil	6787.02
FY 2019-20	6736.21	Nil	1119.94	Nil	7856.15

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 of the 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 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, NIL (PY ₹ 44.64 Lakhs) earlier recognized as impairment loss has been reversed.

During the year ended March 31st, 2021, ₹ 587.32 Lakhs and March 31st, 2020, ₹ 643.60 Lakhs of unbilled revenue as of April 1st, 2020 and April 1st, 2019 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 31.03.2021	As on 31.03.2020
Receivables	1405.25	2328.75
Contract Assets- Unbilled Revenue	756.44	587.32
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.

k) Impact of COVID 19

Company has assessed the impact of COVID-19 on revenue, which may be due to (i) constraints in rendering of services and supply of goods during lock down period, (ii) onerous contracts; (iii) liquidated damages for breaching milestones, and (iv) termination or deferment of contracts by customers. Impact so assessed is insignificant for FY 2019-20 and 2020-21.

As on date, company is working primarily for various Zonal Railways of Indian Railways. The company is assisting various Zonal Railways in efficient energy procurement for traction operations as well as meeting in RPO obligations of Indian Railways. The Company revenue is highly dependent upon the traction operations of Indian Railways.

Consequent to global pandemic of Covid-19, Government of India declared lockdown starting from 23rd March, 2020 and continued up to May 2020. After initiation of lockdown, the Railways operations were curtailed and Railways operations were limited only up to the carriage of essential activities only e.g. services and goods. Even after unlock downs, throughout the year; traction load requirement was less which impacted the performance for the month of March 2020 has been partially and for the Financial Year 2020-21 marginally.

Further, Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

2.37 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 of its 26 MW wind mill plant during the FY 2015-16 for a period of 29 years. INOX Wind Ltd is the developer of entire wind mill plant having total capacity of 554 MW and out of which 26MW 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 had been made at the time of initiation of 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) Followings are the changes in the carrying value of right of use assets for the year ended March 31, 2021 and March 31, 2020.

(₹ in Lakhs)

Particulars	Category of ROU Assets	
	Sub Lease Land	
	As on 31.03.2021	As on 31.03.2020
Balance as at the beginning of the year	86.48	-
Reclassified on account of adoption of Ind AS 116		90.69
Additions	-	-
Deletion	-	-
Depreciation	4.21	4.21
Balance as at the End of the year	82.27	86.48

- ii) In respect of ROU, an amount of ₹4.21 Lakhs (PY ₹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) Company has no commitments towards Leases yet to be commenced as on 31.03.2021 and 31.03.2020.

- c) **Company as a lessor**

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

- d) The Company does not envisage any contraction in demand which could result in significant down-sizing of its business operations. Due to COVID-19 there is no change in terms of leases which company has entered as lessee.

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 2020-21 is ₹93.36 Lakhs (Previous Year ₹ 78.80 Lakhs)

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

(₹ in Lakhs)

Particulars	Amount Paid		Amount Yet to paid		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
(i) Construction/acquisition of any assets	Nil	Nil	Nil	Nil	Nil	Nil
(ii) On purposes other than (i) above*	93.36	59.73	Nil	20.37**	93.36	80.10
Total	93.36	59.73	Nil	20.73**	93.36**	80.10

*includes following expenditure on account of administrative overhead and capacity building

(a) Man-Month Expense - ₹4.45 Lakhs (PY ₹3.65 Lakhs)

(b) Other Expense - ₹Nil (PY ₹0.10 Lakhs)

**Due to covid-19 pandemic, out of ₹20.37 Lakh unpaid amount FY 2019-20, ₹5.40 Lakh still unpaid.

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

(₹ In Lakhs)

S.No.	Particulars	As at 31.03.2021	As at 31.03.2020
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	3.43	3.85
	- Interest due on above		
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 is providing consultancy services, accordingly procurement made are mainly for stationery and other administration work through RITES Ltd (Holding Company).

The holding company (RITES Ltd.) identify suppliers registered under The Micro, Small and Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers at time issue of tender. 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 for confirmation to parties. However, the Company does not expect any material dispute w.r.t. the recoverability/payment of the same.
- f) Previous period figures have been regrouped/recasted/rearranged, wherever necessary.
- g) Recent Accounting Pronouncements:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.
- The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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 2021.

The preparation of financial statements of **REMC LIMITED** for the period ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are 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 06.05.2021.

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 period ended 31 March 2021 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 auditors and is limited primarily to inquiries of the statutory auditors 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 auditors' report under section 143 (6) (b) of the Act.

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



(K. S. Ramuwalia)

**Principal Director of Audit
Railway Commercial, New Delhi**

Place: New Delhi

Dated: 17.06.2021

CORPORATE INFORMATION

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CORPORATE OFFICE

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

Ph. No.: 91-124-2818 850 / 793, **Fax No.** 91-124-257 1660

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CIN: U93000DL2013GOI256661

AUDITORS

Statutory Auditor

Pawan Puri & Associates
Chartered Accountants

Internal Auditor

Dharam Raj & Co.
Chartered Accountants

Secretarial Auditor

Akhil Rohatgi & Co.
Company Secretaries

BANKERS

Indian Bank
Axis Bank

REMC LTD

(A JOINT VENTURE OF INDIAN RAILWAYS AND RITES LIMITED)

Registered Office: Core-1, 12th Floor, SCOPE Minar, Laxmi Nagar, Delhi-110092 (India)

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

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