

# REMC LIMITED

(A JOINT VENTURE OF INDIAN RAILWAYS AND RITES LIMITED)



**ANNUAL REPORT**  
**2021-2022**



# MISSION

**EXPLORING** BUSINESS OPPORTUNITIES IN GREEN ENERGY, ESPECIALLY IN THE FIELD OF WIND AND SOLAR BY INSTALLING WINDMILLS AND SOLAR PLANTS FOR GENERATION 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 Rahul Mithal  
Chairman  
(From 16.11.2021)



Shri Rajeev Mehrotra  
Chairman  
(Up to 30.06.2021)



Shri Gopi Sureshkumar  
Varadarajan  
Chairman  
(From 01.07.2021 to 16.11.2021)



Shri Gopi Sureshkumar  
Varadarajan  
Director  
(Up to 31.07.2022)



Shri Ajeet Kumar Srivastava  
Director



Shri Manish Gupta  
Director



Shri Bibhu Prasad Nayak  
Director  
(From 01.07.2021)



Smt. Sheela Koul  
Independent Director  
(Up to 24.07.2022)



Shri Pradeep Kumawat  
Independent Director  
(Up to 19.07.2021)



Shri Anjeev Kumar Jain  
Director  
(From 09.07.2021 to 16.11.2021)



Shri Parmod Kumar Narang  
Director  
(Up To 30.06.2021)

## KEY MANAGERIAL PERSONNEL



Shri Ajay Kumar Singhal  
Chief Executive Officer



Shri Anjeev Kumar Jain  
Chief Financial Officer  
(From 03.02.2022)



Shri Sunil Kumar Singh  
Chief Financial Officer  
(Up to 03.02.2022)



Shri Ranjan Kumar Tiwary  
Company Secretary





*Dear Shareholders,*

It is a great privilege to write to you all for the first time since taking over as the Chairman of your company in November 2021.

During the financial year 2021-22, your company has achieved highest-ever turnover of ₹95.13 crore, up by 38.4% from FY21 turnover of ₹68.74 crore. The profit before tax is ₹64.31 crore, up by 86.7%, as compared to ₹34.44 crore of the previous year.

Also, your company is now a debt-free entity. In May 2022, it repaid all its debt of ₹24 crore, which appears in the balance sheet as on March 31, 2022. Your directors have recommended a final dividend of ₹13.65 crore, i.e. ₹1.30 per share on 10.50 crore equity shares, which is 13% of paid-up capital of the company.

As train operations returned to normalcy post-Covid, the demand for traction power shot up and your company facilitated procurement of 11400 MUs of energy for the Indian Railways under the 'open access' policy, during FY 22 as compared to 7900 MUs in the FY21. It has, so far, arranged open access in 13 states/ entities (including DVC control Area & UP ISTS). Furthermore, the Power generation on account of the improved performance of the windmill also registered a growth of 30%. With the focus on cleaner sources of power to effectively balance growth with sustainability and to meet the Renewable Purchase Obligations (RPOs) of Indian Railways, during the year, your company assisted the Railways in procuring almost 179 MUs of green energy.

The Government of India's target of 450 GW of renewable energy capacity by 2030 and the Railways' plan to become net-zero carbon emitter by 2030 with 100% electrification of its broad-gauge network provide multiple opportunities and your company is uniquely positioned to tap these opportunities. Your company

has already tied-up 1700 MW of renewable power through mega solar parks in Madhya Pradesh & Uttar Pradesh and under the CPSE scheme as well. Besides, 100 MW of power under Round-The-Clock (RTC) mode has been tied-up through the Solar Energy Corporation of India (SECI).

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

Your company understands its responsibility towards society and adopted a Corporate Social Responsibility and Sustainability Policy of the holding company to commit itself towards operating in an economically, socially, and environmentally sustainable manner. As a responsible corporate citizen, your company has spent ₹90.65 lakh on various CSR activities during the FY22.

All the above would not have been possible without the continuous support and guidance of our parent Ministry and our stakeholders for which we are thankful.

Our Company has a long path to cover and with a future-looking approach, we will cross new frontiers in the renewable space. With a vision to assist the Railways in achieving its Net Zero mission, your company remains committed to its purpose in a responsible and sustainable way!

With Best Wishes,

  
(Rahul Mithal)  
Chairman

Date: 18th August, 2022

## Financial Performance - Last Five Years at a Glance

All figures are in ₹ Lakhs except specified

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

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

### Financial Indicators



## DIRECTORS' REPORT

### DISTINGUISHED SHAREHOLDERS

The Directors present 9<sup>th</sup> Annual Report of the company with audited Financial Statements together with Auditor's Report for the year ended 31<sup>st</sup> March 2022.

### FINANCIAL HIGHLIGHTS:

The financial performance of the Company for the financial year 2021-22 is given below:

(₹ in Crore)

Particulars	2021-22	2020-21
<b>Financial Results:</b>		
<b>Total Income</b>	<b>95.13</b>	68.74
Operating Turnover	<b>93.10</b>	67.87
Operating Expenditure	<b>28.70</b>	31.19
Finance Cost	<b>2.12</b>	3.10
Profit Before Tax (PBT)	<b>64.31</b>	34.44
Taxes including deferred Tax	<b>18.99</b>	10.31
Profit After Tax (PAT)	<b>45.32</b>	24.13
Dividend Paid	<b>9.00</b>	10.50
Transfer to Retained Earnings	<b>36.32</b>	24.13
<b>Net Worth</b>	<b>216.24</b>	179.91

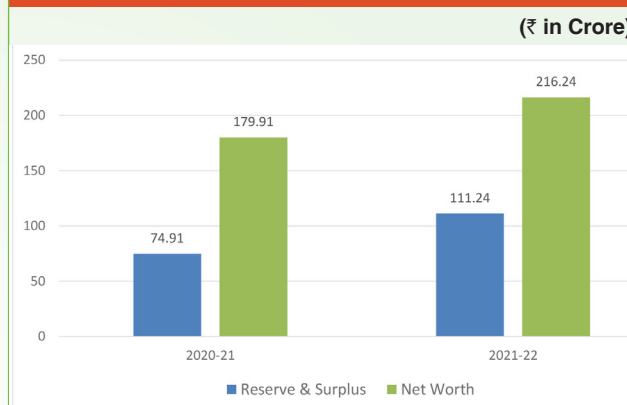
### BUSINESS PERFORMANCE:

In spite of the challenges faced due to disruption in operation in the beginning of the Current FY due to covid, the company delivered robust performance during the financial year 2021-22. The company has achieved highest ever turnover of ₹95.13 crore during the financial year as compared to previous year's turnover of ₹68.74 crore. The Profit before Tax (PBT) is ₹64.31 crore as against ₹34.44 crore during previous financial year.

During the Financial year 2021-22, company facilitated about 1600 MW of power in 13 states / entities (including DVC Control Area & UP ISTS) and handle entire Power Procurement under open access for Indian Railways with a vision to transform Indian Railways in to "Green Railways" by reducing its carbon footprints and improving finances through reduction in cost of energy.

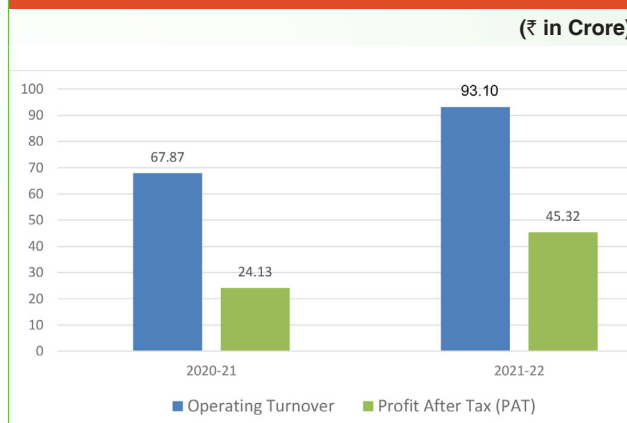
Besides the mandate for power procurement, your company is also facilitating Indian Railways in achieving their Mission of Net Zero Carbon Emission by finalising a 2 GW Renewable Energy Portfolio, although, the commencement of power flow from the same is expected to be achieved from the year 2023-24.

### ACHIEVEMENTS



Your Company has signed PPA with Rewa Ultra Mega Solar Park (RUMS) in the month of Nov'21 for procurement of 400 MW Solar Power.

### PERFORMANCE



Your company so far has successfully awarded 170 MW of solar roof top projects, 53.7 MW of ground mounted solar projects and 93 MW of wind power projects. After, successful implementation of above-mentioned renewable energy projects the carbon-di-oxide emissions will be reduced by about 5 Lakh tonne per year.

Your Company is also expanding its Green Portfolio by exploring various opportunities in procuring power under Green Trading Mechanism which constitutes power procurement through Energy Exchange under GDAM (Green Day Ahead Market) and facilitating Indian Railways in ensuring compliance to Renewable Purchase Obligation (RPO) by purchasing Renewable Energy Certificates (RECs) from Energy Exchanges. It benefits IR in meeting its green energy requirement and encourages environmental sustainability. During financial year 2021-22, company facilitated procurement of approximately 19 MUs of Green Power under GDAM for Indian Railways.



Your Company has been diligently expanding its legal counseling capacity by assisting Indian Railways in contesting cases in various Central & State Electricity Regulatory 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 etc.

### Some of the major highlights of the FY 2021-22 are as under:

- Your company has witnessed remarkable improvement in the performance of 26 MW Wind Power Plant at Jaisalmer, Rajasthan in comparison to last Financial Year performance.
- Energy Generation increased to 37.20 MUs in FY 2022 as compared to 28.59 MUs in FY 2021, 30 % increase in annual generation.
- Machine availability increased to 88 % during FY 2022 as compared to 82 % in FY 2021, an increase of 7 %.
- CUF increased to 16.30 % during FY 2022 as compared to 12.56 % in FY 2021, an increase of 30 %.
- Revenue increased to ₹21.38 crore during FY 2022 as compared to ₹16.45 crore in FY 2021, an increase of 30 %.
- Facilitated in signing of PPAs between Railway and Rewa Ultra Mega Solar Park (RUMS) in the month of Nov'21 for procurement of 400 MW Solar Power.
- Facilitated Indian Railways in procurement of power from Power Exchange. Same has commenced in the state of U.P., M.P., Rajasthan, Delhi, Haryana, UP-ISTS, Jharkhand, Gujarat, Maharashtra, Karnataka and Punjab to meet the peak power requirement and standby power in case of failure of open access generators. 2112 MUs purchased through energy exchange during year 2021-22 as compared to 345 MUs during 2020-21, an increase of 512%.
- A New Paradigm shift of purchasing power through Green Trading by your company. Successfully facilitated purchasing of renewable power form Green Day Ahead Market (GDAM) platform of Energy Exchange

to fulfill RPO compliance by IR. In the year 2021-22 approximately 19 MUs of power procured through GDAM.

- Commissioning of 4th Unit of BRBCL power plant on 1st Dec 2021 with a quantum of 205 MW. Total power tied up for IR from BRBCL is now 819 MW.
- Successfully awarded tender for procurement of 600 MW power under MTOA in replacement of RGGPL power of 540 MW which expired on 31st March 2022. Out of 600 MW Power awarded, flow of 210 MW has commenced on 1st April 2022.

### OUTLOOK:

In view of Government of India commitment at Glasgow summit in COP 26. Indian Railways is to achieve Net-zero carbon target by 2030. Net zero carbon or becoming carbon neutral, means not adding to the amount of greenhouse gases in the atmosphere.

Indian Railways is taking a multi-pronged approach to go green and decarbonise by increasing its sourcing of renewable energy (RE) electrifying its traction network and reducing its energy consumption.

Indian Railways is continuously promoting development of renewable energy infrastructure with a vision to reduce dependence on fossil fuel, thereby augmenting de-carbonization. In this process, your company is assisting Indian Railways in accomplishing its mission of NZCE and thus driving its journey towards becoming the world class integrated power player in the sector.

To achieve sustainable growth, company is now striding towards efficient management of power portfolio of Indian Railways which includes economic power procurement, renewable energy projects (wind & solar), Green Trading, and requisite legal & regulatory assistance to Indian Railways.

### CAPITAL STRUCTURE:

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

### DIVIDEND:

Your Directors have recommended a final dividend of ₹13.65 crore for the financial year 2021-22 (i.e. ₹1.30 per share on 10.50 crore



equity shares) which is 13% of paid up capital of the company, subject to the approval of Shareholders in Annual General Meeting. During the FY 2021-22 the company has paid a final dividend of ₹9.00 crore for the FY 2020-21.

#### DEPOSITS:

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

#### RESERVES:

During the year, ₹36.32 crore has been transferred to Retained Earnings by appropriation from profits of the company. Reserve and surplus has increased to ₹111.24 crore from ₹74.91 crore as at end of 31st March 2022.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO:

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

#### CONSERVATION OF ENERGY / CLEAN ENERGY:

Indian Railways is entrusted to achieve Net Zero Carbon Emission by 2030 and also adhere to cut down their energy bills. To achieve this vision Indian Railways has targeted to reduce its dependence on fossil fuel by harnessing Renewable Energy sources. In order to achieve

the target, set by Government of India (GoI) to achieve Net Zero Carbon Emission by 2030, Indian Railways has also envisaged sourcing around 30 GW Renewable Power by 2030 across Zonal Railways (ZRs) and Production Units (PUs).

Your company is going aggressively in renewable energy sector by implementing various renewable energy projects for Indian Railways. Your company has accounted 37 MUs (Million Units) of energy generated from 26 MW Wind Power Plant owned by REMC Ltd. during FY 2021-22. The plant is situated in Jaisalmer, Rajasthan.

#### IMPLEMENTATION OF RENEWABLE ENERGY PROJECTS:

Your company is continuously adding up to the capacity of renewable energy projects on a large scale thus expanding its portfolio mix to ensure 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 analysing 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.

Your Company is managing its Renewable Energy portfolio by harnessing 2 GW of Solar



power for Indian Railways. Also, expecting the flow of power from these projects from the year 2023-24 onwards

In the area of wind energy, the Railways has already installed 93 MW of the targeted capacity of 200 MW. This includes windmill plants of 10.5 MW (for non-traction) capacity in Tamil Nadu, 26 MW (for traction) capacity in Rajasthan, 56.4 MW (for traction) capacity in Maharashtra.

The use of solar power and wind power will accelerate the Railways' mission to achieve the goal of becoming a 'Net Zero Carbon Emission Railway' and becoming 100% self-sustainable for all its power needs and contribute to the national solar power goals.

### **SOLAR POWER PROJECTS:**

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

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

##### **Solar roof-top projects:**

- (i) Successfully awarded 170 MW solar roof top projects on behalf of ZRs with and without Central Finance Assistance (CFA) till date. Out of which more than 65 MW solar roof top plants successfully commissioned and remaining projects are under implementation.
- (ii) Additionally, tender was invited on 09.03.2022 for setting up of 14 MWp rooftop solar power plants at MCF, Raebareli.

##### **50 MW solar ground mounted project:**

Successfully awarded the 50 MW solar ground mounted project to the successful Solar Power Developer (SPD). The plant is expected to generate about 106 MUs 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 Karnataka & ISTS connected drawl points for partial fulfilment of RPO of Indian Railways. Connectivity has been granted by CTU and

project is under advanced stage of execution. Plant is expected to be commissioned in the month of October 2022.

##### **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. This proposed state wise distribution of solar power will help Zonal Railways to meet their Solar Power Obligations (SPOs) as per respective SERCs. LOA has been issued on 01.09.2021. PPA signed on 25.11.2021 by West Central Railways on behalf of IR, with RUMSL and SPDs for procurement of 400 MW Solar power. Commencement of power flow is expected in FY 2023-24.

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

REMC has undertaken the development of first ever 2.56 MW solar ground mounted projects along the railway tracks as a pilot project for Northern Railways. The project was awarded through tariff based competitive e-bidding followed by reverse e-auction. The project is first of its kind designed for feeding generated solar power directly into the Railways Traction System. The plant was successfully commissioned during the year 2020-21. Feeding power at 132 KV Railway Transmission System. Energy generated by the plant per annum is approximately 3 MUs (Million Units) which replaces conventional energy and saves around 2.8 thousand tons CO<sub>2</sub> per annum.



**2.56 MW solar Plant (along the track) at Diwana, Haryana**



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

Bina Solar Plant is successfully commissioned since July '2020 and is acting as a Proof of Concept (POC) for Indian Railways for future implementation of such solar plants all over India. This is especially important as Railways has gone for massive electrification under '100% electrification' target.



1.7 MW solar plant at Bina, MP

With success of this pilot power project, Indian Railways shall install such type of Solar Plants in various locations to feed traction distribution for utilization by electric engine hauled trains.

The said Plant is feeding power at 25 KV OHE Energy Generated by the plant is approximately 2 MUs (Million Units) which replaces conventional energy and saves around 1.9 thousand tons of CO<sub>2</sub> per annum.

### WIND POWER PROJECTS:

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

- (i) 26 MW Windmill Plant on CAPEX mode at Jaisalmer, Rajasthan. Your company has accounted 37.20 MUs (Million Units) of energy generated from 26 MW Wind Power Plant during FY 2021-22.
- (ii) 10.5 MW wind power project on PMC mode at Southern Railway (SR), Tamil Nadu.
- (iii) 56.4 MW wind power project for CR in Maharashtra on tariff based competitive bidding.

### 50 MW WIND POWER PLANT

During the year 2021-22, company has floated the tender for procurement of 50 MW Wind Power Project in the state of Maharashtra. The connectivity of plant is at CTU/STU level. Bids have been opened in Jan 2022. Work has been awarded in the Month of June 2022. Presently, the implementation of many more wind power projects are being planned in consultation with Railway Board.



50.4 MW Windmill plant in Maharashtra

### POWER PROCUREMENT

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

#### Status of Deemed Licensee:

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

### Procurement of power under Open Access:

Your Company has successfully facilitated the power procurement about 1600 MW in the open access states during the FY 2021-22 in 13 states / entities (Rajasthan, UP (ISTS), Maharashtra, Gujarat, MP, Karnataka, Jharkhand, DVC command area, Haryana, Delhi, Bihar and Punjab including DVC control Area & UP ISTS).

### Compliance to Renewable Purchase Obligation (RPO):

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

### Procurement through Energy Exchange:

Indian Railways has also initiated procurement of energy through collective transaction by bidding of power through trader on energy exchange. Procurement of power through IEX (energy exchange) has also commenced in the state of U.P., Delhi, Haryana, M.P. and Rajasthan to meet the peak power requirement of Indian Railways and as an arrangement for back – up power in case of failure of open access generators. Tri-Partite agreements have been executed between Nodal Railway, REMC & Trader Member. REMC is regularly advising Railways on bidding guidelines. In current financial year 2021-22, Railways have purchased about 2112 MUs of Energy through Exchange as compared to 345 MUs during 2020-21, an increase of 512%.

### Energy management of BRBCL plant:

Your Company is coordinating the energy management of IR by providing all the required assistance pertaining to scheduling of power from Nabinagar thermal power plant of BRBCL on daily basis with four units of 250 MW each in operation, surplus power from Railways allocation is being diverted to beneficiary ZRs requiring additional power under unrequisioned 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 Railway:

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 of solar plants on available vacant surplus Railway land parcels, on land along the Railway Track or on private land near the Traction Substation (TSSs) for feeding such solar power directly into CTU/STU or the traction system or for non-traction purposes.

You company is being continuously working on this front and has tied up more than 2 GW of solar based capacity through procurement of renewable power from solar mega parks and wind energy farms.

#### 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 Solar/ Wind power procurement under RTC (Round the clock) mode for IR for its utilization during non-solar hours / peak hours.

### REGULATORY MATTERS

#### Appellate Tribunal for Electricity (APTEL):

Your company through various legal experts is facilitating Indian Railways in defending the legal cases filed before Hon'ble APTEL related to Deemed Licensee status of Indian Railways, imposition of various charges (Cross Subsidy Surcharge, additional surcharge, standby charges etc.) by some states on Indian Railways. 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.



Your company has also been diligently expanding its legal counselling capacity by assisting Indian Railways in contesting cases in CERC/SERCs 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 a deemed licensee etc.

### Central Electricity Regulatory Commission (CERC):

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

### STATE ELECTRICITY REGULATORY COMMISSION (SERC):

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

### PROMOTION OF MICRO AND SMALL ENTERPRISES (MSMES):

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

### CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

including employees, shareholders, investors, customers, clients, business associates, civil society groups, Centre/State/ local government, communities, at large in determining their needs and expectations towards betterment of environment and society at large. A total of ₹90.65 Lakh as per the mandatory requirement has been spent under CSR plan of your company for various projects undertaken during the year.

As per Section 135 of the Companies Act, 2013, and Guidelines on CSR issued by DPE, Board level committee has been constituted to oversee the implementation of CSR activities and to assist the Board of Directors to formulate strategies in this regard. CSR Committee comprise of Shri Gopi Suresh Kumar Varadarajan, Director of the company as Chairman, Shri Bibhu Prasad Nayak, Director and Smt. Sheela Koul, Independent Directors of the company as members. During the year, one meeting of the CSR Committee was held on 02/11/2021.

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

**SECTOR:** Eradicating hunger, poverty and malnutrition and promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

**(i) Procurement of Ambulance to fight against COVID-19 Pandemic for patients in Jammu and Kashmir:** Financial aid was provided to an NGO "Rehmat-E-Alam" Foundation, based in Jammu and Kashmir for Procurement of an ambulance to fight against COVID-19 Pandemic for patients in Jammu & Kashmir.

**(ii) Financial assistance for procurement of masks, sanitisers and protective gears along with medicines to fight against covid-19 pandemic for patients in Jammu and Kashmir:** The Company has provided financial support in procuring masks, Sanitizers and protective gears along with medicines to fight against Covid-19 pandemic for patients in Jammu and Kashmir through the NGO – Rehmat-E-Alam Foundation J&K.





CSR Initiatives of REMCL





CSR Initiatives of REMCL



(iii) **Financial support for distribution of Oxygen Concentrator, Medicines & Masks to fight against Covid-19 pandemic for patients in Jammu & Kashmir:** Distribution of oxygen concentrator, Medicines & Masks, to fight against Covid-19 pandemic for patients in Jammu & Kashmir through Rehmat-E-Alam Foundation J&K.

(iv) **Financial assistance for providing drinking and irrigation water source creation for 100 families in the tribal areas of Royni village of Kotra Block of Udaipur district:** The Company has provided financial support for water source creation for 100 families in the tribal area of Royni village of Kotra Block to provide drinking and irrigation water to increase family income through Rajasthan Bal Kalyan Samiti, Udaipur, Rajasthan.

(v) **Financial assistance for procurement of one mobile medical van for Ramakrishna Mission Free TB Clinic & Medical Centre, Karol Bagh, Delhi:** The Company has provided financial support for procurement of vehicle to provide medical aid to the needy people through Ramakrishna mission, New Delhi.

(vi) **Financial support for procurement of One Ambulance to Seema Jagran Manch for emergency medical facilities for people leaving in slum areas in Faridabad, Haryana:** The Company has provided financial support for procurement of Ambulance in Faridabad to serve the needy people through Seema Jagran Manch - NGO.

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

(vii) **Financial support for providing infrastructure facility for School in Rajasthan:** Taken up an initiative of providing infrastructure facilities in Government Sr. Sec. School, Distt, Jaisalmer, Rajasthan through Seema Jagran Manch - NGO.

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 2021-22 & 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 statements which contains our related party 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 and Pursuant to the amendments to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return (Form MGT-7) for the financial year ended March 31, 2022, is available on the Company’s website and can be accessed at <https://www.remcltd.com/Index>.**

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year the company has not given any loans, guarantees or investment under section 186 of the Companies Act, 2013.

## FORMAL ANNUAL EVALUATION OF DIRECTORS UNDER SECTION 134(3)(p) OF THE COMPANIES ACT, 2013

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



### RISK MANAGEMENT UNDER SECTION 134(3) (n) OF COMPANIES ACT, 2013

- There are no known technological risks associated with the renewable energy wind power project of 26 MW installed in Rajasthan. A long-term power purchase agreement with Railways for 25 years is in place ensuring flow of income from sale of wind energy.
- Company does not foresee business risk in providing consultancy for procurement of power for Indian Railways through bilateral agreement arrangement with power producers at economical terms & tariff.
- Company has robust internal control system and procedure in line with holding company.
- The Board of Directors in their 44th meeting held on 03/02/2022 re-constituted Risk Management Committee comprising of, Shri Bibhu Prasad Nayak Director as Chairman, Shri Gopi Suresh Kumar Varadarajan, Director and Smt. Sheela Koul, Independent Director of the company as Members.
- Last meeting of Risk Management Committee was held on 25/03/2021.

### BOARD OF DIRECTOR'S & NUMBER OF MEETINGS OF THE BOARD

The Board of Directors consists of six (6) Directors, two (2) Directors nominated by Ministry of Railways, three (3) Directors nominated by RITES Limited including chairman and one independent Director appointed by Ministry of Railways. The Board met Four (4) times during the year for transacting businesses.

The following Directors held office during the Financial Year 2021-22:

Sl. No.	Name	Designation
1.	Shri Rahul Mithal (From 16.11.2021)	Chairman
2.	Shri Gopi Suresh Kumar Varadarajan (From 01.07.2021 to 16.11.2021)	Chairman
3.	Shri Rajeev Mehrotra (Up to 30.06.2021)	Chairman
4.	Shri Gopi Suresh Kumar Varadarajan	Director
5.	Shri Ajeet Kumar Srivastava	Director
6.	Shri Bibhu Prasad Nayak (From 01.07.2021)	Director
7.	Shri Manish Gupta	Director
8.	Smt. Sheela Koul (Up to 24.07.2022)	Independent Director

Sl. No.	Name	Designation
9.	Dr. Pradeep Kumawat (Up to 19.07.2021)	Independent Director
10.	Shri Anjeev Kumar Jain (From 09.07.2021 to 16.11.2021)	Director
11.	Shri Parmod Kumar Narang (Up to 30.06.2021)	Director

### RETIREMENT OF DIRECTORS BY ROTATION

As per the Companies Act, 2013, the provision relating to retirement of Directors by rotation is applicable. In view of this, all the directors except Independent Directors, if any, will be liable to retire by rotation. Accordingly, one third of all directors will retire by rotation. Therefore, Shri Ajeet Kumar Srivastava & Shri Manish Gupta, Directors of the company with longest term in the office will retire by rotation and being eligible to offer themselves for reappointment.

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

Shri Ajay Kumar Singhal	Chief Executive Officer
Shri Anjeev Kumar Jain	Chief Financial Officer (From 03/02/2022)
Shri Sunil Kumar Singh	Chief Financial Officer (Up to 03/02/2022)
Shri Ranjan Kumar Tiwary	Company Secretary

Dates of the meeting and attendance sheet of the Board of Directors meeting during the year 2021-22 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 31<sup>st</sup> March 2022 the composition of Audit Committee comprises of Smt. Sheela Koul, Independent Director as Chairman, Shri Gopi Suresh Kumar Varadarajan, Director and Shri Bibhu Prasad Nayak, Director of the company as members.

During the year four (4) meetings of the Audit Committee were held on 06/05/2021, 11/08/2021, 02/11/2021 and 03/02/2022.

### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There is no employee in the Company falling under the category of employee required to be reported under the provisions of Rules 5(2) and 5(3) of the

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **DECLARATION BY AN INDEPENDENT DIRECTOR(S) (SECTION 149(6) OF COMPANIES ACT 2013)**

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

### **MEETING OF INDEPENDENT DIRECTOR(S)**

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

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

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

As on 31<sup>st</sup> March 2022 the Nomination and Remuneration Committee comprises of Smt. Sheela Koul, Independent Director as Chairman, Shri Gopi Suresh Kumar Varadarajan and Shri Bibhu Prasad Nayak, Directors of the company as members. During the year one meeting of Nomination and Remuneration Committee was held on 3<sup>rd</sup> February, 2022.

### **PERFORMANCE AND FINANCIAL POSITION OF EACH OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES**

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

### **DIRECTORS’ RESPONSIBILITY STATEMENT UNDER THE COMPANIES ACT, 2013**

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

- In the preparation of the annual accounts the applicable accounting standards have been followed and there is no material departure from the same.
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true

and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.

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

### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

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

### **SCHEDULED CASTE, SCHEDULED TRIBES, AND OTHER BACKWARD CLASSES**

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

### **ORGANIZING BUSINESS MEETS, SEMINARS & CONFERENCES:**

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





**Seminar on emerging trends of Energy Transition in Indian Railways Held on 16.08.2021**

Also, the company is aiming towards showcasing its brand image among its peers and proliferate its presence in market by participating in various seminars and exhibitions regularly. Your company has successfully participated in various exhibitions at ELECRAMA, INDIA EXPO MART, IREE.



**Participation in International Railway Equipments Exhibitions Held on 16-18 December 2021**

The capacity building programmes successfully organized by the company:

- (i) Successfully organized a seminar on “Emerging Trends of Energy Transition in Indian Railways” on the occasion of 9th Annual Day of the company on 16th August 2021. Various eminent speakers & Industry experts showcased their presentation and shared the knowledge about power planning for IR, Scheduling & Forecasting of power, wind & solar power projects scenario for IR, challenges, mitigation & way forward, E – bidding, hydro power, Deep portal for power procurement, 2 x 250 MW Thermal power plant at Nabinagar.

- (ii) International Railway Equipment Exhibition (IREE) 2021 - Asia's largest event for the Rail Transportation Sector

### AWARDS & RECOGNITIONS:

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



**Receiving IEI Industry Excellence Award 2021 from Hon'ble Minister of Heavy Industries Dr. M. N. Pandey on 26.12.2021**



During the Year 2021-22, REMC has been bestowed 'IEI Industry Excellence Award 2021' by the Institution of Engineers (India) in the Engineering Services and Consultancy (ESC) category.

## 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 2021-22.

The Auditors' Report for the financial year 2021-22 does not contain any qualification, reservation or adverse remark. The Report is enclosed with the financial statements in this Annual Report.

The Board would like to place on record their sincere thanks for the valuable services rendered by Statutory Auditors.

## COMPTROLLER AND AUDITOR GENERAL'S COMMENTS

The Company has received NRC (Non Review Certificate) on the Financial Statements for the financial year 2021-22 from the Comptroller and Auditor General of India under Section 143 (6) of the Companies Act, 2013.

## SECRETARIAL AUDITOR

The Board has appointed M/s Akhil Rohatgi & Co., Company Secretaries to conduct Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report for the financial year ended March, 31, 2022 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 ESOP referred to in this report.
- Neither the Chairman nor the Directors of the Company receive any remuneration or commission from any of its subsidiaries. – Not Applicable
- 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.
- There are no proceedings initiated / pending against your company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the company.

## DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL ACT, 2013)

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

## MATERIAL CHANGES AND COMMITMENTS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT.

W.e.f. 17.05.2022 the registered office of the company changed from Core-1, 12th Floor, Scope Minar, Laxmi Nagar, Delhi-110092 to 8th Floor, 7 Bhikaji Cama Place, South West Delhi, Delhi-110066.




## ACKNOWLEDGMENTS

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

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

For and on behalf of Board of Directors



**(Rahul Mithal)**  
**Chairman**  
**DIN: 07610499**

**Date: 22nd July, 2022**

**Place: Delhi**

## 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

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

### 3. Board of Directors

The Board of Directors of the company comprises of six (6) Directors viz. three (3) Nominee Directors of RITES Ltd including Chairman, two (2) Nominee Directors of Ministry of Railways and one Independent Non-Official Director.

#### 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 Rahul Mithal (From 16.11.2021)	Chairman	1	Nil	Nil
2.	Shri Gopi Sureshkumar Varadarajan (From 01.07.2021 to 16.11.2021)	Chairman	1	1	1
3.	Shri. Rajeev Mehrotra (Up to 30.06.2021)	Chairman	1	Nil	Nil
4.	Shri Gopi Sureshkumar Varadarajan.	Director	1	1	1
5.	Shri Bibhu Prasad Nayak (From 1.07.2021)	Director	1	1	1
6.	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
7.	Shri Manish Gupta	Director	Nil	Nil	Nil
8.	Smt. Sheela Koul	Independent Director	Nil	Nil	Nil
9.	Shri Anjeev Kumar Jain (From 09.07.2021 to 16.11.2021)	Director	Nil	Nil	Nil
10.	Dr. Pradeep Kumawat (Up to 19.07.2021)	Independent Director	Nil	Nil	Nil
11.	Parmod Kumar Narang (Up to 30.06.2021)	Director	Nil	Nil	Nil

#### Notes:

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

\*\* Does not include Chairmanship / Membership in the Board of Committees other than the Audit Committee 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 2021-22

**Shri Rahul Mithal** has joined as Chairman on the Board of REMC Ltd on 16.11.2021. He is CMD of RITES Ltd, holding Company of REMC Ltd. He is from the Indian Railways Service of Mechanical Engineers (SCRA 1985 Batch). He holds the additional qualification of MBA (Finance) from Jamnalal Bajaj Institute of Management Studies, Mumbai and is a Fellow of the Institution of Mechanical Engineers (UK) and a Chartered Engineer, registered with the Engineering Council (UK). He was the Functional Director on the Board of Container Corporation of India Limited for the last 4 years as an in charge of the Projects & Services wing, comprising of the Civil, Electrical, Mechanical & IT departments, responsible for the design, planning & execution of all the Projects. He has had a long stint of more than 20 years in various key positions in Indian Railways.



He has a wide exposure of various aspects of Design and Maintenance of Rolling Stock and Handling Equipment and has held various key assignments of Operations and Maintenance in the Railways. He was associated with a number of large-scale modernization projects which involved an in-depth analysis of the existing infrastructure, assessing the requirements and executing the work while not affecting the current operations. In the past more than 10 years in Container Corporation of India Limited, he has played a key role in the design of mega MMLPs and ensuring the timely construction of more than 20 MMLP/Warehousing projects. Many of the above projects involved the extensive use of IT and he has been associated with a number of digitization initiatives for Container Corporation of India Limited.

**Shri B P Nayak** has joined REMC Limited as Director on 01.07.2021. He is a qualified Cost Accountant (1988) and B.Tech. in Metallurgy (1985) from the Indian Institute of Technology, Kharagpur. He is Director Finance of RITES Ltd. holding company of REMC Ltd and nominated as Director on Board of REMC Ltd. Prior to joining RITES Ltd., he worked as an Executive Director (Finance) in Bhilai Steel Plant of Steel Authority of India Limited (SAIL) having a turnover of more than 16000 Crores. He has a vast experience of over 34 years in SAIL- Bhilai Steel Plant, in the area of Finance, Technical and Project Management. Under his leadership in Bhilai Steel Plant, modernization & expansion program involving investment of ₹20,000 Crores was executed. As Chairman of PF Trust of Bhilai Steel Plant, he managed a corpus of ₹5000 Crore having annual investment of ₹600 Crore. He has undergone Advanced Management Program in Administrative Staff College of India, Hyderabad along with Study Tour to Belgium, Netherland and France. He has been accredited as a Certified Director from Institute of Directors.

**Shri Anjeev Kumar Jain** was on the board of the company from 09.07.2021 to 16.11.2021 and has joined REMC Limited as Chief Finance officer on 03.02.2022. He is a Cost & Management Accountant with degree in Law & Diploma in Management. He has experience of more than 25 years in the field of Finance & Accounts, Cost Accounts, Audit, Government Procurement, transaction advisory for PPP, Contract Management, Tendering & finance appraisal etc. He has vast experience of working

in infrastructure sector which includes Companies like NHPC, DFCCIL and RITES. He started his career with Defence Audit wing of C&AG of India where he worked for appx. 5 years and gained experience of handling Proprietary Audit of various defence establishments. He worked for appx. 15 years in NHPC, a leading Schedule 'A' CPSE in Hydroelectric Genco, wherein he handled functions related to finalization of Corporate Accounts, Audit, Contract Management, taxation, Compliance with Accounting Standards & financial appraisal at corporate level and Project level as well. He worked for appx. 5 years with Dedicated Freight Corridor Corporation of India, an iconic project of Government of India having capex of appx. ₹1,00,000 Crore, wherein he handled varied function such as Finance and Corporate Accounts, Audit, Risk Management, Contract Management, Coordination with Board Committee, GST implementation and IND AS implementation etc. During his tenure in DFCC he got a rich experience of dealing FIDIC contract and coordinating with Multilateral Agencies i.e., World Bank and JICA. Represented NHPC (as part of delegation) in "Enterprise India" organized by CII at Yangon, Myanmar in November 2011. He has been with RITES from 2019 and looking after finance functions of various deposit work and other consultancy assignments, being handled by RITES for clients in the field of Railways, Highways, Building & Airport, Ports, Urban transport etc. Handling PPP and monetization projects of IR

### 3.3 Number of Board Meetings

The Board of Directors met Four (4) times during the year 2021-22 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 25 <sup>th</sup> June, 2021
1.	Shri Rahul Mithal (From 16.11.2021)	1	1	NA
2.	Shri. Rajeev Mehrotra (Up to 30.06.2021)	1	1	Present
3.	Shri Gopi Sureshkumar Varadarajan.	4	4	Present

S No.	Directors	Board of Directors Meetings During the Year		
		Held During their tenure	Attended	Attendance at the AGM held on 25 <sup>th</sup> June, 2021
4.	Shri Bibhu Prasad Nayak (From 01.07.2021)	3	3	NA
5.	Shri Ajeet Kumar Srivastava	4	3	Present
6.	Shri Manish Gupta	4	4	Present
7.	Smt. Sheela Koul	4	4	Present
8.	Dr. Pradeep Kumawat (Up to 19.07.2021)	1	1	Present
9.	Shri Parmod Kumar Narang (Up to 30.06.2021)	1	1	Present
10.	Shri Anjeev Kumar Jain (From 09.07.2021 to 16.11.2021)	2	2	NA

Note: Dates of the meeting and attendance sheet of the Board of Directors meeting during the year 2021-22 is placed at **Annexure-A**

#### 4. Remuneration of Directors

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

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

However, sitting fee 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 2022.

#### 6. Committees of the Board of Directors

##### 6.1 Audit Committee:

The company's has constituted Audit committee in line with section 177 of the companies Act, 2013. The Board of Directors

in their 42nd meeting held on 11/08/2021 re-constituted Audit Committee comprising of Smt. Sheela Koul, Independent Director as Chairman, Shri Bibhu Prasad Nayak and Shri Anjeev Kumar Jain, Directors of the company as members.

Further, the Board of Directors in their 44th meeting held on 03/02/2022 re-constituted Audit Committee comprising of Smt. Sheela Koul, Independent Director as Chairman, Shri Bibhu Prasad Nayak and Shri Gopi Suresh Kumar Varadarajan, Directors of the company as members.

As on 31st March 2022 the Audit Committee comprised the following Directors:

Name	Position in the Committee	Designation
Smt. Sheela Koul	Chairman	Independent Director
Shri Gopi Suresh Kumar Varadarajan	Member	Director
Shri Bibhu Prasad Nayak	Member	Director

During the year four (04) meetings of the Audit Committee was held on 06/05/2021, 11/08/2021, 02/11/2021, and 03/02/2022.

#### The Terms of Reference:

- Oversight of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient, and credible;
- Recommending to the Board regarding the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to;
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause(c) of sub- section (3) of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;



- (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:
- (i) Significant findings during the year, including the status of previous audit recommendations.
  - (ii) Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
- (u) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### Powers of Audit Committee:

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. To obtain outside legal or other professional advice

4. To secure attendance of outsiders with relevant expertise, if it considers necessary
5. 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's has constituted Risk Management Committee in line with companies Act, 2013. The Board of Directors in their 42<sup>nd</sup> meeting held on 11/08/2021 re-constituted Risk Management Committee comprising of Shri, Bibhu Prasad Nayak Director as Chairman, Shri Anjeev Kumar Jain, Director and Smt. Sheela Koul, Independent Director of the company as Members.

Further, the Board of Directors in their 44<sup>th</sup> meeting held on 03/02/2022 re-constituted Risk Management Committee comprising of Shri Bibhu Prasad Nayak Director as Chairman, Shri Gopi Suresh Kumar Varadarajan, Director and Smt. Sheela Koul, Independent Director of the company as Members. Last meeting of Risk Management Committee was held on 25/03/2021.

As on 31<sup>st</sup> March, 2022 the Risk Management Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri Bibhu Prasad Nayak	Chairman	Director
Shri Gopi Suresh Kumar Varadarajan	Member	Director
Smt. Sheela Koul	Member	Independent Director

## 6.4 Nomination and Remuneration committee

The Board of Directors in their 44<sup>th</sup> meeting held on 03/02/2022 re-constituted Nomination and Remuneration Committee comprising of Smt. Sheela Koul, Independent Director, as Chairman Shri Bibhu Prasad Nayak, Director and Shri Gopi Suresh Kumar Varadarajan, Director of the company as Members. During the year one meeting of Nomination and Remuneration Committee was held on 03/02/2022.

As on 31<sup>st</sup> March 2022 the Nomination and Remuneration Committee comprised the following Directors:

Name	Position in the Committee	Designation
Smt. Sheela Koul	Chairman	Independent Director
Shri Gopi Suresh Kumar Varadarajan	Member	Director
Shri Bibhu Prasad Nayak	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 ₹90.65 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.

Further, The Board of Directors in their 44<sup>th</sup> meeting held on 03/02/2022 reconstituted CSR Committee comprising of Shri Gopi Suresh Kumar Varadarajan, Director as chairman, Shri Bibhu Prasad Nayak, Director, Smt. Sheela Koul, Independent Director of the company as members.

During the year, one meeting of the CSR Committee was held on 02/11/2021.

As on 31<sup>st</sup> March 2022 the Corporate Social Responsibility Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri Gopi Suresh Kumar Varadarajan	Chairman	Director
Shri Bibhu Prasad Nayak	Member	Director
Smt. Sheela Koul	Member	Independent Director



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

**SECTOR:** Eradicating hunger, poverty and malnutrition and promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

**(i) Procurement of Ambulance to fight against COVID-19 Pandemic for patients in Jammu and Kashmir:** Financial aid was provided to an NGO "Rehmat-E-Alam Foundation", based in Jammu and Kashmir for Procurement of an ambulance to fight against COVID-19 Pandemic for patients in Jammu & Kashmir.

**(ii) Financial assistance for procurement of masks, sanitisers and protective gears along with medicines to fight against covid-19 pandemic for patients in Jammu and Kashmir:** Financial support in procuring masks, Sanitizers and protective gears along with medicines to fight against Covid-19 pandemic for patients in Jammu and Kashmir through the NGO – Rehmat-E-Alam Foundation J&K.

**(iii) Financial support for distribution of Oxygen Concentrator, Medicines & Masks to fight against Covid-19 pandemic for patients in Jammu & Kashmir:** Distribution of oxygen concentrator, Medicines & Masks, to fight against Covid-19 pandemic for patients in Jammu & Kashmir through Rehmat-E-Alam Foundation J&K.

**(iv) Financial assistance for providing drinking and irrigation water source creation for 100 families in the tribal areas of Royni village of Kotra Block of Udaipur district:** Financial support for water source creation for 100 families in the tribal area of Royni village of Kotra Block to provide drinking and irrigation water to increase family income through Rajasthan Bal Kalyan Samiti, Udaipur, Rajasthan.

**(v) Financial assistance for procurement of one mobile medical van for Ramakrishna Mission Free TB Clinic & Medical Centre, Karol Bagh, Delhi:** Financial support for

procurement of vehicle to provide medical aid to the needy people through Ramakrishna mission, New Delhi

**(vi) Financial support for procurement of One Ambulance to Seema Jagran Manch for emergency medical facilities for people leaving in slum areas in Faridabad, Haryana:** Financial support for procurement of Ambulance in Faridabad to serve the needy people through Seema Jagran Manch - NGO.

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

**(vii) Financial support for providing infrastructure facility for School in Rajasthan:** The Company has taken up an initiative of providing infrastructure facilities in Government Sr. Sec. School, Distt, Jaisalmer, Rajasthan through Seema Jagran Manch - NGO.

## 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
8th AGM	2020-21	25/06/2021	12:30 HRS {Through video conferencing ('v c')}	BITES Bhawan, No.1 Sector-29, Gurugram	Nil
7th AGM	2019-20	24/08/2020	12:30 HRS {Through video conferencing ('v c')}	BITES Bhawan, No.1 Sector-29, Gurugram	06
6th AGM	2018-19	29/07/2019	12:45 HRS	Shangri – La's Eros, Hotel, 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 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 on 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 2021-22

SL. NO.	NAME OF DIRECTORS	41 <sup>st</sup> BOD MEETING 06/05/2021	42 <sup>nd</sup> BOD MEETING 11/08/2021	43 <sup>rd</sup> BOD MEETING 02/11/2021	44 <sup>th</sup> BOD MEETING 03/02/2022	TOTAL 4 (Four) MEETINGS
1.	Shri Rahul Mithal (From 16.11.2021)	NA	NA	NA	✓	All
2.	Shri Rajeev Mehrotra (Up to 30.06.2021)	✓	NA	NA	NA	All
3.	Shri Gopi Sureshkumar Varadarajan	✓	✓	✓	✓	All
4.	Shri Bibhu Prasad Nayak	NA	✓	✓	✓	All
5.	Shri Ajeet Kumar Srivastava	✓	✓	•	✓	3 out of 4
6.	Shri Manish Gupta	✓	✓	✓	✓	All
7.	Smt. Sheela Koul	✓	✓	✓	✓	All
8.	Dr. Pradeep Kumawat	✓	NA	NA	NA	All
9.	Shri Parmod Kumar Narang	✓	NA	NA	NA	All
10.	Shri Anjeev Kumar Jain	NA	✓	✓	NA	All

**Note:**

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

## 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, 2022 as stipulated in the DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.

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

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

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

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

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



**Deepak Kumar**

Partner

M No.: F10189

CP No:11372

UDIN: F010189D000762039

Date: 08/08/2022

Place: New Delhi



## ANNEXURE – II

## MANAGEMENT DISCUSSION AND ANALYSIS

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

**About the company:**

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

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

**1. OUTLOOK AND OPPORTUNITIES**

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

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

Indian Railways (IR), being a significant consumer of energy sources, needs to identify cost effective options for energy system having least environmental impacts. To reduce dependence

on fossil fuels and mitigate the emission of CO<sub>2</sub> in environment, it is required to proliferate sourcing of Renewable Energy commensurate to the Railways 'mission of Net Zero Carbon Emission'.

As a part of the mission, REMC has taken various initiatives to undertake and implement the projects for Indian Railways related to harnessing of green energy. Company has successfully awarded 170 MW of solar roof top projects, 53.7 MW of ground mounted solar projects & 93 MW of wind power projects.

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

Indian Railway 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 transition of Indian Railways thus reducing its traction energy bill substantially. Company has also initiated procurement of energy through collective transaction by bidding of power through trader on energy exchange and has also fulfilled the compliance of Renewable Purchase obligation (RPO) for IR. Power procurement through IEX (energy exchange) has also been ensured in the states of U.P., M.P., Rajasthan, Delhi, Haryana, UP-ISTS, Jharkhand, Gujrat, Maharashtra, Karnataka and Punjab to meet the additional power requirement and standby power in case of failure of GENCO's. 2112 MUs purchased through energy exchange during year 2021-22.

## 1.1 POWER PLANNING IN INDIAN RAILWAYS:

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

Company, which has been mandated to handle entire Power Procurement under open access for Indian Railways, was successful in facilitating about 1600 MW power in current financial year.

## 1.2 HARNESSING RENEWABLE ENERGY:

Indian Railways has set an ambitious target towards achieving the mission of net zero carbon emissions by 2030. IR is continuously working on this front and reducing its dependence on fossil fuels by utilizing energy from renewable sources. To achieve the target set by the Government of India to achieve 450 GW capacity by 2030, Indian Railways has targeted to source around 30 GW of solar power by 2030 in Zonal Railways and Production Units.

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

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

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

such projects on behalf of IR.

## SOLAR POWER PROJECT:

The Company is progressive in harnessing energy from renewable sources in a broad way. Company is expanding its Renewable Energy portfolio by harnessing 2 GW of Solar power for Indian Railways and flow of power is expected from the year 2023-24 onwards.

### Solar roof-top projects

- (i) Your company successfully awarded 170 MW solar roof top projects on behalf of ZRs with and without Central Finance Assistance (CFA) till date. Out of which more than 65 MW solar roof top plant successfully commissioned and remaining projects are under implementation.
- (ii) Additionally, tender was invited on 09.03.2022 for setting up of 14 MWp rooftop solar power plant at MCF, Raebareli.

### 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 MUs of solar power annually. Power generated from this plant will be evacuated through nearby CTU/PGCIL substation at Raipur and shall be used for traction purpose in Karnataka & ISTS connected drawl points for partial fulfilment of RPO of IR. Connectivity and open access has been granted by CTU and project is under advanced stage of execution. COD of the Plant is expected in the month of October 2022.

### 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. This proposed state wise distribution of solar power will help Zonal Railways to meet their Solar Power Obligations (SPOs) as per respective SERCs. LOA has been issued on 01.09.2021. The bids for the same have already been invited by RUMS. PPA signed on 25.11.2021 by West



Central Railways on behalf of IR, RUMSL and SPDs for procurement of 400 MW Solar power. Commencement of power flow is expected in FY 2023-24.

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

REMC Ltd. has undertaken the development of first ever 2.56 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 year 2020-21, feeding power at 132 KV Railway Transmission System. Energy generated by the plant per annum is approximately 3 MUs (Million Units) which replaces conventional energy and saves around 2.8 thousand tons CO<sub>2</sub> per annum.

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

Bina Solar Plant is successfully commissioned since July '2020 and is acting as a Proof of Concept (POC) for Indian Railways for future implementation of such solar plants all over India. This is especially important as Railways has gone for massive electrification under '100% electrification' target.

With success of this pilot power project, Indian Railways shall install such type of Solar Plants in various locations to feed traction distribution for utilization by electric engine hauled trains. The Plant is feeding power at 25 KV OHE and energy generated by the plant is approximately 2 MUs (Million Units) which replaces conventional energy and saves around 1.9 thousand tons of CO<sub>2</sub> per annum.

### **WIND POWER PROJECT:**

In wind energy, Your Company has successfully awarded and commissioned about 93 MW of wind projects till date. Furthermore, wind power projects are being planned for implementation in consultation with Railway Board.

## **2. BUSINESS PERFORMANCE:**

During the year, despite of many challenges your company has made remarkable progress in the field of Renewable Energy and Electrical sector. Power flow of about 1600 MW was successfully commenced in various 13 states/entities under

open access for Indian Railways.

Also, to tap the potential of Renewable Energy nationwide, Indian Railways has planned various initiatives through REMC Ltd. With this mission & vision of achieving Net Zero Carbon Emission and transforming Indian Railways into "Green Railways" by reducing its carbon footprint and improving finances through reduction in cost of energy, company has successfully implemented about 170MW (approx.) of solar roof top projects, 53.7 MW ground mounted projects and 93 MW of wind projects so far, which will also reduce the CO<sub>2</sub> emissions to a great extent.

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

## **FUTURE PROJECTS**

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

Your company shall Coordinate with IRCON for procurement of 500 MW solar power and BSUL (Bundelkhand Saur Urja Ltd.) for procurement 800 MW solar power for IR.

Further your company invitation of Bids for procurement of Renewable power in RTC mode after approval of bid specifications by RB tender is under process. Further company is also processing tender for procurement of Solar power near TSS by establishing solar plant on farmer land through developer mode, project is called Suraj Ki Kheti.

## **REGULATORY MATTERS**

- (i) The company is assisting Zonal Railways in contesting, preparation and filing of petitions at APTEL, CERC and SERCs by hiring eminent legal counsels of power sector.
- (ii) The company is 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 (Deviation Settlement Mechanism) 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, 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.

### 3. OPERATIONAL PERFORMANCE:

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

#### Some of the major highlights of the FY 2021-22 are as under:

- Performance of 26 MW Wind Power Plant at Jaisalmer Rajasthan:
- Energy Generation has been recorded to 37.20 MUs in FY 2022 as compared to 28.59 MUs in FY 2021, i.e., 30% increase in annual generation.
- Machine availability increased to 88% during FY 2022 as compared to 82% in FY 2021, an increase of 7%.
- CUF increased to 16.30% during FY 2022 as compared to 12.56% in FY 2021, an increase of 30%.

- Revenue increased to ₹21.38 crore during FY 2022 as compared to ₹16.45 crore in FY 2021, with a growth of 30%.

- Facilitated signing of PPAs between Railway and Rewa Ultra Mega Solar Park (RUMS) in the month of Nov'21 for procurement of 400 MW Solar Power.

- Procuring power from Power Exchange. Same has commenced in the state of U.P., M.P, Rajasthan, Delhi, Haryana, UP-ISTS, Jharkhand, Gujarat, Maharashtra, Karnataka and Punjab to meet the peak power requirement and standby power in case of failure of open access generators. 2112 MUs purchased through energy exchange during year 2021-22 as compared to 345 MUs during 2020-21, an increase of 512%.

- Successfully facilitated purchasing of renewable power form Green Day Ahead Market (GDAM) platform of Energy Exchange to fulfill RPO (Renewable Purchase Obligations) compliance by IR. In the year 2021-22 approximately 19 MUs of power procured through GDAM.

- Commissioning of 4<sup>th</sup> Unit power plant of BRBCL on 1<sup>st</sup> Dec 2021 with a quantum of 205 MW. Total power tied up for IR from BRBCL is now 819 MW.

- Successfully awarded tender for procurement of 600 MW power under MTOA in replacement of RGGPL power of 540 MW expired on 31st March 2022. Out of 600MW Power awarded, flow of 210 MW has commenced on 1st April 2022.

### KEY FINANCIAL RATIOS:

S/ No.	Particulars	2021-22	2020-21
i)	Debtor Turnover (No of Days)	147.87	98.14
ii)	Interest Coverage Ratio (Times)	31.40	12.09
iii)	Current Ratio (Times)	6.56	3.20
iv)	Debt Equity Ratio (Times)	0.11	0.18
v)	Operating Profit Margin (%)	69.17	54.05
vi)	Net Profit Margin (%) (PAT / Total Revenue)	47.64	35.11
vii)	Return on Net Worth (PAT/Avg. Net worth)	22.88	13.94



#### 4. STRENGTH:

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

With its vast experience, company has established itself as a brand name in the Power Sector. The Company has adopted state of art technologies to facilitate Railways in reducing its operating expenses by procuring power at reduced tariff with steady focused efforts. The quantum of power procurement is on increase and a comprehensive Pan-India power procurement plan has been developed for Railways.

Since the Railways electrification in the country is a regular process and with the passage of time more electrified tracks to be fed therefore the economic power procurement will prove to be a stronger tool in limiting the energy bill. In this regard, Scheduling of power, as near to actual load, is a prerequisite. Company plans to 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 'Renewable Energy' i.e., wind & solar and in RTC mode. The company is working to proliferate the use of Renewable energy on a large scale by successfully implemented various state-of-the-art projects.

#### 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. Further Open Access Power shall become uneconomical if Cross Subsidy Surcharge and Additional Surcharge are levied as part of the open access charges.

(ii) Growing renewable sector has brought new opportunities for many domestic and foreign players which are drifting the market towards intense competition. Foreign investments, multiple equity participations (through JVs) & better financing by many conglomerates have started dragging the tariff to its new low. The Company foresees **business risk** amidst this growing competition and thus is suitably expanding its resources.

(iii) The power scenario in India is rapidly shifting from non-renewable sources of energy to renewable sources of energy. This shift is bringing new technological innovations and advancements in the renewable energy market resulting into launch of efficient products which are quickly outdated and replacing its predecessors. However, the upfront capital cost is incurred in beginning of project life cycle and fixing the revenue stream by the anticipating tariff throughout the project life is a concern as switching to new technology will outdated the existing infrastructure.

(iv) Predicting Capacity Utilization Factor (CUF) for new renewable projects (solar, wind and hybrid power plants) is a challenging and important task as its authenticity helps in determination of projected revenue cash flows which are needed for discovery of levelized tariff. However, CUF depends on a variety of technical and environmental parameters which are difficult to predict thus posing risk to the business.

(v) Issues related with the connectivity of the project to deliver the power at drawl points, lack of adequate transmission infrastructure for power extraction, i.e. the power generated from the generators to reach the grid for distribution

## 6. INTERNAL CONTROL SYSTEM:

REMC has adequate internal control and audit systems for enhancement of efficiency in operations and to ensure compliance with applicable laws, rules and regulations. REMC internal audit is conducted by experienced 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:

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



## ANNEXURE – III

## FORM NO. AOC-2

For the financial year ended on 31<sup>st</sup> March 2022

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

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

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

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

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

S. No.	Particulars	Details	
a)	Name (s) of the related party & nature of relationship	RITES Limited – Holding Company (51%) and Ministry of Railways (49%) shareholder of the Company	
b)	Nature of contracts/arrangements/ transaction	<b>RITES Limited: -</b> (₹ in Lakh)	
		<b>Particulars</b>	<b>Year Ended 31.03.2022</b>
		- Fee for services obtained	725.22
		- Man-Month Expenses of KMP	151.79
		- Reimbursable for Expenses & Taxes	308.94
		- Other Expenses	-
		- Dividend Paid	459.00
		- Capital Advance	226.93
		<b>Ministry of Railways: -</b> (₹ in Lakh)	
		<b>Particulars</b>	<b>Year Ended 31.03.2022</b>
		- Income from Consultancy	7139.17
		- Sale of Power Generation	2137.72
		- Recoverable	25.39
		- Dividend Paid	441.00
		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.	
		CEO-Shri Ajay Kumar Singhal	
		<b>Particulars</b>	<b>Year Ended 31.03.2022</b>
		- Man- Month Charges	77.52
		CFO	
		- Shri Anjeev Kumar Jain (From 03.02.2022)	
- Shri Sunil Kumar Singh (Upto 03.02.2022)			
<b>Particulars</b>	<b>Year Ended 31.03.2022</b>		
- Man- Month Charges	46.80		
Company Secretary (CS)- Ranjan Kumar Tiwary			
<b>Particulars</b>	<b>Year Ended 31.03.2022</b>		
- Man- Month Charges	27.47		

S. No.	Particulars	Details
c)	Duration of the contracts/ arrangements/transaction.	<p>RITES LTD. – Services of experts from holding company are obtained as and when required.</p> <p>Ministry of Railways –</p> <p>(i) <b><u>Services for Economic Power Procurement at professional charges of 07 paisa per unit</u></b></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) Central Railway (Nalco) 25 years PPA starting from 23<sup>rd</sup> June 2019.</p> <p>h) Power from Indian energy exchange (IEX) to Zonal railways on various open access State.</p> <p>i) BRBCL for 25 years starting from 01<sup>st</sup> December 2021</p> <p>(ii) <b><u>Sale of Renewal Power Generation from 26 MW Windmill plant situated at Jaisalmer, Rajasthan.</u></b></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><b>RITES LTD.</b> – Experts of holding Company render technical services to company. Holding Company charge for their experts on the same basis as being charged to other clients. Fees depend upon the quantum of expert's services utilized by the company.</p> <p>Transaction Value for fees for services obtained ₹725.22 Lakh (excluding applicable taxes).</p> <p>Man-month expenses of KMP – ₹151.79 Lakh (excluding applicable taxes).</p> <p><b>Ministry of Railways –</b></p> <p>Services for Economic Power Procurement at professional charges of 07 paisa per unit</p> <p>Professional charges of 07 paisa per Kwh (unit) of energy purchased for Zonal Railways through Bi-lateral arrangements, Allocation through MoP and Open Competitive Bidding route against services for effective commencement and operationalization of economic power procurement.</p> <p>Total Value of transaction Value – ₹7139.17 Lakh</p> <p>Sale of Renewal Power Generation from 26 MW Windmill plant situated at Jaisalmer, Rajasthan</p> <p>Energy produced from captive windmill plant is being billed based on levelized tariff derived on the basis of PPA entered into with respective zonal railway.</p> <p>Total value of transaction Value – ₹2137.72 Lakh</p>
e)	Date of approval by the Board	17.05.2022
f)	Amount paid as advances, if any	Nil



(Rahul Mithal)  
Chairman  
DIN: 07610499

Date: 22nd July, 2022

Place: Delhi

## ANNEXURE – IV

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**For the financial year ended on 31<sup>st</sup> March 2022**  
**(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 <sup>th</sup> 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	8 <sup>th</sup> Floor, 7 Bhikaji Cama Place, New Delhi-110066
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	--	77.03
2.	Power Generation	--	22.96

**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, Delhi	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):****a) 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	
<b>A.</b>	<b>Promoters</b>									
<b>1.</b>	<b>Indian</b>									
	a) Individual/ HUF									
	b) Central Govt		5,14,50,000		49%		5,14,50,000		49%	
	c) State Govt(s)									
	d) Bodies Corp.		5,35,50,000		51%		5,35,50,000		51%	
	e) Banks / FI									
	f) Any other									
	<b>Sub-total (A)(1):-</b>		<b>10,50,00,000</b>		<b>100%</b>		<b>10,50,00,000</b>		<b>100%</b>	



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	
<b>2.</b>	<b>Foreign</b>									
	a) NRIs-Individual									
	b) Other individuals									
	c) Bodies Corp.									
	d) Banks / FI									
	f) Any other									
	Sub-total (A)(2):-									
<b>B.</b>	<b>Public Shareholding</b>									
<b>1.</b>	<b>Institutions</b>									
	a) Mutual Funds									
	b) Banks / FI									
	c) Central Govt									
	d) State Govt(s)									
	e) Venture Capital Funds									
	f) Insurance Companies									
	g) FIIs									
	h) Foreign Venture Capital Funds									
	i) Others (specify)									
	Sub-total (B)(1):-									
<b>2.</b>	<b>Non-Institutions</b>									
	a) Bodies Corp.									
	i) Indian									
	ii) Overseas									
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹1 lakh									
	ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh									
	c) Others (specify)									
	<b>Sub-total (B)(2):-</b>									
	Total Public Shareholding (B)=(B)(1)+(B)(2)									
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>			<b>10,50,00,000</b>		<b>100%</b>		<b>10,50,00,000</b>		<b>100%</b>	

**b) 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.	rites Ltd	5,35,49,970	51%		5,35,49,970	51%		
2.	Ministry of Railways	5,14,49,980	49%		5,14,49,980	49%		
3.	Shri Rahul Mithal	0			10			
4.	Shri Gopi Suresh Kumar Varadarajan	10			10			
5.	Shri Anjeev Kumar Jain	0			Shares have been transferred to Shri Rahul Mithal, CMD, RITES LTD. on 11.11.2021			
6.	Shri Parmod Kumar Narang	10			Shares have been transferred to Shri Anjeev Kumar Jain, GM/F, RITES LTD. on 01.07.2021			
7.	Shri B.P. Nayak	10			10			
8.	Shri Ajeet Kumar Srivastava	10			10			
9.	Shri B.S. Bodh	10			10			
	<b>Total</b>	<b>10,50,00,000</b>	<b>100%</b>		<b>10,50,00,000</b>	<b>100%</b>		

**c) 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	10,50,00,000	100	10,50,00,000	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.):	NIL			
3	At the end of the year	10,50,00,000	100	10,50,00,000	100

**d) 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
1.	At the beginning of the year	Nil	Nil	Nil	Nil
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.):				
3.	At the end of the year	Nil	Nil	Nil	Nil



## e) 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 Rahul Mithal	-					10	
2.	Shri Gopi Suresh Kumar Varadarajan	10					10	
3.	Shri Ajeet Kumar Srivastava	10					10	
4.	Shri B.P. Nayak	10					10	
5.	Shri Parmod Kumar Narang	10					-	
6.	Shri Anjeev Kumar Jain*	-					-	
	At the end of the year							

\*During the year he hold 10 no. shares and these share were transfer to Shri Rahul Mithal (Chairman).

## V. 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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3230.73	--	--	3230.73
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	20.59	--	--	20.59
<b>Total (i+ii+iii)</b>	<b>3251.32</b>	<b>--</b>	<b>--</b>	<b>3251.32</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	--	--	--	--
* Reduction	770.83	--	--	770.83
<b>Net Change</b>	<b>770.83</b>	<b>--</b>	<b>--</b>	<b>770.83</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2464.75	--	--	2464.75
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	15.74	--	--	15.74
<b>Total (i+ii+iii)</b>	<b>2480.49</b>	<b>--</b>	<b>--</b>	<b>2480.49</b>

**VI. 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	<b>Independent Directors</b>	<b>Dr. Pradeep Kumawat (Up to 19/07/2021)</b>	<b>Smt. Sheela Koul</b>	
	Fee for attending board / committee meetings	0.50	1.60	2.10
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (1)</b>	<b>0.50</b>	<b>1.60</b>	<b>2.10</b>
2	<b>Other Non-Executive Directors</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B) = (1+2)</b>	<b>0.50</b>	<b>1.60</b>	<b>2.10</b>
	Total Managerial Remuneration	-	-	-
	Overall Ceiling as per the Act	-	-	-

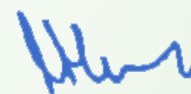
**C. Remuneration to key Managerial Personnel other than MD/Manager/WTD:**

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.

Sl. No	Particulars of Remuneration	Key Managerial Personnel				
		Shri Ajay Kr. Singhal, (CEO)	Shri Sunil Kumar Singh, (CFO) (Up to 03.02.2022)	Shri. Anjeev Kumar Jain (CFO)(from 03/02/2022)	Shri Ranjan Kumar Tiwary, (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	-	-	-	-	
	<b>Total</b>	-	-	-	-	

## 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)
<b>A. COMPANY</b>					
Penalty	NA				
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	NA				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NA				
Punishment					
Compounding					



(Rahul Mithal)  
Chairman  
DIN: 07610499

Date: 22nd July, 2022

Place: Delhi



## ANNEXURE – V

## Corporate Social Responsibilities (CSR) projects for FY 2021-22

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

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

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

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

- (i) Spreading awareness amongst employees about the company's CSR & Sustainability policy, programmes & initiatives and the need 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.

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

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

## 3. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Gopi Suresh Kumar Varadarajan	Director	1	1
2	Shri Bibhu Prasad Nayak	Director	1	1
3	Smt. Sheela Koul	Director	1	1

4. The CSR policy can be accessed through the link [https://rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21\\_pdf-2021-Dec-15-17-10-36.pdf](https://rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21_pdf-2021-Dec-15-17-10-36.pdf)

5. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

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

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

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

7. Average net profit of the company as per section 135(5): ₹4530.41 Lakh

8. (a) Two percent of average net profit of the company as per section 135(5): ₹90.65 Lakh

(b) Surplus arising out of the CSR projects or programmes or activities of the previous FY. **Nil**

(c) Amount required to be set off for the financial year, if any: **Nil**

(d) Total CSR obligation for the financial year 2021-22 (8a+8b-8c): ₹90.65 Lakh

9. (a) **CSR amount spent or unspent for the financial year 2021-22**

Total Amount Spent for the Financial Year. (₹ In Lakh)	Amount Unspent (₹ in Lakh.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Date of transfer.	Amount.	Date of transfer
<b>80.61</b>	10.04	14.04.2022	NA	NA	NA

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

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

**Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation Including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;" is one of the thrust areas.**

❖	Financial assistance for providing drinking and irrigation water source creation for 100 families in the tribal areas of Royni village of Kotra Block of Udaipur district.	No	Rajasthan	Udaipur	1 Year	19.77	9.73	10.04	No	Rajasthan Bal Kalyan Samiti	CSR00009003
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**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the Project.		Amount spent for the project (₹ in Lakh.)	Mode of implementation 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;” is one of the thrust areas.								
i)	Procurement of Ambulance to fight against COVID-19 Pandemic for patients in Jammu and Kashmir.	Schedule-VII Item-(i)	No	Jammu and Kashmir	Kulgam	9.79	No	Rehmat-E-Alam Foundation (NGO)	CSR00011102
ii)	Financial assistance for procurement of masks, sanitisers and protective gears along with medicines to fight against covid-19 pandemic for patients in Jammu and Kashmir.	Schedule-VII Item-(i)	No	Jammu and Kashmir	Kulgam	5.00	No	Rehmat-E-Alam Foundation (NGO)	CSR00011102
iii)	Financial support for distribution of Oxygen Concentrator, Medicines & Masks to fight against Covid-19 pandemic for patients in Jammu & Kashmir.	Schedule-VII Item-(i)	No	Jammu and Kashmir	Kulgam	8.00	No	Rehmat-E-Alam Foundation (NGO)	CSR00011102
iv)	Financial assistance for procurement of one mobile medical van for Ramakrishna Mission Free TB Clinic & Medical Centre, Karol Bagh, Delhi	Schedule-VII Item-(i)	No	DELHI	New Delhi	24.11	No	Rama krishna Ashram	CSR00006101
v)	Financial support for procurement of One Ambulance to Seema Jagran Manch for emergency medical facilities for people leaving in slum areas in Faridabad, Haryana.	Schedule-VII Item-(i)	No	Haryana	Faridabad	11.38	No	Seema Jagran Manch	CSR00021341
B.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;								
	Financial assistance for providing Infrastructure facilities in Govt Sr. See. School, Sonu, Distt. Jaisalmer, Rajasthan.	Schedule-VII Item-(ii)	Yes	Rajasthan	Jaisalmer	4.50	No	Seema Jagran Manch	CSR00021341





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

- a. Date of creation or acquisition of the capital asset(s). **NA**
- b. Amount of CSR spent for creation or acquisition of capital asset. **NA**
- c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **NA**
- d. 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. Assets created are for use of public at large.**

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.**

**(Rahul Mithal)**  
**Chairman**  
**DIN: 07610499**

**Date: 22nd July, 2022**

**Place: Delhi**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED on 31st March 2022**

**(Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)**

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by REMC Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 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, 2022 according to the provisions of:

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

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc.

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 there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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



Deepak Kumar  
Partner  
M No.: F10189  
CP No:11372  
UDIN: F010189D000668781

Date: 22/07/2022  
Place: New Delhi

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

Our report of even date is to be read along with this letter.

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

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



Deepak Kumar  
Partner  
M No.: F10189  
CP No:11372  
UDIN: F010189D000668781

Date: 22/07/2022  
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, 2022, 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, 2022, 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 judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have 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

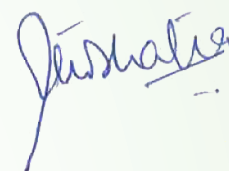
1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure- 'I'**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of section 143(5) of the Companies Act, 2013, we give in the **Annexure- 'II'** a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - (d) In our opinion, the aforesaid standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) In view of exemption given vide notification no G.S.R. 463 (E) dated 5<sup>th</sup> 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company does not have any pending litigation as at 31<sup>st</sup> March, 2022.
  - (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, which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv) The Management has represented that, to the best of its knowledge and belief, other than those disclosed in notes to accounts: -
    - a) no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) no funds (which are material either individually or in the aggregate) have been received by the Company

- from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) As stated in Note 2.12.3 and 2.27(b) to the standalone financial statements.
- a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- (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, 2022.

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



**(ETI BHATIA)**  
**PARTNER**

**M. No. 511542**

**UDIN: 22511542AJMEFJ6966**

**Place: New Delhi**

**Date: 17-05-2022**

### **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 LIMITED.)**

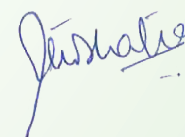
- (i) In respect of the Company's Property, Plant and Equipment (PPE) and Intangible Assets:
- (a) i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- ii) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The 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) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed/transfer deed/conveyance deed provided to us, we report that, the title in respect of all immovable properties (other than properties where the company is the lessee and lease agreement are duly executed in favour of the lessee), disclosed in the financial statements included under PPE are held in the name of the company as at the balance sheet date.
- (d) The Company has not revalued any of its PPE (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

- (ii) a) The nature of business of the Company does not require it to have any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- b) The Company has not been sanctioned working capital limits in excess of ₹5 Core, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) The Company has not made investments in companies, firms, Limited Liability Partnerships and has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured. As such reporting under sub clause (a) to (f) of clause 3(iii) of the order is not applicable to the Company.
- (iv) The Company has not granted any loans, guarantee or provide security to Directors or any other person in whom Director is interested covered under provisions of Sections 185 and 186 of the Companies Act, 2013. Therefore, the paragraph 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of paragraph 3 of the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
  - a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Income Tax, Sales Tax, Service Tax, duty of Excise, and other material statutory dues applicable to it with the appropriate authorities.  
There were no undisputed amounts payable in respect of Goods and Service tax, Income Tax, and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
  - b) According to information and explanations given to us, there are no disputed dues of Income Tax, Service Tax, Value added Tax, Goods and Service tax (GST) and other statutory dues which have not been deposited.
  - (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). As such, reporting under clause (viii) of paragraph 3 of the Order is not applicable to the Company.
  - (ix) a) According to the records of the company examined by us and as per the information and explanations given to us, the company has not defaulted in repayment of term loan and payment of interest thereon.
  - b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
  - c) The Company has not taken any term loan during the year and there are one outstanding term loans at the beginning of the year, taken in the year 2015 for windmill plant.
  - d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used during the year for long-term purpose by the Company.
  - e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
  - f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
  - (x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.



- (xi) a) According to the information and explanation given to us, no fraud by the Company or any fraud on the Company by its officers/employees has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing, and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 wherever applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
- (xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), and (b) of the Order is not applicable to the Company.
- b) The Company is not Core investment company (CIC), Hence reporting under clause 3(xvi) (c), and (d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when fall due within a period of one year from the balance sheet date.
- (xx) a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount of ₹ 10.04 Lakh as at the end of the financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

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



**(ETI BHATIA)**  
**PARTNER**  
 M. No. 511542

**UDIN: 22511542AJMEFJ6966**

**Place: New Delhi**  
**Date: 17-05-2022**

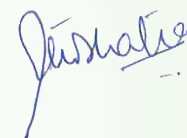
### **ANNEXURE – ‘II’ TO THE INDEPENDENT AUDITOR’S REPORT**

**(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, 2022.**

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: 22511542AJMEFJ6966**

**Place: New Delhi**  
**Date: 17-05-2022**

### **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, 2022, 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.

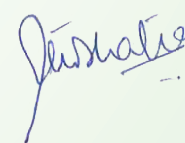
### Inherent Limitations of Internal Financial Controls over Financial Reporting

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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



**(ETI BHATIA)**  
**PARTNER**  
**M. No. 511542**  
**UDIN: 22511542AJMEFJ6966**

**Place: New Delhi**  
**Date: 17-05-2022**



## BALANCE SHEET AS AT 31st March, 2022


(₹ in Lakhs)


PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
PROPERTY, PLANT AND EQUIPMENT	2.01	16,657.16	17,069.69
CAPITAL WORK IN PROGRESS	2.01.1	9.36	1.15
RIGHT OF USE ASSETS	2.02	78.06	82.27
INTANGIBLE ASSETS	2.03	-	-
FINANCIAL ASSETS			
OTHER FINANCIAL ASSETS	2.04	-	-
OTHER NON CURRENT ASSETS	2.05	311.93	510.82
		<b>17,056.51</b>	<b>17,663.93</b>
<b>CURRENT ASSETS</b>			
FINANCIAL ASSETS			
TRADE RECEIVABLES	2.06	5,752.64	1,159.65
CASH AND CASH EQUIVALENTS- OWNED FUND	2.07.1	492.18	1,831.82
CASH AND CASH EQUIVALENTS- CLIENT FUND	2.08.1	-	1.37
OTHER BANK BALANCES- OWNED FUND	2.07.2	2,614.87	1,614.13
OTHER BANK BALANCES- CLIENT FUND	2.08.2	-	359.89
OTHER FINANCIAL ASSETS	2.09	910.04	858.63
OTHER CURRENT ASSETS	2.10	16.55	58.64
		<b>9,786.28</b>	<b>5,884.13</b>
<b>TOTAL ASSETS</b>		<b>26,842.79</b>	<b>23,548.06</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
EQUITY SHARE CAPITAL	2.11	10,500.00	10,500.00
OTHER EQUITY	2.12	11,123.57	7,491.49
		<b>21,623.57</b>	<b>17,991.49</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
FINANCIAL LIABILITIES			
BORROWING	2.13	1,698.29	2,464.27
DEFERRED TAX LIABILITIES(NET)	2.14	2,028.15	1,253.56
		<b>3,726.44</b>	<b>3,717.83</b>
<b>CURRENT LIABILITIES</b>			
FINANCIAL LIABILITIES			
BORROWING	2.13	766.46	766.46
TRADE PAYABLES			
-TOTAL OUTSTANDING DUES OF MICRO ENTERPRISE AND SMALL ENTERPRISES	2.15	4.62	3.43
-TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISE AND SMALL ENTERPRISES	2.15	355.00	603.55
OTHER FINANCIAL LIABILITIES	2.16	32.97	397.32
PROVISIONS	2.16.1	10.04	-
OTHER CURRENT LIABILITIES	2.17	102.95	67.98
CURRENT TAX LIABILITIES(NET)	2.18	220.74	-
		<b>1,492.78</b>	<b>1,838.74</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>26,842.79</b>	<b>23,548.06</b>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF STANDALONE FINANCIAL STATEMENTS	1 & 2		

For and on behalf of the Board of Directors

  
RAHUL MITHAL  
Chairman  
DIN: 07610499

  
BIBHU PRASAD  
NAYAK  
Director  
DIN: 08197975

  
AJAY KUMAR SINGHAL  
Chief Executive Officer

  
ANJEEV KUMAR JAIN  
Chief Financial Officer  
FCMA: 17407

  
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 : New Delhi  
Dated : 17-05-2022

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022


(₹ in Lakh)


PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
<b>REVENUE</b>			
REVENUE FROM OPERATIONS	2.19	9,310.14	6,787.02
OTHER INCOME	2.20	203.22	86.59
<b>TOTAL INCOME</b>		<b>9,513.36</b>	<b>6,873.61</b>
<b>EXPENDITURE</b>			
FEE FOR SERVICE OBTAINED	2.21	911.85	978.57
SALARY REIMBURSEMENT	2.30	151.79	158.21
FINANCE COSTS	2.22	211.57	310.64
GENERATION EXPENSES	2.23	788.51	819.57
DEPRECIATION & AMORTISATION EXPENSES	2.24	712.70	705.87
OTHER EXPENSES	2.25	305.64	456.69
<b>TOTAL EXPENDITURE</b>		<b>3,082.06</b>	<b>3,429.55</b>
<b>PROFIT BEFORE TAX</b>		<b>6,431.30</b>	<b>3,444.06</b>
INCOME TAX EXPENSES			
- CURRENT TAX	2.26	(1,124.64)	(601.86)
- DEFERRED TAX (NET)		(774.58)	(428.83)
<b>PROFIT AFTER TAX</b>		<b>4,532.08</b>	<b>2,413.37</b>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>4,532.08</b>	<b>2,413.37</b>
<b>EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) - BASIC &amp; DILUTED (₹)</b>	2.31	4.32	2.30
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		10,50,00,000	10,50,00,000

For and on behalf of the Board of Directors

  
 RAHUL MITHAL  
 Chairman  
 DIN: 07610499

  
 BIBHU PRASAD  
 NAYAK  
 Director  
 DIN: 08197975

  
 AJAY KUMAR SINGHAL  
 Chief Executive Officer

  
 ANJEEV KUMAR JAIN  
 Chief Financial Officer  
 FCMA: 17407

  
 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 : New Delhi  
 Dated : 17-05-2022

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2022

### A. EQUITY SHARE CAPITAL - (REFER NOTE NO 2.11)

(₹ in Lakhs)

BALANCE AS AT 01.04.2021	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR	BALANCE AS AT 31.03.2022
10,500.00	-	10500.00

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

### B. OTHER EQUITY- (REFER NOTE NO 2.12)-31.03.2022

(₹ in Lakhs)

PARTICULARS	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME	TOTAL
	GENERAL RESERVE	RETAINED EARNINGS		
BALANCE AS AT 01.04.2021	5078.12	2,413.37	-	7,491.49
CHANGES IN ACCOUNTING POLICY OR PRIOR PERIOD ERRORS	-	-	-	-
RESTATEMENT OF DIVIDEND AND TAX THEREON	-	-	-	-
RESTATED BALANCE AT THE BEGINNING OF THE REPORTING YEAR	5,078.12	2,413.37	-	7,491.49
PROFIT FOR THE YEAR	-	4,532.08	-	4,532.08
REMEASUREMENT OF THE NET DEFINED BENEFIT LIABILITY/ASSET, NET OF TAX EFFECT	-	-	-	-
CAPITALISATION OF GENERAL RESERVE (ISSUE OF BONUS SHARES)	-	-	-	-
INTERIM DIVIDEND	-	-	-	-
FINAL DIVIDEND FOR F.Y (2020-21)	-	(900.00)	-	(900.00)
BONUS ISSUE	-	-	-	-
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	-	-	-	-
BALANCE AT 31.03.2022	5,078.12	6,045.45	-	11,123.57
FINAL DIVIDEND PER SHARE FOR FY 2020-21 (₹)	0.86		NO OF SHARE USED IN COMPUTING DIVIDEND PER SHARE	10,50,00,000


(₹ in Lakhs)


PARTICULARS	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME	TOTAL
	GENERAL RESERVE	RETAINED EARNINGS		
BALANCE AT 01.04.2020	9,628.12	-	-	9,628.12
PROFIT FOR THE YEAR	-	2,413.37	-	2,413.37
INTERIM DIVIDEND	-	-	-	-
FINAL DIVIDEND FOR F.Y (2019-20)	(1,050.00)	-	-	(1,050.00)
BONUS ISSUE	(3,500.00)	-	-	(3,500.00)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	-	-	-	-
BALANCE AT 31.03.2021	5,078.12	2,413.37	-	7,491.49
FINAL DIVIDEND PER SHARE FOR FY 2019-20 (₹)	1.5		NO OF SHARE USED IN COMPUTING DIVIDEND PER SHARE	7,00,00,000

For and on behalf of the Board of Directors

  
RAHUL MITHAL  
Chairman  
DIN: 07610499

  
BIBHU PRASAD  
NAYAK  
Director  
DIN: 08197975

  
AJAY KUMAR SINGHAL  
Chief Executive Officer

  
ANJEEV KUMAR JAIN  
Chief Financial Officer  
FCMA: 17407

  
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 : New Delhi  
Dated : 17-05-2022



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in Lakh)

PARTICULARS	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX	6,431.30	3,444.06
<b>ADJUSTMENTS FOR:</b>		
- DEPRECIATION AND AMORTIZATION	712.70	705.87
- LOSS/( PROFIT) ON SALE OF ASSETS ( NET)	1.13	-
- INTEREST FROM FDs/OTHERS	(111.52)	(84.55)
- FINANCE COST	211.57	310.64
- PROVISION AND IMPAIRMENT EXPENSES (NET)	5.51	-
<b>OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES</b>	7,250.69	4,376.02
<b>CHANGE IN ASSETS AND LIABILITIES:</b>		
<b>ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:</b>		
- TRADE RECEIVABLES	(4,598.50)	923.50
- OTHER FINANCIAL ASSETS AND OTHER CURRENT ASSETS	124.02	(278.35)
<b>ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:</b>		
- TRADE PAYABLES	(247.36)	241.21
- STATUTORY DUES	34.97	(23.21)
- OTHER FINANCIAL LIABILITIES, OTHER CURRENT LIABILITIES AND PROVISIONS	11.80	(16.78)
<b>CASH GENERATED FROM OPERATIONS</b>	2,575.62	5,222.39
- INCOME TAX PAID(NET OF REFUND)	(903.88)	(264.14)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,671.73</b>	<b>4,958.25</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
- PURCHASE/CONSTRUCTION OF FIXED ASSETS	(236.57)	(107.77)
- PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT	-	0.02
- BANK BALANCES OTHER THAN CASH & CASH EQUIVALENT	(1,000.74)	(1,136.40)
- INTEREST INCOME	108.32	70.21
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(1,128.98)</b>	<b>(1,173.94)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
- REPAYMENT OF TERM LOAN	(765.98)	(794.23)
- FINANCE COST OTHER THAN ON BORROWINGS	-	(0.71)
- FINANCE COST ON BORROWING	(216.42)	(318.20)
- DIVIDEND PAID	(900.00)	(1,050.00)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(1,882.40)</b>	<b>(2,163.14)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,339.64)	1,621.17
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	1,831.82	210.65
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>492.18</b>	<b>1,831.82</b>

# RECONCILIATION OF CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

PARTICULARS	NOTE NO	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
CASH AND CASH EQUIVALENTS- OWNED FUND	2.07.1	492.18	1,831.82
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>492.18</b>	<b>1,831.82</b>

## SUPPLEMENTARY INFORMATION:

COMPONENTS OF CASH AND CASH EQUIVALENTS ( REFER NOTE 2.07.1) 492.18 1,831.82  
NOTE:

1. CASH AND CASH EQUIVALENTS CONSIST OF CASH AND BANK BALANCES INCLUDING FDs HAVING MATURITY WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION.
2. THE ABOVE STATEMENT OF CASH FLOWS HAVE BEEN PREPARED UNDER INDIRECT METHOD AS SET OUT IN IND AS 7 STATEMENT OF CASH FLOWS NOTIFIED U/S 133 OF THE COMPANIES ACT, 2013 ("ACT") READ WITH RULE 4 OF THE COMPANIES ACT (INDIAN ACCOUNTING STANDARDS) RULES 2015 AND THE RELEVANT PROVISIONS OF THE ACT.
3. FIGURES IN BRACKET INDICATE CASH OUTFLOW.
4. 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.
5. RECONCILIATION BETWEEN THE OPENING AND CLOSING BALANCES IN THE BALANCE SHEET FOR LIABILITIES ARISING FROM FINANCING ACTIVITIES:

(₹ in Lakhs)


PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
LONG TERM BORROWING AT THE BEGINNING OF THE YEAR	2.13	3,230.73	4,024.96
- CASH FLOWS (REPAYMENT)		(765.98)	(794.23)
- NON CASH CHANGES		-	-
<b>CLOSING LONG TERM BORROWING</b>		<b>2,464.75</b>	<b>3,230.73</b>
INTEREST PAYABLE ON BORROWING AT THE BEGINNING OF THE YEAR	2.16	20.59	28.86
- CASH OUTFLOWS (INTEREST)		(216.42)	(318.20)
- NON CASH CHANGES	2.22	211.57	309.93
<b>INTEREST PAYABLE ON BORROWING AT THE END OF THE YEAR</b>	2.16	<b>15.74</b>	<b>20.59</b>

For and on behalf of the Board of Directors

  
RAHUL MITHAL  
Chairman  
DIN: 07610499

  
BIBHU PRASAD  
NAYAK  
Director  
DIN: 08197975

  
AJAY KUMAR SINGHAL  
Chief Executive Officer

  
ANJEEV KUMAR JAIN  
Chief Financial Officer  
FCMA: 17407

  
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 : New Delhi  
Dated : 17-05-2022

## 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 up to two decimals except for per share data and as otherwise stated. Previous period figures have been regrouped/re-casted/rearranged, wherever necessary.

The standalone financial statements are approved by the company's Board of Directors on 17.05.2022.

## 1. Significant Accounting Policies

### 1.1 GENERAL

#### (a) Statement of Compliance

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

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

#### (b) Basis of preparation

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

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

#### (c) Use of estimates and judgments

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



## 1.2 REVENUE RECOGNITION

### 1.2.1 REVENUE FROM CONTRACTS WITH CUSTOMER

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

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

#### General Parameters

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

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

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

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

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

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

#### 1.2.1.1 Consultancy Fee

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

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

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

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

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

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

Reimbursable and supplies are accounted for on 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 recognised 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 (including insurance claims)/ supplementary claims / counter claims/interest on delayed payments / awards in favour of the Company/ sale of tenders/ premium on sale of licenses etc. which are accounted for on final settlement / realization.

## 1.3 PROPERTY, PLANT AND EQUIPMENT (PPE)

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

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

### 1.3.1 Depreciation

- (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 pro-rata 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 Equipment	10	10.00
Vehicles	8	12.50
Buildings on Freehold land	60	1.67
Windmill plant	25	4.00
Intangible Assets	4	25.00

(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 of building as given para (b) 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 de-recognised.



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

#### 1.4.1 Amortization

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

### 1.5 INCOME TAXES

#### 1.5.1 CURRENT INCOME TAX

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

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

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

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

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

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

#### 1.5.2 Deferred tax

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

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

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

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

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

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

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

## **1.6 RATES & TAXES**

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

## **1.7 PREPAID EXPENSE AND PRIOR PERIOD ADJUSTMENT**

### **1.7.1 Prepaid Expenses**

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

### **1.7.2 Prior Period Adjustments**

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

## **1.8 CASH AND CASH EQUIVALENTS**

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

## **1.9 STATEMENT OF CASH FLOWS**

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

## **1.10 EARNINGS PER SHARE**

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

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

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

## 1.11 IMPAIRMENT OF ASSETS

### 1.11.1 Financial Assets

(Other than at Fair Value)

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

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

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

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

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

### 1.11.2 Non-Financial Assets

(Tangible and Intangible Assets)

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

## 1.12 BORROWING COST

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

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

## 1.13 WRITE OFF

### 1.13.1 Financial Assets

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



### 1.13.2 Non-Financial Assets

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

### 1.14 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (a) 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.
- (b) Contingent Liabilities are not recognized but are disclosed in the notes in any of the following cases: -
  - (i) 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
  - (ii) a reliable estimate of the present obligation cannot be made; or
  - (iii) 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 it 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 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 costs are added to the carrying amount of the leased assets and recognized as an expense over the lease term.



## 2.01 PROPERTY PLANT & EQUIPMENT

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT & EQUIPMENT FOR THE YEAR ENDED 31.03.2022

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK (₹ in Lakhs)
	AS AT 01/04/2021	ADDITIONS DURING THE Period*	ADJUSTMENT DURING THE Period	DELETIONS DURING THE Period	TOTAL AS AT 31/03/2022	AS AT 01/04/2021	FOR THE Period	ADJ DURING THE Period	DELETIONS DURING THE Period	TOTAL	
BUILDING	5,270.87	196.13	-	-	5,467.00	110.01	88.68	-	-	198.69	5,268.31
PLANT AND EQUIPMENT											
WIND MILL PLANT AT JAISALMER (26 MW)**	15,222.46	-	-	-	15,222.44	3,323.99	608.90	-	-	3,932.89	11,289.55
AIR CONDITIONING	-	2.20	-	-	2.20	-	0.08			0.08	2.12
FURNITURE & FIXTURES	-	71.71	-	-	71.71	-	2.92			2.92	68.79
OFFICE EQUIPMENT	3.67	20.54	(3.48)	-	20.72	0.79	0.98	(0.58)	-	1.19	19.53
OTHERS											
COMPUTER AND EQUIPMENT	17.77	6.51	3.48	(7.90)	19.87	10.28	6.93	0.58	(6.77)	11.02	8.85
GRAND TOTAL	20,514.77	297.09	-	(7.90)	20,803.94	3,445.07	708.49	-	(6.77)	4,146.79	16,657.16

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	DELETION DURING THE YEAR	TOTAL AS AT 31/03/2021	AS AT 01/04/2020	FOR THE YEAR	ADJ DURING THE YEAR	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
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

\*IN THE CASE OF ASSETS PUT TO USE, WHERE FINAL SETTLEMENT OF BILLS WITH CONTRACTORS IS YET TO BE EFFECTED, CAPITALIZATION IS DONE ON PROVISIONAL BASIS SUBJECT TO NECESSARY ADJUSTMENT IN THE YEAR OF FINAL SETTLEMENT. DURING THE YEAR, ON ACCOUNT OF RENOVATION OF BUILDING AT BHIKAJI CAMA PLACE, THERE IS ADDITION IN THE BUILDING, FURNITURE & FIXTURES, AIR-CONDITIONER AND OFFICE EQUIPMENT ETC. THE CAPITALISATION IS BASED ON THE ASSESSMENT OF THE MANAGEMENT AND PROVISIONAL BILLS SUBMITTED BY PMC/ CONTRACTOR SUBJECT TO ADJUSTMENT IN THE YEAR OF FINAL SETTLEMENT IN THE BILL OF CONTRACTOR/VENDOR.

\*\*\*UNDER HYPOTHECATED REFER NOTE NO. 2.13

## 2.01.1 CAPITAL WORK IN PROGRESS

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK (₹ in Lakhs)
	CWIP	ADDITIONS DURING THE PERIOD	ADJUSTMENT DURING THE YEAR	DELETION DURING THE PERIOD	TOTAL	CWIP	FOR THE PERIOD	ADJ DURING THE PERIOD	DELETION DURING THE PERIOD	TOTAL	
AS AT 31.03.2022	1.15	295.67	(287.46)	-	9.36	-	-	-	-	-	9.36
AS AT 31.03.2021	-	1.15	-	-	1.15	-	-	-	-	-	1.15

## 2.02 RIGHT OF USE ASSETS

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF RIGHT OF USE ASSETS FOR THE YEAR ENDED 31.03.2022

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK (₹ in Lakhs)
	AS AT 01/04/2021	ADDITIONS DURING THE PERIOD	RECLASSI- FICATION DURING THE YEAR	DELETION DURING THE PERIOD	TOTAL AS AT 31/03/2022	AS AT 01/04/2021	FOR THE PERIOD	ADJ DURING THE PERIOD	DELETION DURING THE PERIOD	TOTAL	
LEASED HOLD											
LAND (WIND MILL PLANT AT JAISALMER)*	90.69	-	-	-	90.69	8.42	4.21		-	12.63	78.06
TOTAL	90.69	-	-	-	90.69	8.42	4.21	-	-	12.63	78.06

## RIGHT OF USE ASSETS

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

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK (₹ in Lakhs)	
	AS AT 01/04/2020	ADDITIONS DURING THE PERIOD	RECLAS- SIFICATION DURING THE YEAR	DELETION DURING THE PERIOD	TOTAL AS AT 31/03/2021	AS AT 01/04/2020	FOR THE PERIOD	ADJ DURING THE PERIOD	DELETION DURING THE PERIOD	TOTAL		AS AT 31.03.2021
LEASED HOLD												
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. 2.13

## 2.03 INTANGIBLE ASSETS

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF INTANGIBLE ASSETS FOR THE YEAR ENDED 31.3.2022 & 31.03.2021

DESCRIPTION	GROSS BLOCK			DEPRECIATION/AMORTISATION			TOTAL	NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJUSTMENT DURING THE YEAR	DELETIONS DURING THE YEAR	OPENING	FOR THE YEAR		
<b>SOFTWARE (ACQUIRED)</b>								
AS AT 31.03.2022	1.55	-	-	-	1.55	-	1.55	-
AS AT 31.03.2021	1.55	-	-	-	1.55	-	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

PARTICULARS	Note No	AS AT 31.03.2022	AS AT 31.03.2021
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE	2.07.3	-	-
INTEREST ACCRUED - ON BANK DEPOSITS		-	-
<b>TOTAL</b>		-	-

## 2.05 OTHER NON CURRENT ASSETS

PARTICULARS	AS AT 31.03.2022	AS AT 31.03.2021
<b>CAPITAL ADVANCE</b>		
CAPITAL ADVANCE-RELATED PARTY	31.66	100.40
<b>ADVANCES OTHER THAN CAPITAL ADVANCE</b>		
SECURITY DEPOSIT	121.56	121.56
ADVANCES TO SUPPLIERS	-	128.94
PREPAID EXPENSES	4.82	6.03
<b>ADVANCE INCOME TAX (NET OF PROVISION)</b>	153.89	153.89
<b>TOTAL</b>	<b>311.93</b>	<b>510.82</b>

## 2.06 CURRENT TRADE RECEIVABLES

PARTICULARS	AS AT 31.03.2022	AS AT 31.03.2021
TRADE RECEIVABLE CONSIDERED GOOD -SECURED	-	-
TRADE RECEIVABLE CONSIDERED GOOD -UNSECURED (RELATED PARTY)	5,752.64	1,159.65
TRADE RECEIVABLE WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK	-	-
TRADE RECEIVABLE -CREDIT IMPAIRED (RELATED PARTY)	251.11	245.60
Less: ALLOWANCE FOR EXPECTED CREDIT LOSSES	6,003.75	1,405.25
<b>TOTAL</b>	<b>5,752.64</b>	<b>1,159.65</b>



## 2.06.1 Trade receivables ageing schedule for the FY 2021-22

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade receivables – considered good	-	2634.80	2501.44	556.95	59.45	-	5752.64
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	185.11	185.11
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	66.00	66.00
<b>Total</b>		<b>2634.80</b>	<b>2501.44</b>	<b>556.95</b>	<b>59.45</b>	<b>251.11</b>	<b>6003.75</b>
<b>Unbilled Revenue Assets</b>							<b>779.27</b>
<b>Total</b>							<b>6783.02</b>

## Trade receivables ageing schedule for the FY 2020-21

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade receivables – considered good	-	845.15	249.54	59.46	5.46	0.04	1159.65
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	165.60	14.00	179.60
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	66.00	66.00
<b>Total</b>	<b>-</b>	<b>845.15</b>	<b>249.54</b>	<b>59.46</b>	<b>171.06</b>	<b>80.04</b>	<b>1405.25</b>
<b>Unbilled Revenue Assets</b>							<b>756.44</b>
<b>Total</b>							<b>2161.69</b>

**2.07 CASH AND BANK BALANCES- OWNED FUND**

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2022	AS AT 31.03.2021
<b>2.07.1 CASH &amp; CASH EQUIVALENTS</b>		
BANK BALANCES IN :		
CURRENT ACCOUNTS	25.47	6.08
DEPOSITS #	466.72	1,825.74
<b>TOTAL</b>	<b>492.18</b>	<b>1,831.82</b>
<b>2.07.2 OTHER BANK BALANCES</b>		
DEPOSITS ##	2,614.87	1,614.13
<b>TOTAL</b>	<b>2,614.87</b>	<b>1,614.13</b>
<b>2.07.3 BANK BALANCES MORE THAN 12 MONTHS MATURITY (NOTE 2.04)</b>		
DEPOSITS ###	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>TOTAL CASH &amp; BANK BALANCES- OWNED FUND</b>	<b>3,107.05</b>	<b>3,445.95</b>

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

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

b) Includes restricted cash and bank balances of ₹ 33.37 Lakh (previous year ₹ 30.40 Lakh) margin on account of bank balance held as money deposits against guarantees issued by banks

### Having maturity over 12 months reporting date.

**2.08 CASH AND BANK BALANCES- CLIENT FUND**

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2022	AS AT 31.03.2021
<b>2.08.1 CASH &amp; CASH EQUIVALENTS</b>		
BANK BALANCES IN :		
CURRENT ACCOUNTS-CLIENT FUND	-	1.37
DEPOSITS--CLIENT FUND #	-	-
<b>TOTAL</b>	<b>-</b>	<b>1.37</b>
<b>2.08.2 OTHER BANK BALANCES</b>		
DEPOSITS-CLIENT FUND ##	-	359.89
<b>TOTAL</b>	<b>-</b>	<b>359.89</b>
<b>TOTAL CASH &amp; BANK BALANCES- CLIENT FUND*</b>	<b>-</b>	<b>361.26</b>

# 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. 2.16

**2.09 OTHER CURRENT FINANCIAL ASSETS**

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
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		30.35	27.15
RECOVERABLE FROM RELATED PARTIES		100.43	75.04
UNBILLED REVENUE	2.36	779.27	756.44
<b>TOTAL</b>		<b>910.04</b>	<b>858.63</b>

**2.10 OTHER CURRENT ASSETS**

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2022	AS AT 31.03.2021
PREPAID EXPENSES	16.29	16.40
STAFF ADVANCE	0.26	0.76
ADVANCES TO SUPPLIER	-	41.48
<b>TOTAL</b>	<b>16.55</b>	<b>58.64</b>

## 2.11 EQUITY SHARE CAPITAL

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2022	AS AT 31.03.2021
<b>2.11.1 AUTHORISED</b>		
1,00,00,00,000 (PREVIOUS YEAR 1,00,00,00,000) EQUITY SHARES OF ₹ 10/- EACH	1,00,000.00	1,00,000.00
<b>2.11.2 ISSUED, SUBSCRIBED AND FULLY PAID-UP</b>		
10,50,00,000 (PREVIOUS YEAR 10,50,00,000) EQUITY SHARES OF ₹ 10/- EACH	10,500.00	10,500.00
	10,500.00	10,500.00

### 2.11.3 RECONCILIATION OF NUMBER OF EQUITY SHARES

	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
OPENING BALANCE	10,50,00,000	10,500.00	7,00,00,000	7,000.00
ADD/(LESS) DURING THE YEAR	-	-	3,50,00,000	3,500.00
CLOSING BALANCE	10,50,00,000	10,500.00	10,50,00,000	10,500.00

### 2.11.4 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.

### 2.11.5 EQUITY SHARES HELD BY HOLDING COMPANY & ITS NOMINEES

	AS AT 31.03.2022	AS AT 31.03.2021
	No. of Shares	No. of Shares
rites ltd.	5,35,50,000	5,35,50,000

### 2.11.6 EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES

	AS AT 31.03.2022	AS AT 31.03.2021
	No. of Shares (% Shareholding)	No. of Shares (% Shareholding)
rites ltd	5,35,49,970 (50.99%)	5,35,49,970 (50.99%)
INDIAN RAILWAYS	5,14,49,980 (48.99%)	5,14,49,980 (48.99%)

### 2.11.7 FULLY PAID UP AGGREGATE NUMBER OF EQUITY SHARES ALLOTTED BY WAY OF BONUS SHARES DURING THE YEAR OF FIVE YEARS IMMEDIATELY PRECEEDING BALANCE SHEET DATE:

THE COMPANY HAD ISSUED 350,00,000 EQUITY SHARES OF ₹ 10/- EACH AS FULLY PAID BONUS SHARES IN THE FINANCIAL YEAR 2020-21 IN THE RATIO OF ONE EQUITY SHARE OF ₹ 10/- EACH FOR EVERY TWO EQUITY SHARES HELD.

### 2.11.8 SHAREHOLDING OF PROMOTERS:-

Shares held by promoters at the end of the year						
S. No.	Promoter Name	END OF THE YEAR		BEGINNING OF THE YEAR		% Change during the year
		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
1	rites ltd.	5,35,49,970	51.00	5,35,49,970	51.00	-
2	Ministry of Railways	5,14,49,980	49.00	5,14,49,980	49.00	-
3	Shri Rahul Mithal	10	0.00	-	-	100
4	Shri Gopi Suresh Kumar Varadarajan	10	0.00	10	0.00	-
5	Shri B.P. Nayak	10	0.00	10	0.00	-
6	Shri B.S. Bodh	10	0.00	10	0.00	-
7	Shri Ajeet Kumar Srivastava	10	0.00	10	0.00	-
8	Shri Parmod Kumar Narang	-	-	10	0.00	(100)
9	Shri Anjeev Kumar Jain	-	-	-	-	-
	<b>Total</b>	<b>10,50,00,000</b>		<b>10,50,00,000</b>		



**2.12 OTHER EQUITY**

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2022	AS AT 31.03.2021
<b>2.12.1 RESERVE &amp; SURPLUS</b>		
GENERAL RESERVE*	5,078.12	5,078.12
RETAINED EARNING	6,045.45	2,413.37
<b>2.12.2 OTHER COMPREHENSIVE INCOME</b>	-	-
<b>TOTAL</b>	<b>11,123.57</b>	<b>7,491.49</b>

\*THE GENERAL RESERVE REPRESENTS AMOUNT KEPT BY THE COMPANY OUT OF ITS PROFIT FOR FUTURE PURPOSES. IT IS NOT EARMARKED FOR ANY SPECIFIC PURPOSE.

**2.12.3 RETAINED EARNING**

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2022	AS AT 31.03.2021
OPENING BALANCE	2,413.37	
ADD: PROFIT FOR THE YEAR AS PER STATEMENT OF PROFIT & LOSS	4,532.08	2,413.37
LESS: FINAL DIVIDEND PAID	(900.00)	-
CLOSING BALANCE	6,045.45	2,413.37

**2.13 BORROWINGS**

(₹ in Lakhs)

PARTICULARS	Note No.	AS AT 31.03.2022	AS AT 31.03.2021
SECURED TERM LOAN FROM INDIAN BANK*		2,464.75	3,230.73
LESS: CURRENT MATURITY OF UPTO ONE YEAR FROM REPORTING DATE (showing as current Borrowing)		766.46	766.46
<b>TOTAL</b>		<b>1,698.29</b>	<b>2,464.27</b>

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

- Hypothecation of all the movable assets pertaining to wind-mill 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 the 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 & rate of interest 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 (Interest @ 7.45%)
- Term Loan can be prepaid as per the availability of cash generation without any pre-payment charges.
- There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

**2.14 DEFERRED TAX LIABILITIES (NET)**

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
EXPECTED CREDIT LOSS OF FINANCIAL ASSETS		(73.12)	(71.52)
DIFFERENCE OF DEPRECIATION AS PER INCOME TAX ACT AND COMPANIES ACT		3,571.83	3620.46
MAT CREDIT ENTITLEMENT		(1,470.56)	(2295.38)
<b>TOTAL</b>		<b>2028.15</b>	<b>1253.56</b>

**2.15 CURRENT TRADE PAYABLES**

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
<b>CREDITORS FOR SUPPLIES AND SERVICES</b>			
MICRO & SMALL ENTERPRISES	2.38	4.62	3.43
OTHER THAN MICRO & SMALL ENTERPRISES (RELATED PARTY )		89.33	275.50
OTHER THAN MICRO & SMALL ENTERPRISES (OTHERS)		265.67	328.05
<b>TOTAL</b>		<b>359.62</b>	<b>606.98</b>

### 2.15.1 Trade Payable Ageing Schedule for the FY 2021-22

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	4.62	-	-	-	4.62
(ii) Others	-	352.18	2.82	-	-	355
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iii) Disputed Dues-Others	-	-	-	-	-	-
<b>Total</b>	-	<b>356.8</b>	<b>2.82</b>	-	-	<b>359.62</b>
<b>Unbilled Payable</b>						-
<b>Total</b>						<b>359.62</b>

### Trade Payable Ageing Schedule for the FY 2020-21

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	3.43	-	-	-	3.43
(ii) Others	-	603.55	-	-	-	603.55
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iii) Disputed Dues-Others	-	-	-	-	-	-
<b>Total</b>	-	<b>606.98</b>	-	-	-	<b>606.98</b>
<b>Unbilled Payable</b>						-
<b>Total</b>						<b>606.98</b>

### 2.16 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
INTEREST ACCRUED AND DUE ON BORROWINGS		15.74	20.59
CLIENT DEPOSIT		-	52.98
EMD/SECURITY DEPOSIT		17.23	15.47
SECURITY DEPOSIT-CLIENT		-	308.28
<b>TOTAL</b>		<b>32.97</b>	<b>397.32</b>

### 2.16.1 CURRENT PROVISIONS

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
UNSPENT CSR LIABILITIES		10.04	-
<b>TOTAL</b>		<b>10.04</b>	-

### 2.17 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
STATUTORY LIABILITIES		102.95	67.98
<b>TOTAL</b>		<b>102.95</b>	<b>67.98</b>

### 2.18 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
CURRENT TAX PAYABLE FOR THE CURRENT YEAR		1,124.64	-
LESS: TAXES PAID INCLUDING TAX DEDUCTED AT SOURCE		(903.90)	-
<b>TOTAL</b>		<b>220.74</b>	-

**2.19 REVENUE FROM OPERATIONS**

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
<b>SALE OF SERVICES</b>			
CONSULTANCY FEE (GROSS)		7,833.42	5,474.36
LESS: GOODS & SERVICE TAX (GST)		1,284.84	922.21
CONSULTANCY FEE (NET)		6,548.58	4,552.15
CONSULTANCY FEE (UNBILLED REVENUE)	2.36	623.84	589.41
<b>POWER GENERATION</b>			
SALE OF ELECTRICAL ENERGY - ELECTRICITY		1,982.29	1,478.43
SALE OF ELECTRICAL ENERGY - ELECTRICITY (UNBILLED REVEUNE)	2.36	155.43	167.03
<b>TOTAL</b>		<b>9,310.14</b>	<b>6,787.02</b>

**2.20 OTHER INCOME**

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
INTEREST EARNED ON:			
- DEPOSITS WITH BANK		111.52	84.55
MISCELLANEOUS INCOME*		91.70	2.04
<b>TOTAL</b>		<b>203.22</b>	<b>86.59</b>

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

**2.21 FEE FOR SERVICE OBTAINED**

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
MAN-MONTH EXPENSE		720.90	832.81
CONSULTANCY CHARGES- CONTROL ROOM		122.24	95.31
OTHER CONSULTANCY CHARGES		68.71	50.45
<b>TOTAL</b>		<b>911.85</b>	<b>978.57</b>

**2.22 FINANCE COST**

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
ON TERM LOAN		211.57	309.93
INTEREST OTHERS*		-	0.71
<b>TOTAL</b>		<b>211.57</b>	<b>310.64</b>

\*include interest on Income Tax of ₹ Nil ( P.Y ₹ 0.64 Lakhs)

**2.23 GENERATION EXPENSES**

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
TRANSMISSION, WHEELING & SLDC CHARGES		482.24	528.67
OPERATION & MAINTENANCE		306.27	290.90
<b>TOTAL</b>		<b>788.51</b>	<b>819.57</b>

**2.24 DEPRECIATION & AMORTISATION EXPENSES**

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
ON PROPERTY PLANT & EQUIPMENTS	2.01	708.49	701.66
ON RIGHT OF USE	2.02	4.21	4.21
ON INTANGIBLE ASSETS	2.03	-	-
<b>TOTAL</b>		<b>712.70</b>	<b>705.87</b>



## 2.25 OTHER EXPENSES

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
LEGAL & PROFESSIONAL EXPENSES		35.27	61.64
OFFICE EXPENSES		34.08	30.81
TRAVELLING EXPENSES		11.93	2.41
AUDITORS' REMUNERATION	2.25.1	3.19	4.64
AUDITORS' OUT OF POCKET EXPENSES	2.25.1	0.51	0.83
ADVERTISING EXPENSES		48.55	28.93
PRINTING & STATIONARY		2.64	4.29
INSURANCE		21.98	18.93
RATES & TAXES		17.69	19.53
INTERNAL AUDIT FEE		0.70	0.64
BANK CHARGES		0.41	0.38
CSR EXPENDITURE		90.65	93.36
CAR HIRE CHARGES		15.29	14.25
ROC FILLING FEES (AUTHORISED SHARE CAPITAL)		-	161.19
IMPAIRMENT OF DOUBTFUL DEBTS		5.51	-
DIRECTOR'S SITTING FEE		2.10	4.65
MISCELLANEOUS EXPENSES (COST OF VEHICLE HIRING, SPONSORSHIP, MEETING EXPENSE, ETC.)		15.14	10.21
<b>TOTAL</b>		<b>305.64</b>	<b>456.69</b>

### 2.25.1 AUDITORS' REMUNERATION

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
STATUTORY AUDIT FEE		1.40	1.43
TAX AUDIT FEE		0.87	0.79
QUARTERLY AUDIT		0.72	0.64
GST AUDIT*		-	1.58
OTHER SERVICES i.e. CERTIFICATION ETC.		0.20	0.20
<b>TOTAL</b>		<b>3.19</b>	<b>4.64</b>
AUDITORS' OUT OF POCKET EXPENSES		0.51	0.83

\*include ₹ Nil/- (PY ₹ 67,500/-) incurred for earlier year.

## 2.26 INCOME TAX EXPENSE

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
<b>CURRENT TAX EXPENSE</b>			
CURRENT YEAR	2.28	1,124.64	601.86
<b>TOTAL CURRENT TAX EXPENSE (A)</b>		<b>1,124.64</b>	<b>601.86</b>
<b>DEFERRED TAX EXPENSES</b>			
DEFERRED TAX		(50.24)	(32.55)
MAT CREDIT ENTITLEMENT/Availed		824.82	461.38
<b>TOTAL DEFERRED TAX EXPENSE (B)</b>		<b>774.58</b>	<b>428.83</b>
<b>INCOME TAX EXPENSE (A)+(B)</b>		<b>1,899.22</b>	<b>1,030.69</b>

**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:****a) Reclassification and comparatives figures**

Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statement. As a result, certain line items have been reclassified in the balance sheet, statement of profit & loss, and statement of cash flow, the details of which are as under

**Items of Balance Sheet before and after reclassification for the year ended 31st March 2021.**

(₹ in Lakhs)

Particulars	Before Re-classification	Re-classification	After Re-classification
<b>Current Liabilities</b>			
<b>Borrowings</b>	-	766.46	766.46
<b>Other Financial Liabilities</b>	1250.74	(853.42)	397.32
<b>Total Outstanding Dues of Micro and Small Enterprises</b>	-	3.43	3.43
<b>Total Outstanding Dues other than Micro and Small Enterprises</b>	520.02	83.53	603.55
<b>Items of Statement of Cash Flows before and after reclassification for the year ended 31<sup>st</sup> March 2021.</b>			
<b>Cash Flow from investing</b>	(257.65)	(20.70)	(278.35)
<b>Activities: -</b>			
Other Financial Assets and other Current Assets			
<b>Cash Flow from Operating</b>	(20.70)	20.70	-
<b>Activities:</b>			
Recoverable from Related parties			

**b) Subsequent Event-Dividend**

The Company has proposed a sum of ₹1365 Lakhs (About ₹1.30 per share to 1050 Lakhs equity shares) as final dividend for FY 2021-22 subject to approval of shareholders in Annual General Meeting. **If approved, the dividend would result in a cash outflow of ₹1365 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 31.03.2022	Year Ended 31.03.2021
<b>Income Tax Expenses</b>		
- Current Taxes	1124.64	601.86
- Deferred Tax (Net of Mat Credit)	774.58	428.83
<b>Net Income Tax Expenses</b>	<b>1899.22</b>	<b>1030.69</b>

Entire Deferred Tax for the current year ended March 31st, 2022, and Previous Year ended March 31st, 2021, 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 31.03.2022	Year Ended 31.03.2021
<b>Profit Before Income Taxes on Normal Business</b>	<b>6431.30</b>	<b>3444.06</b>
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%
<b>Computed Expected Tax Expense</b>	<b>1872.79</b>	<b>1002.91</b>
Tax Effect due to change in Tax Rate	-	-
Effect of Non-Deductible Expenditures (NDE)	26.75	27.72
Tax effect due to non-taxable income	-	-
Tax effect due to re-statement of prior period adjustment	-	-
Tax Reversal and Others	(0.32)	0.06
<b>Current Tax Expense</b>	<b>1899.22</b>	<b>1030.69</b>

c) The following table provides the details of income tax assets and liabilities as of March 31, 2022, and March 31, 2021:

(₹ in Lakhs)

Particulars	As at	
	31.03.2022	31.03.2021
Income Tax Assets	153.89	153.89
Current income tax liabilities	(2248.89)	(1253.56)
<b>Net Current Income Tax Assets/(Liability) at the end</b>	<b>(2095.00)</b>	<b>(1099.67)</b>

d) The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2022, and previous year ended March 31, 2021, are as follows:

(₹ in Lakhs)

Particulars	As at	
	31.03.2022	31.03.2021
Net current income tax asset/(liability) at the beginning	(1099.67)	(333.12)
Income Tax paid- (Net of Refund)	903.89	264.14
Interest receivable on IT refund	-	-
Current income tax expense	(1899.22)	(1030.69)
<b>Net Current Income Tax Asset/(Liability) at the end</b>	<b>(2095.00)</b>	<b>(1099.67)</b>

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

(₹ in Lakhs)

Particulars	As at	
	31.03.2022	31.03.2021
<b>Deferred Income Tax Assets:</b>		
Provision for expected credit risk	73.12	71.52
<b>Total Deferred Income Tax Assets - I</b>	<b>73.12</b>	<b>71.52</b>
<b>Mat Credit Entitlement</b>	<b>1470.56</b>	<b>2295.38</b>
<b>Total Assets Including Mat Credit</b>	<b>1543.68</b>	<b>2366.90</b>
<b>Deferred Income Tax Liabilities:</b>		
Property Plant & Equipment, Furniture & Fixtures, (Depreciation difference)	3571.83	3620.46
Interest accrued on income tax refund but not received	-	-
<b>Total Deferred Income Tax Liabilities – II</b>	<b>3571.83</b>	<b>3620.46</b>
Deferred Income Tax Assets after set-off	-	-
Deferred Income Tax Liabilities after set-off	2028.15	1253.56

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, 2022, and previous year ended March 31, 2021, are as follows:-

Particulars	₹ in Lakhs)	
	Year Ended 31.03.2022	Year Ended 31.03.2021
Net deferred income tax asset/(liability) at the beginning	(1253.56)	(824.74)
Credit/(Change) relating to temporary differences	(774.59)	(428.82)
<b>Net Deferred Income Tax Asset/(Liability) at the end</b>	<b>(2028.15)</b>	<b>(1253.56)</b>

- f) The composition of deferred liabilities relating to temporary differences during the Year ended March 31, 2022, is 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 Windmill 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 ₹211.57 Lakh (Previous Year ₹309.93 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	
		31.03.2022	31.03.2021
M/s RITES Ltd	India	51%	51%

#### (b) Ministry of Railways

Name	Country	Holding as on	
		31.03.2022	31.03.2021
Indian Railways	India	49%	49%

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

##### Chairman & Managing Director (Chief Executive Officer)

Shri Rahul Mithal (From 07.10.2021)

Shri Gopi Suresh Kumar Varadarajan (From 01.07.2021 to 06.10.2021)

Shri Rajeev Mehrotra (Up to 30.06.2021)

##### Whole Time Directors

Shri Gopi Suresh Kumar Varadarajan - Director Projects

Shri Anil Vij - Director Technical

Shri B.P. Nayak - Director Finance

##### Government Nominee Directors

Shri Raj Kumar Mangla (From 14.03.2022)

Shri Sandeep Jain (From 16.12.2021)

Shri Vinay Srivastava (Up to 07.09.2021)

#### **Non-Executive (Independent) Directors**

Smt. Godawari Mishra (From 10.11.2021)  
 Shri Laxman T. Tapasi (From 10.11.2021)  
 Shri (Dr) Dineshananda Goswami (from 11.11.2021)  
 Shri Likha Togu (from 21.01.2022)

#### **Chief Financial Officer**

Shri Parmod Kumar Narang (Up to 30.06.2021)

#### **Company Secretary**

Shri Joshit Ranjan Sikidar, Company Secretary

### **(d) Key Managerial Personnel of the company**

#### **Chairman**

Shri Rahul Mithal (From 16.11.2021)  
 Shri Gopi Suresh Kumar Varadarajan (from 01.07.2021 to 16.11.2021)  
 Shri Rajeev Mehrotra (Up to 30.06.2021)

#### **Directors**

Shri Gopi Suresh Kumar Varadarajan  
 Shri Ajeet Kumar Srivastava  
 Shri Manish Gupta  
 Shri B.P. Nayak (From 01.07.2021)  
 Shri Anjeev Kumar Jain (From 09.07.2021 to 16.11.2021)  
 Shri Parmod Kumar Narang (Up to 30.06.2021)

#### **Non-Executive (Independent) Directors**

Smt. Sheela Kaul  
 Shri Pradeep Kumawat (Up to 19.07.2021)

#### **Chief Executive Officer (CEO)**

Shri Ajay Kumar Singhal

#### **Chief Financial Officer (CFO)**

Shri Anjeev Kumar Jain (From 03.02.2022)  
 Shri Sunil Kumar Singh (Up to 03.02.2022)

#### **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 31.03.2022	Year Ended 31.03.2021
Fee for services obtained (Management Contract) Man-Month	725.22	837.26
Salary Re-imbursement of CEO, CFO and Company Secretary	151.79	158.21
Other Expense	-	-
Reimbursable Expense	308.94	4.23
Dividend Paid	459.00	535.50
Capital Advance	226.93	101.55
Issue of Bonus Shares	-	1785.00

**Balances with Holding Company**

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Trade Payable	85.90	275.34
Unbilled Liability	-	-
Reimbursable	3.44	0.16
Equity Share Capital	5355.00	5355.00
Capital Advance	31.66	100.40

**ii) Ministry of Railways**

## Transactions with Ministry of Railways

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Revenue		
-Consultancy	7139.17	5141.56
- Power Generation	2137.72	1645.46
Recoverable	25.39	20.70
Issue of Bonus Shares	-	1715.00
Dividend Paid	441.00	

**Balances with Ministry of Railways**

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Trade Receivable		
-Consultancy	5630.20	1201.21
-Power Generation	307.37	204.04
Recoverable	100.43	75.04
Equity Share Capital	5145.00	5145.00
Client Deposit	-	361.26

**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 31.03.2022	Year Ended 31.03.2021
Salary Re-imbursement of CEO, CFO and Company Secretary	151.79	158.21
Sitting fee to Non-Executive Independent Director	2.10	4.65

**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 2.11.6). Pursuant to paragraph 25 & 26 of Indian Accounting Standard 24, entities over which the same Government has control or joint control of, significant influence, then reporting entity and other entities shall be regarded as related party.



The Company has made various transactions with the Ministry of Railways and with entities being controlled or jointly controlled or having significant influences of Ministry of Railways. The transactions with them are disclosed under Note No.2.30 (e) (ii).

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

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
A Net Profit for the year (₹ in Lakhs)	4532.08	2413.37
B Amount available for Equity Shareholder (₹ in Lakhs)	4532.08	2413.37
C Weighted average number of Equity Shares (No's)	10,50,00,000	10,50,00,000
D Earnings Per Share (Basic & Diluted) (B)/(C)	4.32	2.30
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 2020-21 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:

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

#### (ii) Commitment.

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31.03.2022 is ₹ Nil (Previous Year ₹ 205.55 Lakh)

#### (iii) Contingent Assets:

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

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

In this regard, a petition was filed in Rajasthan Electricity Regulatory Commission (RERC) for realization of the wind energy charges during this period (i.e., 10.01.2017 to 26.04.2017) as this power was fed into the Rajasthan State Grid. As per RERC order dt.05.11.2018, "The commission is of the considered view that the petitioner (REMCL) is not entitled for Adjustment of energy wheeled from its CPP after termination of WBA". Accordingly, 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 31.03.2022			Year Ended 31.03.2021		
	Power Generation	Consultancy Services	Total	Power Generation	Consultancy Services	Total
Revenue	2137.72	7172.42	9310.14	1645.46	5141.56	6787.02
Identifiable operating expenses	1654.72	854.23	2508.95	1778.53	910.70	2689.22
Segmental profit/(Loss) from operations	483.00	6318.19	6801.19	(133.07)	4,230.86	4,097.80
Add: Interest Income*			111.52			84.55
Add: Other Income**			91.70			2.04

Description	Year Ended 31.03.2022			Year Ended 31.03.2021		
	Power Generation	Consultancy Services	Total	Power Generation	Consultancy Services	Total
Less: Un-allocable Finance Cost			-			0.71
Less: Un-allocable other Expenses			573.10			739.62
Net Profit Before Tax			6431.30			3444.06
Less: Income Tax (including Deferred Tax)			1899.22			1030.69
Net Profit After Tax			4532.08			2413.37
<b>Additional Information:</b>						
Depreciation & amortization	613.11	-	613.11	613.11	4.47	617.58
Depreciation- Un-allocable			99.59			88.29
Non-cash expenses other than depreciation & amortization			5.51	-	-	-
Reversal of Impairment losses			-	-	-	-
<b>SEGMENT ASSETS &amp; LIABILITIES</b>						
PPE	11289.57	Nil	11289.57	11898.47	Nil	11898.47
Right of Use Assets	78.06	Nil	78.06	82.27	Nil	82.27
Intangible Assets	Nil	Nil	Nil	Nil	Nil	Nil
Other Assets	429.64	6340.55	6770.19	519.88	1785.66	2305.54
<b>Total Segmental Assets</b>	<b>11797.27</b>	<b>6340.55</b>	<b>18137.82</b>	<b>12500.62</b>	<b>1785.66</b>	<b>14286.28</b>
Add: Un-allocable Assets-PPE***			5367.59			5171.22
Add: Un-allocable Assets other than PPE***			3337.38			4090.56
<b>Total Assets</b>			<b>26842.79</b>			<b>23548.06</b>
Non-Current Liabilities	1698.29	Nil	1698.29	2,464.27	Nil	2,464.27
Current Liabilities	932.51	166.07	<b>1098.58</b>	965.52	444.41	1409.93
<b>Total Segmental Liabilities</b>	<b>2630.80</b>	<b>166.07</b>	<b>2796.87</b>	<b>3,429.79</b>	<b>444.41</b>	<b>3,874.20</b>
Add: Un-allocable Liabilities***			2422.36			1682.37
<b>Total Liabilities</b>			<b>5219.23</b>			<b>5,556.57</b>

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

\*\* Other income includes sale of tender document and scrap sales etc.

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

Note: No Impairment and its reversal have been recognized in other Comprehensive Income (OCI) during the Year ended 31.03.2022 and Year ended 31.03.2021.

(f) Out of total Operating Revenue of ₹9310.14 (Previous Year ₹6787.02 Lakh), Revenue of ₹9276.89 Lakhs (Previous Year ₹6787.02 Lakh) is derived from a single customer (i.e., Indian Railways)



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

### (a) Financial Instruments by category:

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

(₹ in Lakhs)

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

The carrying value and fair value of financial instruments by categories wise as on 31<sup>st</sup> 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	606.98	606.98	-	-	-	-
Borrowings	3230.73	3230.73	-	-	-	-
Other Financial Liabilities#	397.32	397.32	-	-	-	-
Total	4235.03	4235.03	-	-	-	-

# 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 market is determined using valuation techniques and observable Inputs for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

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

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

(₹ in Lakhs)

Particulars	Carrying Value As on 31.03.2022	Fair Value As on 31.03.2022	Level
<b>Financial Assets</b>			
Trade Receivables*	5752.64	5752.64	III
Other Financial Assets*	910.04	910.04	III
<b>Financial Liabilities:</b>			
Trade Payables*	359.62	359.62	III
Borrowings**	2464.75	2464.75	III
Other Financial Liabilities*	32.97	32.97	III

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
<b>Financial Assets</b>			
Trade Receivables*	1159.65	1159.65	III
Other Financial Assets*	858.63	858.63	III
<b>Financial Liabilities:</b>			
Trade Payables*	606.98	606.98	III
Borrowings**	3230.73	3230.73	III
Other Financial Liabilities*	397.32	397.32	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 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 ₹ 5752.64 Lakhs (Previous Year ₹ 1159.65 Lakh) and unbilled

revenue amounting to ₹ 779.27 Lakhs (Previous Year ₹ 756.44 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 trade receivables towards expected credit loss as per company accounting policy to the extent of ₹5.51 Lakh (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	5.51	-	251.11

No significant credit risk on cash and Bank Balances (including client's fund) of ₹3107.05 Lakhs (Previous Year ₹3807.21 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 ₹3081.59 Lakhs (Previous Year ₹3439.87 Lakhs) 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 ₹2464.75 Lakhs (Previous Year ₹3230.73 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 ₹8293.50 Lakhs (Previous Year ₹4045.39 Lakhs) include cash and bank balances (owned fund) of ₹3107.05 Lakhs (Previous Year ₹3445.95 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)

Particulars	Total Balance as on 31.03.2022	Within 1 Year	1 to 2 Years	2 to 5 years	More than 5 Years
Borrowings*	2464.75	766.46	766.46	931.83	-
Trade Payables	359.62	359.62	-	-	-
Other financial liabilities**	32.97	32.97	-	-	-
Particulars	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	606.98	606.98	-	-	-
Other financial liabilities**	397.32	397.32	-	-	-

\* Based on monthly fixed repayment of ₹63.87 Lakhs.

\*\* Including client fund of ₹ Nil (PY ₹361.26 Lakhs)



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

- (a) The Company presents revenue net of indirect taxes in its statement of profit & loss.
- (b) 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.
- (c) Company has contracts with customers for different services which are given below: -
- Sale of Power Generation
  - Consultancy Service
- (d) Company has recognized revenue either on the basis of over time or point in time depending upon satisfaction of performance obligation on transferring control of goods or services to customers. Revenue has been recognized by the company over time basis if any one of the following conditions is met:
- Customer simultaneously receives and consumes the benefits.
  - Company's performance creates or enhances an asset that the customer controls as the assets is created or enhanced.
  - Company's performance does not create with alternative use and company has enforceable right to payment for performance completed to date.

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

(e) Disaggregation Revenue information:

The below presents Disaggregated Revenues from contract with customer for the year ended 31st March 2022 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 2021-22	7172.42	Nil	2137.72	Nil	9310.14
FY 2020-21	5141.56	Nil	1645.46	Nil	6787.02

- (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 in the nature of security i.e., a source of protection and are not for financing the project.
- (h) Trade receivable and contract balances

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

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

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

During the year ended March 31, 2022, ₹756.44 Lakhs and March 31, 2021, ₹587.32 Lakhs of unbilled revenue as of April 1<sup>st</sup>, 2021, and April 1<sup>st</sup>, 2020, 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 31.03.2022	As on 31.03.2021
Receivables	6003.75	1405.25
Contract Assets- Unbilled Revenue	779.27	756.44
Contract Liabilities	Nil	Nil

- (i) Company has not incurred any cost for obtaining contracts except administrative cost required for preparation of offers and the same is charged to statement of profit & loss.
- (j) Cost incurred in fulfilling contracts is charged to statement of profit & loss if it is not recoverable otherwise the same is part of unbilled revenue and unbilled assets.

### 2.37 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 windmill plant during the FY 2015-16 for a period of 29 years. INOX Wind Ltd is the developer of entire windmill plant having total capacity of 554 MW and out of which 26 MW i.e., 13 Wind Towers each of 2MW capacity developed on 13 hectares land belongs to REMCL. The entire wind plant was developed under the Rajasthan Wind Policy under which the allotment of land to the Wind Power Developers was done as per the provisions of Rajasthan Land Revenue (Allotment of Land for setting up of Power plant based on Renewable Energy Sources) Rules, 2007 as amended from time to time. The entire payment for such land 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, 2022, and March 31, 2021.

(₹ in Lakhs)

Particulars	Category of ROU Assets	
	Sub Lease Land	
	As on 31.03.2022	As on 31.03.2021
Balance as at the beginning of the year	82.27	86.48
Reclassified on account of adoption of Ind AS 116	-	-
Additions	-	-
Deletion	-	-
Depreciation	4.21	4.21
Balance as at the end of the year	78.06	82.27

- (ii) In respect of ROU, an amount of ₹4.21 Lakhs has been charged by way of depreciation in the statement of profit and loss account.
- (iii) There are no provisions relating to contingent rent.
- (iv) Company has no commitments towards Leases yet to be commenced as on 31.03.2022 and 31.03.2021.

(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 2021-22 is ₹90.65 Lakhs (Previous Year ₹93.36 Lakhs)
- ii. Expenditure incurred including advances on CSR during the year on

(₹ in Lakhs)

Particulars		Amount Paid		Amount Yet to be paid		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
(i)	Construction/acquisition of any assets	Nil	Nil	Nil	Nil	Nil	Nil
(ii)	On purposes other than (i) above*	80.61	93.36	10.04**	Nil	90.65	93.36
	<b>Total</b>	<b>80.61</b>	<b>93.36</b>	<b>10.04</b>	<b>Nil</b>	<b>90.65</b>	<b>93.36</b>

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

(a) Man-Month Expense - ₹ 4.32 Lakhs (PY ₹4.45 Lakhs)

(b) Other Expense - ₹ Nil (PY ₹ Nil)

\*\*Deposited in to separate bank account in the month of April 2022, as per the recent guidelines of CSR.

- iii. Short fall other than ongoing projects of CSR-Nil (Previous Year-Nil)
- iv. Reasons for Short fall other than ongoing projects of CSR - Not Applicable
- v. Nature of CSR Activities: During the year Company has spent CSR expenditure on activities like purchase of medical van/Ambulance, procurement of mask, oxygen concentrator, medicine, financial assistance for providing drinking water, infrastructure facilities in school and contribution to PM care.
- vi. Details of Unspent CSR amount of ongoing project in compliance with the provision of section 135(6) of the Act.



Particulars	As on 31.03.2022	As on 31.03.2021
Opening provision of unspent CSR amount of ongoing project	-	-
Additions	10.04	-
Deletion	-	-
Depreciation	-	-
Balance as at the end of the year	10.04	-

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

(₹ in Lakhs)

S. No.	Particulars	As at 31.03.2022	As at 31.03.2021
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year - Principal amount due to micro and small enterprises - Interest due on above	4.62	3.43
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.) has initiated the process of identification of suppliers registered under The Micro, Small and Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collected only to the extent of information received.

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

- (f) CWIP Ageing Schedule for the **FY 2021-22**

(₹ in Lakhs)

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

## CWIP Ageing Schedule for the FY 2020-21

(₹ in Lakhs)

Particulars	Amount in Capital Work-in-progress for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	1.15	-	-	-	1.15
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.15</b>

## (g) CWIP completion schedule for the FY 2021-22

(₹ in Lakhs)

Particulars	Capital Work-in-progress to be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress					
Mumbai Flats	9.36	-	-	-	9.36
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	<b>9.36</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>9.36</b>

## CWIP completion schedule for the FY 2020-21

(₹ in Lakhs)

Particulars	Capital Work-in-progress to be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress					
Mumbai Flats	-	-	-	-	-
Bhikaji Cama Place	1.15	-	-	-	1.15
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	<b>1.15</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>1.15</b>

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

(i) Disclosure of Ratios:

Ratios	Numerator	Denominator	As at 31.03.2022	As at 31.03.2021	Variance (%)	Reason for variance
Current Ratio	Current Assets	Current Liabilities	6.56	3.20	105%	Mainly due to Increase in trade receivable and decrease in current liabilities (Reduction in client funds)
Debt-Equity Ratio	Debt	Total Equity	0.11	0.18	-37%	Repayment of principal amount, Increase in Total equity

Ratios	Numerator	Denominator	As at 31.03.2022	As at 31.03.2021	Variance (%)	Reason for variance
Debt Service Coverage Ratio	Earnings Available for debt services; (PAT+ Depreciation+ interest+ loss on sale of fixed assets)	Interest + principal Repayment	5.58	3.11	80%	Increase in Earning available for debt services and reduction in debt payable.
Return on Equity Ratio (%)	PAT	AVERAGE SHAREHOLDER Fund (Total Equity as on 31.03.2021+ Total Equity as on 31.03.2022)/2	22.88	13.94	64%	Increase in PAT around 88 %
Inventory turnover ratio	NA	NA	-	-	-	-
Trade Receivables turnover ratio	Net credit sales (Excluding Unbilled Revenue and GST)	Average Account Receivable (Net of Credit Impaired)	2.47	3.72	-34%	Increase in Credit sales and increase in Trade receivable
Trade payables turnover ratio	Net credit purchase (Fees for service obtained+ salary Re-imbursement+ generation expenses+ Other Expenses-CSR exp-Provision for DD	Average Trade Payable	4.26	4.69	-9%	
Net capital turnover ratio	Net Sales (Total Income)	Working Capital (Current Assets-Current Liabilities)	1.15	1.70	-32%	Working capital increase by 105 % in FY22, however Net sales increase by 38% only over last FY
Net profit ratio (%)	PAT	Net Sales (Total Income)	47.64	35.11	36%	38% increase in Net sales and 88% increase in PAT
Return on Capital employed	EBIT	Capital Employed (Tangible Net worth+ Total Debt+ Deferred Tax	25.44	16.71	52%	Increase in EBIT over previous year

### (j) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

#### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.



### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Group does not expect the amendment to have any significant impact in its financial statements.


### Ind AS 109 – Annual Improvements to Ind AS (2021)


The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

For and on behalf of the Board of Directors

  
RAHUL MITHAL  
Chairman  
DIN: 07610499

  
BIBHU PRASAD  
NAYAK  
Director  
DIN: 08197975

  
AJAY KUMAR SINGHAL  
Chief Executive Officer

  
ANJEEV KUMAR JAIN  
Chief Financial Officer  
FCMA: 17407

  
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 : New Delhi  
Dated : 17-05-2022

**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 2022.**

The preparation of financial statements of **REMC LIMITED** for the year ended 31 March 2022 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 17 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct supplementary audit of the financial statements of **REMC Limited** for the year ended 31 March 2022 under Section 143(6)(a) of the Act.

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



**Vikram D. Murugaraj**  
Principal Director of Audit  
Railway Commercial, New Delhi

**Place: New Delhi**  
**Dated: 15.07.2022**



(Newly inaugurated office of REMCL at Bhikaji Cama Place, New Delhi)



## **CORPORATE INFORMATION**

### **Registered Office:**

Plot No. 7, PNB Building, 8th Floor, Bhikaji Cama Place, Delhi-110066 (India)  
Ph. No. : 011-69203000

### **Corporate Office:**

rites Bhawan, Plot No. 1, Sector 29, Gurugram-122001 (India)  
Email: [remcl@rites.com](mailto:remcl@rites.com) | Web: [www.remcltd.com](http://www.remcltd.com)  
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

## CORPORATE INFORMATION

### Registered Office:

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

Ph. No. : 011-69203000

### Corporate Office:

rites Bhawan, Plot No. 1, Sector29, Gurugram-122001 (India)

Email: [remcl@rites.com](mailto:remcl@rites.com) | Web: [www.remcltd.com](http://www.remcltd.com)

CIN: U93000DL2013GOI256661

